

## Client Asset Key Information Document ('CAKID')

*The purpose of this document is to provide total transparency for clients and potential clients on how and where BCWM holds client assets, the risks therein, and to clarify the applicable regulations surrounding the holding and safeguarding of client assets. This document forms part of the Firm's Terms of Business and is available on the Firm's website.*

Pursuant to the safeguarding of client assets, and the arrangements the Central Bank of Ireland operates to supervise how regulated financial service providers receive and hold client funds and financial instruments, the current Client Asset Requirements ("the Regulations" or "CAR")<sup>1</sup> came into effect on 3 January 2018.

BCWM, as an investment firm regulated by the CBI, must ensure that client assets are held in accordance with CAR<sup>2</sup>. The key purpose of CAR is to protect Client Assets i.e. the funds and financial instruments that you place with BCWM or a third party, such as a banking institution, via BCWM.

*The client assets regime, however, cannot fully eliminate all risks relating to client assets including those arising from fraud or negligence.*

This document seeks to provide:

- A) An explanation of the key features of the regulatory regime which applies to the safeguarding of client assets
- B) An explanation of what constitutes Client Assets under this regime
- C) The circumstances in which this regime does apply and does not apply
- D) An explanation of the circumstances in which BCWM will hold Client Assets itself, deposit Client Assets with a third party and deposit Client Assets outside the state
- E) The arrangements applying to the holding of Client Assets and the relevant risks associated with these arrangements.

If you require any additional information in relation to client assets, please do not hesitate to contact BCWM. Please mark your query for the attention of the Head of Compliance and Risk.

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<sup>1</sup> The Central Bank (Supervision and Enforcement Act 2013 (Section 48(1) (Investment Firms) Regulations 2023 Part 6 Client Asset Requirements

<sup>2</sup> Please consult the Central Bank of Ireland website ([www.centralbank.ie](http://www.centralbank.ie)) for further information on the Client Asset Requirements and Guidance issued which provides assistance in understanding the Regulations

## A) THE REGULATIONS

The Regulations are set out under seven core Client Asset Principles as follows:

<b>Segregation</b>	BCWM must hold client assets separate from the Firm's own assets and maintain accounting segregation between the Firm's own assets and those assets that belong to clients.
<b>Designation &amp; Registration</b>	BCWM must ensure that all of its internal records and those of third parties (e.g. Banks) clearly illustrate that all client assets are clearly identifiable and separate from the Firm's own assets.
<b>Reconciliation</b>	<p>BCWM must keep accurate records and books to enable it at any time, and without undue delay, to provide an accurate record of the client assets being held. This covers each individual client and also the total funds held in client asset accounts.</p> <p>BCWM must reconcile its internal records with those of the third party who hold the client assets e.g. a Bank. This is done by way of reconciling internal accounting records against a third party statement such as a bank statement.</p>
<b>Calculations</b>	<p>Each business day BCWM must undertake a calculation to ensure that the sum total of client funds of all internal client asset accounts equate to what the third party show on their statement. A business day is generally defined as a day banks in Ireland are open for business</p> <p>Each Month BCWM must undertake a calculation to ensure the aggregate balance of client financial instruments resource at month end is equal to the client financial instruments requirement.</p>
<b>Client Disclosure &amp; Client Consent</b>	BCWM must provide information to all its clients informing them how and where their client assets are held and also inform them of the resulting risks thereof.
<b>Risk Management</b>	BCWM have put in place systems and controls to identify potential risks to client assets and relating mitigants to counteract those risks associated with the safeguarding of client assets.
<b>Client Asset Examination</b>	BCWM engage the services of an external audit firm to carry out a review, on an annual basis, and issue a report stating how the firm is adhering to the Regulations and the safeguarding of client assets.

## B) CLIENT ASSETS

The Regulations define Client Assets as Client Funds and Client Financial Instruments:

CLIENT ASSETS	
<p><b>Client Funds</b></p> <p>Defined in detail in the Regulations, in short, means any money to which the client is beneficially entitled, received from or on behalf of a client or held by BCWM (or nominee) on behalf of a client, <b>excluding</b> money received that relates exclusively to an activity of BCWM that is not a regulated financial service.</p> <p><i>In summary, money received and held by the firm for investment in Client Financial Instruments.</i></p>	<p><b>Client Financial Instruments</b></p> <p>These are Financial Instruments as defined under MiFID and Investment Instruments as defined under the Investment Intermediaries Act 1995.</p> <p>Though not an exhaustive list this includes:</p> <ul style="list-style-type: none"> <li>• transferable securities (e.g. shares and bonds)</li> <li>• money market instruments</li> <li>• units/shares in a UCIT</li> <li>• units in a unit trust</li> <li>• collective investment schemes</li> <li>• Exchange Traded Funds (ETF)</li> </ul>

## C) WHEN THE REGULATIONS APPLY

CAR APPLIES	CAR DOES NOT APPLY*
<p>The Regulations <b>apply</b> in respect of client funds that are received for an activity that is a regulated financial service.</p> <p>In the case of BCWM, this means:</p> <ul style="list-style-type: none"> <li>- Receipt and Transmission of Orders</li> <li>- Portfolio Management</li> <li>- Investment Advice</li> <li>- Investment Funds</li> </ul> <p>As it pertains to Client Financial Instruments as defined above.</p>	<p>The Regulations do <b>not</b> apply in respect of funds received for an activity that is not a regulated financial service.</p> <p>These include activities related to:</p> <ul style="list-style-type: none"> <li>- Registered Administrator of SSAPS</li> <li>- QFM of ARFs</li> <li>- Investments directly in Real Estate</li> </ul>

*\*BCWM applies its internal CAR procedures to "Non-CAR Client Assets" (e.g. real estate, insurance policies, etc) to the greatest extent possible. Such assets are segregated and also held in compliance with the Consumer Protection Code, though these accounts are not protected as client assets under CAR and are not covered by investor compensation schemes.*

Examples of when CAR applies:

	Circumstances in which assets are client assets:	Circumstances in which assets are <u>NOT</u> client assets:
Example 1	Funds received by electronic bank transfer, cheques and other payable orders will be client funds from the time of receipt of the cheque or other payable order by BCWM <i>[except in the case directly across]</i> .	BCWM receives a cheque, or other payable order made payable to a third party (e.g. a product producer), and directly transmits that cheque or other payable order to that party.
Example 2	BCWM physically holds a client's share certificate(s) for safe keeping	Where a client transfers full ownership of client assets to BCWM for the purpose of securing or otherwise covering present or future, actual or contingent or prospective obligations, such client assets should no longer be regarded as belonging to the client.
Example 3	Interest is paid on a deposit account (the interest is deemed to be client funds when the interest is credited to the client's account).	Funds that are due and payable to BCWM itself, in accordance with a number of provisions, including the following: - the amount is in accordance with a formula or basis previously disclosed to the client by BCWM; or - the precise amount of fees or commissions has been agreed by the client in writing or has been finally determined by a court of competent jurisdiction.
Example 4	Dividends are treated as Client Funds when BCWM receive the funds on the client's behalf.	<u>Client assets cease to be client assets where:</u>  - they are paid, or transferred, to the client whether directly or into an account with an eligible credit institution or relevant party in the name of the client (not being an account which is also in the name of BCWM); or - they are paid, or transferred, to a third party on the written instruction of the client and are no longer under the control of BCWM

**The above examples are not exhaustive; please do not hesitate to contact BCWM should you have any queries.**

Please note that the client asset regime does not relate to the **value** of a client investment, rather it applies specifically to the **safeguarding** of Client Assets.

BCWM plc is regulated by the Central Bank of Ireland and authorised as a Qualified Fund Manager by Revenue Commissioners.

## D) HOW CLIENT ASSETS ARE HELD

*The list of third parties with whom BCWM place Client Assets and Client Financial Instruments is set out below in Section F.*

### Client Assets held by BCWM or Third Party

BCWM holds client assets when they have been lodged or entrusted to BCWM on behalf of a client.

Where BCWM physically holds a client's asset (e.g. share certificate) for safe keeping, it is held in a fire-proof safe located on BCWM's premises. BCWM holds client assets in individual or pooled<sup>3</sup> designated client asset accounts in the name of BCWM.

Unless otherwise advised to you, client funds are held in pooled designated client asset accounts pending investment. Client funds are covered by the Deposit Guarantee Scheme- [www.depositguarantee.ie](http://www.depositguarantee.ie). Client financial instruments are held in individual designated client asset accounts. These entities are regulated by the CBI, at a minimum for conduct of business rules. Investor Compensation schemes also apply – please see the relevant entities' websites (provided in section F below).

### Client Assets held outside the State of Ireland

In the event that client assets are to be deposited with a third party outside the State, BCWM will advise the client of the name of the regulatory authority to which that third party is responsible, the regulations that the third party is subject to, any applicable risks or limitations, the basis on which that third party was selected, and whether it is related to BCWM or independent of it. Where client assets are held outside the State, BCWM will confirm what investor compensation scheme applies, the arrangements that apply to the holding of client assets, the risks associated with those arrangements, and controls in place to mitigate such risks.

BCWM holds client assets with the following Stockbrokers outside of Ireland:

- Stocktrade (Embark Investment Services Limited), Redmayne Bentley LLP and All Funds Bank SAU London Branch are all located in the United Kingdom (see section F). These firms are regulated by the Financial Conduct Authority ("FCA"), are entered on the Financial Services Register ([www.fca.org.uk](http://www.fca.org.uk)). Both Firms are currently subject to MiFID and GDPR regulations. The UK Government and the FCA are committed to maintain continuity in the regulatory environment to UK Financial Services Providers. Retail clients may have a right to make a claim against the Financial Services Compensation Scheme if UK regulated firms fail.

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<sup>3</sup> i.e. they hold the assets of more than one client

- Ramsey Crookall and Co Limited is located in the Isle of Man (see section F). This firm is regulated by the Isle of Man Financial Services Authority, <https://www.iomfsa.im/> and a member of the London Stock Exchange. The Firm is licensed under the Investment Business Act 1991 and Isle of Man Data Protection Legislation and Regulation.

If for legal or regulatory purposes and if BCWM considers it in the clients' best interests to move to other brokers, it will do so giving clients as much notice as possible and we will provide you with details as outlined in the paragraph above. Should you wish to make alternative arrangements in such circumstances please notify us accordingly in good time.

### Basis of Third Party Selection

All credit institutions and investment firms chosen to hold client assets are done so by the Board on the recommendation of BCWM's Investment Committee, comprised of senior management, consultants, and directors. All third parties undergo regular review to ensure they continue to satisfy BCWM's internal risk assessment. They are assessed based on their regulated status, financial strength, range of services offered, and their adherence to CAR amongst other factors.

### Risks and Limitations

The Client Asset regime seeks to regulate and safeguard the handling of Client Assets; however, it is impossible to eliminate all risks relating to Client Assets. Though not exhaustive, the below are examples of such risks:

- Counterparty default – If a third party with which BCWM holds client assets defaults or enters insolvency there is a risk that the client may not receive back all, or any, of their assets. It is also possible that the return of assets may be delayed (e.g. liquidation process).
- Fraud – In the event of a fraud or operational failure, either through intentional or unintentional actions from an internal or external source to BCWM or a third party, the Client Assets held on your behalf may be misappropriated, diminished or unavailable to you for a period of time.

Such risks are mitigated, for example, by BCWM's risk assessment of third parties, the segregation of client asset accounts in both BCWM and the third party, the employment of extensive control and risk management processes to comply with the CAR, and internal and external audit reviews.

## E) ARRANGEMENTS IN RELATION TO HOLDING OF CLIENT ASSETS

Further to Section D above, BCWM has in place a Board approved Client Asset Management Plan (CAMP) which sets out how Client Assets are to be protected. The Board of BCWM is ultimately responsible for the management and governance of its business and places the highest priority on its responsibilities in relation to Client Assets.

The Board has appointed a Head of Client Asset Oversight who is responsible for ensuring the safeguarding of Client Assets.

The Board has established a Board sub-committee, the Risk Committee, whose remit includes monitoring and assessing the risks in relation to the safeguarding of Client Assets.

In addition to BCWM's internal audit function and the normal monthly regulatory filings and inspections, client asset accounts are audited on an annual basis by external auditors to examine compliance with the CAR and report on same to the Central Bank of Ireland.

Other than in the case of a client's specific instruction, BCWM only holds client assets with those third parties on BCWM's Authorised List, on whom an appropriate due diligence and risk assessment is conducted and regularly updated.

The movement of client assets is subject to a dual-signatory policy within BCWM, with both signatories being of Senior Management level.

Client bank accounts are reconciled daily. All accounts which hold client financial instruments are reviewed and reconciled monthly. Physical holdings are also reconciled monthly.

Any material findings are immediately reported to the Board and the CBI.

## F) THIRD PARTIES WITH WHOM BCWM PLACE CLIENT ASSETS

### In Ireland

Name	Registered Office	Website	Types of Accounts held	Related Party
<b>Bank of Ireland &amp; Bank of Ireland Private</b>	40 Mespil Road Ballsbridge, Dublin 4	<a href="http://www.bankofireland.com">www.bankofireland.com</a>	Pooled and Individually Designated	<b>No</b>
<b>Allied Irish Bank</b>	Bankcentre, Ballsbridge, Dublin 4	<a href="http://www.aib.ie">www.aib.ie</a>	Pooled and Individually Designated	<b>No</b>
<b>Davy</b>	Davy House 49 Dawson Street Dublin 2	<a href="http://www.davy.ie">www.davy.ie</a>	Individually Designated	<b>No</b>
<b>Goodbody</b>	Ballsbridge Park Ballsbridge, Dublin 4	<a href="http://www.goodbody.ie">www.goodbody.ie</a>	Individually Designated	<b>No</b>
<b>Cantor Fitzgerald</b>	75 St. Stephen's Green, Dublin 2	<a href="http://www.cantorfitzgerald.ie">www.cantorfitzgerald.ie</a>	Individually Designated	<b>No</b>
<b>Quilter Cheviot Limited</b>	Hambleden House, 19-26, Lower Pembroke Street, Dublin 2	<a href="http://www.quiltercheviot.ie">www.quiltercheviot.ie</a>	Individually Designated	<b>No</b>

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<b>BCP Asset Management</b>	71 Upper Leeson Street, Dublin 4	<a href="http://www.bcp.ie">www.bcp.ie</a>	Individually Designated	<b>No</b>
<b>Brewin Dolphin</b>	3 Richview Office Park Clonskeagh Dublin 14.	<a href="http://www.brewindolphin.ie">www.brewindolphin.ie</a>	Individually Designated	<b>No</b>
<b>Gresham House Asset Management limited</b>	<b>The Atrium, 42 Fitzwilliam Place, Dublin 2.</b>	<a href="http://www.greshamhouse.ie">www.greshamhouse.ie</a>	<b>Individually Designated</b>	<b>No</b>

## Outside Ireland

<b>Name</b>	<b>Location</b>	<b>Registered Office</b>	<b>Website</b>	<b>Types of Accounts held</b>	<b>Related Party</b>
<b>Stocktrade/Embark Investment Services Limited</b>	Edinburgh, UK	70 George St, Edinburgh EH2 2LT, UK	<a href="http://www.stocktrade.co.uk">www.stocktrade.co.uk</a>	Pooled and Individually Designated	<b>No</b>
<b>Redmayne Bentley</b>	Leeds, UK	3 Wellington Place Leeds LS1 4AP	<a href="http://www.redmayne.co.uk">www.redmayne.co.uk</a>	Pooled and Individually Designated	<b>No</b>
<b>Interactive brokers</b>	London, UK	Level 20 Heron Tower, 110 Bishopsgate, London EC2N 4AY	<a href="http://www.interactivebrokers.co.uk">www.interactivebrokers.co.uk</a>	Individually Designated	<b>No</b>
<b>All Funds</b>	Spain & UK	Calle de los Padres, Dominicos 7 28050 Madrid Spain & 2 Fitzroy Place, 8 Mortimer Street, London, W1T 3JJ.	<a href="http://www.allfunds.com">www.allfunds.com</a>	Pooled and Individually Designated	<b>No</b>
<b>Ramsey Crookall and Co Limited</b>	Isle of Man	<b>34/42 Athol Street, Douglas, Isle of Man, IM1 1GH.</b>	<a href="http://www.ramseycrookall.com">www.ramseycrookall.com</a>	Pooled and Individually Designated	<b>No</b>

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