

JBWere



# JBWere Limited Investment Strategy Group

**Managing Conflicts of Interest and  
Maintaining the Integrity of Research Policy**

**Putting Wealth To Work For Generations**



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# 1. Conflicts of Interest and Research Integrity

## 1.1 Purpose

The purpose of the Managing Conflicts of Interest and Maintaining the Integrity of Research Policy (the Policy) is to provide:

- an understanding of the conflicts of interest that may arise when research reports are produced, and the way that JBWere Limited (JBWere) and the National Australia Bank Limited group of companies (NAB Group) addresses these conflicts;
- a summary of the research integrity requirements placed on JBWere's internal research function, the Investment Strategy Group (ISG) by JBWere and the NAB Group, and the measures in place that aim to produce research reports in an independent and objective manner; and
- clarity on how JBWere protects its clients' interests.

## 1.2 Governance

JBWere is governed by an internal JBWere Conflicts of Interest Policy, and the NAB Group Conflicts of Interest Policy, both of which address business conduct and practices that may give rise to actual or potential conflicts of interest. For more information, refer to the summary of the NAB Group policy at <https://www.nab.com.au/about-us/corporate-governance>.

In addition to these, there are internal requirements placed on the ISG to aim to produce investment research in a manner that is as independent and objective as possible, which are outlined in section 1.5 below.

## 1.3 Conflicts of Interest

Conflicts of interest can arise in a number of settings. Significant examples include:

### 1.3.1 Client-Firm Conflicts

Conflicts between the interests of a client and those of JBWere and/or the NAB Group. Examples include:

Receipt of non-public information obtained through business activities; and

Recommending products in which JBWere or the NAB Group play a role in transactions of the issuers (such as initial public offerings, or corporate advisory functions). For details of such instances at JBWere, refer to the **Deal Flow Participation document**.

### 1.3.2 Employee Conflicts

Conflicts between the interests of a JBWere or NAB Group employee and the interests of a client, JBWere or the NAB Group may include:

- Compensation or other benefits for JBWere, the NAB Group, or their employees which could affect whether a particular security or transaction is recommended or offered to a client;
- Personal trading, outside business activities or investments that could raise potential conflicts with a client or JBWere or the NAB Group; and
- Gifts or entertainment given or received, to or from persons or entities with whom JBWere or the NAB Group conducts, or intends to conduct, business which may be perceived as improper inducements.

**Note:** These are examples of how conflict may occur. JBWere and the NAB Group have implemented internal controls to restrict or mitigate such conflicts of interests.

## 1.4 Research Integrity

ISG is responsible for setting the strategic and tactical asset allocation, product, and security selection for JBWere client portfolios. ISG utilises an open architecture approach to sourcing research, securities, and product solutions, including opportunities provided by related parties of JBWere. All ISG investment decisions are recommended on the basis of the potential to add value to client portfolios, regardless of any relationship JBWere or its related entities may have to the selected investment provider.

The research integrity objectives of ISG are to:

- Aim to be as independent and objective as possible with regard to research and investment strategies;
- Be free from the influence of the interests of any issuer, other business areas or divisions, any client, or the personal interests of our analysts;
- Conduct itself on a reasonable basis and be balanced and objective. Analysts' activities must focus on research preparation that maintains objectivity;
- Ensure that research advances the interests of JBWere's clients, and not the interests of analysts, JBWere or the NAB Group; and
- Aim to produce research independent of other business areas and groups within JBWere and the NAB Group. Neither JBWere nor the NAB Group promise, indirectly or directly, to provide favourable research, nor threaten to withdraw or change research results, in order to obtain business or compensation from an issuer or a client. Only ISG staff members are permitted to edit research materials.

## 1.5 Measures for Managing Conflicts of Interest and Maintaining Integrity of Research

ISG's principles focus on identifying, managing, and disclosing conflicts of interests. To do this, ISG implements the following rules and measures:

- JBWere and the NAB Group maintain arrangements to prevent or control the flow of information between persons performing roles which may involve a risk of a conflict; for example, research analysts within ISG, and JBWere's advisers;
- No one within JBWere or the NAB Group is permitted to provide or offer any inducement to analysts and other personnel involved in the production of research to provide any specific research coverage;
- ISG personnel are prohibited from accepting or giving gift and entertainment items where the nature of the gift or entertainment item could impair objectivity. JBWere and NAB Group employees are governed by the NAB Group Gifts and Entertainment Policy;
- Advisers and Capital Markets personnel are prohibited from supervising or being involved directly with determining the compensation of ISG personnel;
- ISG personnel must not have a direct reporting line to Advice, Capital Markets, or Trading personnel;
- The remuneration of ISG personnel cannot be based on their involvement in a specific capital markets transaction;
- ISG personnel cannot have any performance objectives related to capital markets activity. Incentive compensation is provided at the discretion of ISG Management;
- Capital Markets personnel may not influence the ISG budget, though revenues and results from JBWere and the NAB Group may help determine the ISG budget and the allocation of the ISG expenses;
- Advice and Capital Markets personnel are physically separated from ISG personnel. Additionally, ISG's physical location ensures that any pending research is confidential to ISG personnel until publication; and
- ISG personnel must not attend any pitches for Capital Markets deals.

Where a conflict of interest does arise, actions taken by ISG may include:

- Disclosure of conflicts of interests in all research publications; or
- (if a conflict of interest cannot be avoided), ceasing to act or refraining from entering into some or all of the transactions in question.

# About JBWere Investment Strategy Group

Our Investment Strategy Group (ISG) is a team of highly experienced investment strategists and analysts; the driving-force behind our investment recommendations and asset allocation strategies. The ISG group undertakes in-house research across a diversified suite of asset classes, including international and domestic equities, international and domestic fixed income, and alternative investments. Supporting the team's research is a wide range of views including those from our domestic and global research partners and other well-respected external industry research bodies.

Drawing on these insights, the ISG provides the intellectual property, insights and tools for JBWere's Advisory Team to manage clients' portfolios including:

- The economic outlook;
- Analysis of global investment trends, opportunities, challenges and investment markets;
- Strategic asset allocation and the identification of tactical portfolio tilts;
- Direct model portfolio and advice; and
- In-depth managed strategies research.

## JBWere Offices

### Melbourne

Telephone: (03) 9906 5000

### Sydney

Telephone: (02) 9325 2600

### Brisbane

Telephone: (07) 3258 1111

### Adelaide

Telephone: (08) 8407 1111

### Perth

Telephone: (08) 9212 7900

### Canberra

Telephone: (02) 6218 2000

## Important notice

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### Ownership and Material Conflicts of Interest

In the last twelve months, JBWere has played a role in transactions for certain entities which may be referred to in this report. For details, refer to JBWere's [Deal Flow Participation](#).

Further information about the Conflicts of Interest related to research reports, and how JBWere maintains integrity of research, please refer to the [Managing Conflicts of Interest and Maintaining the Integrity of Research Policy](#).

### General Disclosures

This document is not an offer to sell or the solicitation of an offer to buy any financial product or service in any jurisdiction where such an offer or solicitation would be illegal. The information contained in this report is subject to change without notice.

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