



Client Asset Key Information Document (CAKID)

Introduction

The purpose of the Client Asset Key Information Document ("CAKID") is to provide you with:

- An explanation of the key protections of the regulatory regime that applies to safeguarding of client assets.
- An explanation of what constitutes client assets under the regime.
- The circumstances in which the regime applies and does not apply.
- An explanation of the circumstances in which BCP Asset Management DAC ("BCP") will hold client assets, deposit client assets with a third party and deposit client assets with a third party outside the state.
- The arrangements applying to the holding of client assets and the relevant risks associated with this.

What are the Client Asset Requirements ('CAR')?

BCP, as a MiFID investment firm regulated by the Central Bank of Ireland ("CBI") and authorised to hold client assets, must ensure that we hold client assets in accordance with the Regulations. The principle legislation governing the safekeeping of client assets comprises of:

The Client Asset Requirements contained in Part 6 of (S.I. No. 10 of 2023) Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Investment Firms) Regulations 2023.

European Union (Markets in Financial Instruments) Regulations 2017 (S.I. No. 375 of 2017) ("MiFID Regulations"), in particular, Schedule 3 to the MiFID Regulations in respect of the Safeguarding Client Financial Instruments and Funds.

Please consult the Central Bank of Ireland website for further information, including the Central Bank's Guidance document, on the Client Asset Requirements.

<https://www.centralbank.ie/regulation/industry-market-sectors/client-assets/client-assets-legislation>

The key purpose of the Client Asset Requirements ("CAR") is the protection and safeguarding of Client Assets i.e. the funds that you place with an eligible credit institution via BCP. The client assets regime however cannot fully eliminate all risks relating to client assets (such as fraud, counterparty default

and negligence) and does not have an influence on the value of the client assets.

Key Features

The Requirements are set out under seven core Client Asset Principles, as follows;

1. Segregation

BCP 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.

2. Designation & Registration

BCP must ensure that all of its internal records and those of third parties (e.g. Eligible Credit Institutions) clearly illustrate that all client assets are clearly identifiable and separate from the firm's own assets.

3. Reconciliation

BCP 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 the assets of each individual client and also the total assets held in client asset accounts.

BCP must reconcile their internal records with those of the third party who physically hold the client assets e.g. an Eligible Credit Institution. This is done by way of reconciling internal accounting records against a third party statement such as an eligible credit institution statement at a frequency required under the regulations.

4. Calculation

Each working day BCP must undertake a calculation to ensure that the sum total of all of its internal client fund account balances (Client Funds Resource) equals all client funds held on behalf of clients (Client Funds Requirement). A working day is defined in the Interpretation Act 2005 as a day that is not a Saturday, Sunday or public holiday.

On a monthly basis BCP must undertake a calculation to ensure that the sum total of all its internal client financial instrument account balances (Client Financial Instrument Resource) equals all client financial instruments held on behalf of clients (Client Financial Instruments Requirement).

5. Client Disclosure and Client Consent

BCP 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.

6. Risk Management

BCP have put in place systems and controls to identify potential risks to client assets and relating mitigants to counteract those risks. This is overseen by Head of Client Asset Oversight in the first instance but also by the Head of Compliance, Chief Risk Officer and a Risk and Compliance Committee.

7. Client Asset Examination

BCP engage the services of an independent external audit firm to carry out a review, at least on an annual basis, and issue a report stating how the firm is adhering to the Regulations and the safeguarding of client assets.

What are client assets?

Client assets are made up of client funds and client financial instruments

1. Client funds is cash held by BCP in current and deposit accounts on behalf of clients to whom we provide regulated financial services, and includes cheques or other payable orders.
2. Client financial instruments are generally all types of securities such as shares and bonds. Financial Instruments are defined in Schedule 1 Part 3 of the MiFID Regulations and Section 2(1) of the Investment Intermediaries Act 1995.

When does CAR apply and not apply?

CAR only applies to client funds and/or client financial instruments that have been received by BCP in respect of a regulated financial services and where the firm has the capacity to effect transactions over those assets.

The following are not considered client assets under CAR:

- Funds received by BCP from you or on your behalf that do not relate to a regulated financial service. BCP products that are not considered client assets are noted below.
- An order made payable to a third party, which is directly transmitted by BCP to the third party; or
- A payable order received from you that is not honoured by the paying eligible credit institution.

Client assets will cease to be client assets under the CAR when:

- Client funds are paid or transferred to you, either directly into an account with an eligible credit institution or a relevant third party in your name; or
- Client funds are paid or transferred to a third party on your written instruction and are no longer under the control of BCP.
- If you instruct BCP to invest your funds in an unregulated product we will transfer your funds to a bank account that is not governed by CAR.

Product documentation will always indicate if the CAR regulations will apply.

What Products and Services BCP offer

PRODUCT TYPE	SERVICE	IN SCOPE OF CAR OR OTHER EU LEGISLATION
Listed Notes & Certificates	Receipt and transmission	Yes – Financial Instrument
Deposit Based Products	Receipt and transmission	Yes – Client Funds
Film Finance Scheme	Not a MiFID service	No – unregulated product
Life Assurance Products	Insurance Intermediary	No – Funds are made payable to insurance provider
BCP Property Value Added Fund	Not a MiFID service	No – Units are registered directly in clients' name
Approved Retirement Fund/ Personal Retirement Bond	Qualified Fund Manager	Yes – Client Funds

How does BCP hold client funds?

BCP will hold client funds which are pooled with other clients' funds in an omnibus client asset account in the name of BCP. An omnibus account is a third party client asset account in which the client assets of more than one client are deposited. Clients have a claim against the client assets pool in a specific account. Client funds will be held in a BCP omnibus Client Asset account if you invest in a regulated BCP product.

In this case the assets will be deposited with the counterparty related to the product. Depending on the product you wish to invest in, this counterparty may be outside the State. We will also hold client assets in a BCP Client Asset account if we hold funds on your behalf pending an instruction from you to invest in a regulated product with respect to those funds.

Client assets are held with the relevant eligible credit institution in an account within the State, the EEA or third country. Where client funds are to be (i) passed to a third party outside the State; or/and (ii) where any lien, security interest and/or right of set-off is granted over the client's assets then BCP will obtain your written consent.

BCP will exercise due diligence, which includes assessing Credit Rating and quality of service, in the selection, appointment, and periodic review of each Third-Party holding client assets. BCP will undertake an initial and on-going due diligence of such a Third Party but is not responsible for any acts, omissions, or default of any such Third Party.

How does BCP hold client financial instruments?

BCP will hold client financial instruments which are pooled with other clients' financial instruments in a custody omnibus client asset account in the name of BCP with an independent third party custodian. Clients have a claim against the client assets pool in a specific account. Client financial instruments will be held in a BCP omnibus Client Asset account if you invest in a regulated BCP product.

BCP will exercise due diligence, which includes assessing Credit Rating and quality of service, in the selection, appointment, and periodic review of each Third Party holding client assets. BCP will undertake an initial and on-going due diligence of such a Third Party but is not responsible for any acts, omissions, or default of any such Third Party.

Client assets held outside the state

Where client assets are to be held by a third party outside of Ireland, the firm will advise you of the name of the regulatory authority to which they are 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 the firm or independent of it. The firm must also 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.

Arrangements applying to the holdings of client assets and the associated risks

BCP will obtain from the relevant Third Party with whom we hold client assets, acknowledgement that the account is a Client Asset Account containing client asset in the title, that the client assets will be held separately from BCP's assets and reconcile these accounts as prescribed under CAR.

Main Risks or limitations to safeguarding client assets

While CAR imposes obligations on firms to segregate client assets from the firm assets, it does not guarantee the protection or the value of the client assets. Clients will continue to bear the risk of default in the event of the firm or and eligible credit institution or custodian defaulting on its obligations. The material risks associated with safeguarding of client assets are outlined below.

→ Counterparty Risk

Also known as default risk, is the risk that a counterparty will not pay what it is obligated to or the counterparty becomes insolvent or faces other financial difficulties.

→ Risk of Pooling

Client assets held in omnibus accounts are pooled together, this is the risk that one client's assets will be used to fund another clients transactions or that the pool may have a deficit and the losses would be applied on a pro-rate basis across all clients in the pool.

→ Risk of Fraud

The risk of fraud relates to an intentional deception made for personal gain or to damage another individual which may be perpetrated internally or externally to a firm.

→ Operational Risk

The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Risk Mitigants

BCP hold client assets with a number of Third Parties and monitor their performance on an on-going basis, including by carrying out regular risk assessments.

BCP have in place extensive policies, procedures and controls to ensure compliance with CAR to safeguard client's assets.

In addition to external oversight by the Central Bank of Ireland and our independent external auditors we also have in place a number of independent functions to oversee the management of client assets within the Firm. Client Assets are overseen by Head of Client Asset Oversight in the first instance but also by the Head of Compliance, Chief Risk Officer and a Risk and Compliance Committee.

The Head of Client Asset Oversight is a pre-approved function under the fitness and probity regulatory regime. They oversee and assess the risks and controls in place to safeguard client assets to ensure compliance with the Central Bank of Ireland's Client Asset Requirements.

Compliance independently monitor and assess the firms compliance with our legal and regulatory requirements.

Internal Audit establishes, implements and maintains an audit plan to examine the firms internal systems and controls.

Chief Risk Officer oversees all the risks to the firm and ensures we have in place a comprehensive risk framework.

Investor Compensation Scheme

BCP is a member of the Irish Investor Compensation Scheme ("ICS"), which provides compensation to eligible investors should BCP become insolvent. Eligible investors, that are clients of BCP, will be eligible to claim under the ICS for up to a maximum of EUR 20,000 under the limits and conditions set out in the Investor Compensation Act 1998 (as amended). Full details of the Investor Compensation Scheme are available on www.investorcompensation.ie. In the event of changes to the scheme, details will be provided on the ICS website.

If you have any queries or require clarification on the contents of this document please contact the

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