

Concorde Investments Ireland Ltd

Client Asset Key Information Document

1. Background

Concorde Investments Ireland Ltd (“CII” or the “Firm”) is required under the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) (Investment Firms) Regulations 2017 (S.I. 604/2017, [the “Regulations”](#)) to disclose to its clients in advance of signing any investment agreement, a copy of its Client Asset Key Information Document (“CAKID”). We refer to the Central Bank of Ireland’s website www.centralbank.ie, for information on client assets and related requirements.

The purpose of the CAKID is to provide the following information in a transparent manner and provide an explanation as to how your assets will be administered and safekept under the following headings:

- An explanation of key features of the regulations which apply to the safeguarding of client assets;
- An explanation of what constitutes client assets under that regime;
- The circumstances in which that regime applies and does not apply;
- An explanation of the circumstances in which the Firm will hold client assets itself, deposit client assets with a third party and deposit client assets with a third party outside Ireland if applicable;
- The arrangements applying to the holding of client assets and the relevant risks associated with these arrangements.

This CAKID should be read in conjunction with CII’s Terms of Business.

2. Key Features

The Regulations set out the following seven principles which CII must adhere to:

Segregation:

All client assets must be held separately to the assets of CII, and accounting segregation must be maintained at all times between CII’s own assets and client assets.

Designation and Registration:

CII must ensure that client assets are clearly identifiable and distinguished from its own assets in internal records and in the records of third parties.

Reconciliation:

CII must keep accurate books and records to enable it at any time, without delay, to provide an accurate record of the client assets held by CII for each client, and the total held in the pooled designated client asset account(s).

Daily Calculation:

CII must undertake reconciliations on a daily basis to ensure that the aggregate balance on its client asset bank account (client money resource) as at the close of business on the previous working day is equal to the amount it should be holding on behalf of its client (client money requirement).

Client Disclosure and Consent:

CII shall provide information to clients in a way which informs the client as to how and where their client assets are held, and the related risks. Disclosures to the client shall be set out clearly and concisely in English in

- A written Terms of Business
- A Client Asset Key Information Document (CAKID)
- An Annual Statement

Risk Management: CII shall ensure that it has appropriate systems and controls in place to identify risks in relation to client assets and must ensure that mitigants are put in place to counteract these risks.

Client Asset Examination: CII has appointed an external auditor, O'Connor Sheedy & Co to carry out on at least an annual basis, a client asset examination to assess the protections and mitigants put in place by the Firm, to safeguard client assets.

3. What Constitutes Client Assets

Client assets, as defined by the CBI guideline, are composed of client funds and client financial instruments.

Client funds will be any monies received from or held on behalf of a client, by CII, to which the client has a beneficial interest. This may include electronic fund transfers and cheques or any part of monies constituting client funds, when received together with funds of any other type.

Client financial instruments will be any financial instruments as defined by [SI 375 of 2017 European Union Markets in Financial Instruments Regulations 2017](#) held by CII on behalf of a client in a pooled designated client asset account. CII intends to provide these services mainly in relation to units in collective investment undertakings, transferable securities and money market instruments for which the Firm is authorised.

The value of your investments is not regulated by these regulations.

4. When the Regulations will not apply

The following are not considered client assets:

- Money received by CII from or on behalf of the client that do not relate to a regulated financial service;
- Full ownership of client assets is transferred to CII for the purpose of securing or otherwise covering present or future, actual or contingent or prospective obligations;
- A cheque received by CII, or other payable order, made payable to a third party, which is directly transmitted to the third party;
- A cheque or payable order received from the client is not honoured by the relevant credit institution.

5. When the Regulations cease to apply

Client assets will cease to be client assets when:

- Client funds are paid or transferred to the client, either directly into an account with an eligible credit institution or a relevant third party in the name of the client;
- Client funds are paid or transferred to a third party on the written instruction of the client, and are no longer under the control of CII.

6. An explanation of the circumstances in which CII will hold client assets itself, hold client assets with a third party and hold client assets in another jurisdiction

CII has engaged custodians to hold its client assets as described below.

- CII has engaged Citibank Europe plc, Hungarian Branch Office acting in the name and on behalf of Citibank Europe Plc. ("CEP") as an eligible credit institution to hold both Client Funds and Client Financial Instruments. CEP is authorised by the Central Bank of Ireland as a credit institution,

Central Bank Registration No.: C26553, with its registered address at 1 North Wall Quay, Dublin 1, Ireland and is subject to supervision by the Central Bank of Ireland. Citibank Europe plc, Hungarian Branch Office is located Váci út 80, Budapest, 1133, Hungary. Registration court and court number: Municipal Court of Budapest, acting as Court of Registration 01-17-000560 and is subject to supervision by the Central Bank of Ireland and also the Central Bank of Hungary for Conduct of Business Rules.

- CII has engaged Concorde Securities Limited (Concorde) as a custodian to hold Client Financial Instruments. Concorde is a regulated investment service provider, acting under the implemented and directly applicable rules of MiFID II and authorised and regulated by the National Bank of Hungary. Concorde has its registered office at 1123 Budapest, Alkotás u. 55-61., registration court and court number: Municipal Court of Budapest, acting as Court of Registration 01-10-043521).

CII may also appoint additional third parties to hold client assets. In such instances you will be informed of this in a durable medium. Further, transactions undertaken by you may require us to appoint a third party in a third country, i.e. outside of Ireland and the EEA.

Client funds

CII will hold all client funds in Ireland, with Citibank Europe Plc.

CII will hold client funds in a pooled designated client funds account, physically segregated from funds of CII. For the avoidance of doubt CII will not trade on its own account.

Client funds are required to be deposited promptly upon receipt, with any of the following:

- A Central Bank
- A credit institution authorised in accordance with Directive 2013/36/EU
- A bank authorised in a third country
- A qualifying money market fund

Client financial Instruments

The nature of client financial instruments is such that they may be held outside of the Irish jurisdiction. In such cases CEP will utilise the Citibank organisation, to include any company or other entity of which Citigroup Inc. is directly or indirectly a shareholder or owner, as Custodian and sub-custodian as may be required by the Clearance system to perform its role as Custodian. Concorde as Custodian, will also hold Client Financial Instruments outside the jurisdiction and employ eligible sub-custodians and hold the client financial instruments in ultimate depositories, as may be required by the Clearance system to perform its role as Custodian.

Where client assets are held outside of the jurisdiction, and in the event of default of an appointed custodian, the assets may be treated differently from the position which would apply if the assets were held in Ireland or within the EEA and you will not be in a position to avail of the Investor Compensation Scheme applicable to member firms in Ireland. Compensation schemes relevant to the jurisdiction in which the client financial instruments are held however, may apply.

Your consent to this will be sought by way of your acceptance of CII's Terms of Business and in your application forms. You are advised to read these documents carefully.

CII has satisfied itself that CEP and Concorde (together "Custodians") are appropriate and authorised eligible custodians with which to hold client assets. Both CEP and Concorde demonstrated experience of providing custody services and client asset accounts to institutional and private clients in Ireland (CEP), the EU and internationally (CEP and Concorde). Furthermore, there are otherwise no legal, or other regulatory requirements or market practice relevant to holding client assets which would adversely affect clients' rights in respect of those assets as a result of the assets being held by CEP and Concorde.

CII will have in place a Fund Facilities Agreement and/or a Financial Instruments Facilities Agreement (the "Agreement") with the Custodians selected to hold client assets. Such Agreements will include those

acknowledgements and measures required under Part 6 of Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Investment Firms) Regulations 2017.

CII will review its arrangements with its appointed Custodians at least every six months, to ensure that it is satisfied on an on-going basis that they remain an appropriate institution with which to hold client assets, including having regard to any changes in circumstances which could affect CII's assessment that the arrangements with the Custodians will not adversely affect clients' rights.

The Board of Directors of CII will approve all third parties with whom CII holds client assets and will satisfy itself that all arrangements described above are in place.

7. Arrangements for holding client assets.

CII will hold client assets in pooled designated client asset accounts clearly designated Concorde Investments Ireland Ltd client asset accounts distinguishing them from any account the Firm may hold in its own name. These accounts will be held with CEP for the purposes of client funds and client financial instruments and with Concorde for the purposes of client financial instruments only. The pooled designated client asset accounts held with the Custodians will be omnibus accounts. The pooled designated client asset accounts held with the Custodians for client funds and and/or client financial instruments will be physically segregated from any financial assets of CII.

For the avoidance of doubt CII will not trade on its own account.

CII maintains records which identify the amount of client assets, whether client funds or client financial instruments, relating to each client within the pooled designated account.

8. Risks associated with these arrangements

CII endeavours to eliminate or mitigate against any risk to your client assets. Set out below are the key risks identified by the Firm which may have an impact on CII's objectives, processes and policies in respect of holding and safeguarding client assets:

Operational risk: Risk to a client's assets as a result of the failure to have in place robust policies and procedures and failing to follow those policies and procedures.

Risk of Fraud: Loss of client assets through fraudulent actions of employees and misappropriation of a client's assets. The Firm has in place senior controlling functions i.e. HCAO, Head of Risk and Compliance, CFO who will each independently have oversight responsibilities associated with their roles. On the basis of proportionality, the Firm's processes and controls will be sufficiently robust to identify issues or potential issues. The Firm will provide training in this area (and across all aspects of the business). The Firm also assesses the conduct risk associated with its business.

Counterparty risk including jurisdiction and associated legal risks: Counterparty risk is the risk that the counterparty will not live up to its contractual obligations, the counterparty withdraws its services, or fails to deliver.

Where client assets are held outside of the jurisdiction and in the event of default of an appointed custodian the assets may be treated differently from the position which would apply if the assets were held in the state or within the EEA.

To mitigate against these risks CII has in place documented arrangements with the appointed Custodians and this relationship is monitored regularly by CII. Further CII has in place robust, documented procedures which are reviewed and monitored regularly. CII has appointed an independent third party client asset auditor to audit its policies and procedures at least annually.

9. Additional Information

CII will maintain a copy of the CAKID on its website www.ciireland.com and any material changes to the CAKID will be available on the website and also provided to you in a durable medium as defined in CII's Terms of Business.

CII will review this CAKID at least annually to ensure that it is clear, accurate and not misleading.

February, 2021