





## POLICY/ PROCEDURE

**Subject:** Policy for managing conflicts of interest

Initially drafted by: SS Date: 11/2014

Last reviewed by: LA Date: 09/2019

**Approved by:** Board of Directors Date: 17/09/2019

Name	Position	Represented by	Signature
Henri Vernhes	Director, Chairman	N/A	
Hervé Rietzler	Director	N/A	

### Introduction

Alma Capital Investment Management S.A. (hereafter “ACIM” or “the Company”) is a Luxembourg-based management company subject to Chapter 15 of the UCI Law of 17 December 2010 and to Chapter 2 of the AIFM Law of 12 July 2013 as amended. ACIM is the management company for UCITS and alternative investment funds or sub-funds (“the Funds”).

Alma Capital Investment Management has implemented the following policy for managing conflicts of interest (hereafter “the Policy”), within ACIM, as well as within its UK branch Alma Capital Investment Management London Branch (the “ACIM Branch”).

The purpose of this Policy is to ensure that the Company identifies, avoids or prevents and mitigates, and monitors fairly and effectively, to the best of its ability, any actual, potential or apparent conflict of interest and ensure appropriate disclosure, in accordance with the applicable law and regulations, notably CSSF Regulation 10-04.

The Policy applies to all Board, Conducting Officers and all staff members of ACIM and of the ACIM Branch (hereafter the “Relevant Persons”) as well as to delegates and external service providers of the Company.

By this Policy, ACIM strives to:

- be structured and organised in such a way as to minimise the risk of investors of the Funds and their interests being prejudiced by conflicts of interest between the Company and its investors, between two of its investors, between one of its clients and a Fund or between Funds, and ;
- avoid conflicts of interest and, when they cannot be avoided, ensure that the Funds it manages are fairly treated.

ACIM will maintain and operate an effective organisational structure to address the identification and management of actual, potential or apparent conflicts of interests.

In particular, the Company will ensure – through due diligence and ongoing monitoring – that delegates have appropriate procedures and processes in place relating to the identification, avoidance or prevention and mitigation, and management of any, actual, potential or apparent conflict of interest.

The Compliance Officer is responsible for the development and implementation of this Policy and the supervision of compliance within this Policy. Though, the ultimate responsibility in identifying, avoiding or preventing and mitigating, and managing actual, potential or apparent conflicts of interest lies with the Board of Directors of the Company.

In this regard, it is best practice that all members of the Board of the Company provide a full list of their mandates and functions, and that this be kept up to date with any changes. The Board of Directors should consider the list and be satisfied that no material conflicts of interest exist.

### **1. Identifying conflicts of interest**

To identify actual, potential or apparent conflict of interests, ACIM takes into account by way of minimum criteria the following relationships between:

- the Company, or one of the Relevant Persons, or any other person directly or indirectly linked to ACIM by control and its investors; or
- between one investor and another that arise in the course of providing collective portfolio management activities or otherwise, including those caused by the receipt of inducements from third parties; or

- by ACIM's own remuneration and any other incentive structure.

A conflict of interest is defined as a situation where the Company, or one of its representatives, may benefit from a situation that leads to a disadvantage to a client, or where a client to whom ACIM owes a duty makes a gain or avoids a loss leading to a possible loss to another investor.

In certain instances, ACIM may face a situation that involves a conflict of interest. Such conflicts may arise in a number of different ways, at the level of the Board of the Company and the individual Directors and in the day to day business of the Funds and/ or Management Company, including the possibility that ACIM might be in the possession of information or be in the process of making decision that may be detrimental to the Funds and/or its investors.

It is not possible to describe all situations involving potential conflicts of interest. However, the situations below can specifically lead to a conflict of interest, where:

- Any Relevant Person has significant ownership or other economic interest in any of ACIM's clients, counterparties, suppliers, etc... ;
- ACIM or any Relevant Person may obtain a financial gain or avoid a financial loss at the expense of the Funds or its investors ;
- ACIM is likely to be negatively impacted by decisions made by some investors, as well as any conflicts arising through the Company's incentive to invest in assets the features of which change the respective profiles or characteristics of the Funds ;
- ACIM or any Relevant Person and the Funds or its investors have different interests in the outcome of a service provided to them, or a transaction carried out on behalf of them ;
- ACIM or any Relevant Person has a financial or other incentives to prioritize the interests of an investor or group of investors over those of the Funds or other investors in the Funds ;
- ACIM has a remuneration and other incentive structure that promotes its Directors, Conducting Officers or employees to act in conflict with the investor's interests ;
- ACIM or any Relevant Person receives or will receive from a third party an inducement in relation to collective portfolio management activities provided to the Funds, in the form of monies, goods or services other than the standard commission or fee for that service ;
- ACIM shares and disseminates information or investment research to an investor or group of investors prioritizing them over other investors in the Funds.

The above-mentioned principles apply to the Company, each Relevant Person, and any persons having a significant link, even remote, with ACIM.

ACIM must avoid acting in relation to any transaction where its own interests – or those of its linked individuals, including their respective families – may conflict with the interest of the Funds, and/or its investors for whom the transaction is being executed.

Also, when identifying conflicts of interest, ACIM takes into account the interest of ACIM, including that deriving from its belonging to a group or from the performance of services and activities, the interest of the investors and the duty of the Management Company towards the Funds.

### 2. Preventing, avoiding and mitigating conflicts of interest

The Company must take all reasonable steps to prevent conflicts of interest and from constituting or giving rise to a material risk of damage to the interests of the Funds and/or its investors.

ACIM has developed adequate policies and procedures to guarantee that the Relevant Persons engaged in activities where a risk of conflicts of interest exists, exercise their duties with an appropriate level of independence, taking into account the size and the activities of the Company, and ensure that the investors' best interest remains safe at all times. Among these policies and procedures: a compliance charter, policy and manual, an organisation chart, a personal transactions policy, a remuneration policy and an inducement fee policy.

By the means of the above policies and procedures, ACIM has implemented the following organizational and administrative arrangements:

- information barriers: confidentiality of information is achieved through an authorisation process that limits access to persons engaged for the exercise of their professional duty ;
- supervision: personal transactions of the Relevant Persons are covered by a policy which aims to minimize the risk that they use their positions improperly for their own benefit ;
- remuneration: a fair remuneration scheme, compliant with applicable laws, regulations and endorsing best market practices, accounts for and contributes to preventing conflicts of interest ;
- inducements: any fee, commission or non-monetary benefit – in relation to the activities of delegated investment management and administration to the Funds – is evaluated. If ACIM offers or accepts inducements, it also discloses the essential terms of the arrangements.
- undue influence: it is each Relevant Person's individual responsibility to ensure a required level of independence when dealing with investors or counterparties, and avoid any inappropriate influence in the course of their duties ;
- independence: Relevant Persons engaged in different business activities – simultaneously or sequentially – involving potential conflicts of interest ensure to carry those activities independently of one another.

### 3. Monitoring of conflicts of interest

Review of conflicts of interest is a standing point at the agenda of each official meeting of the Company, monthly meetings of Conducting Officers, and quarterly meetings of the Board of Directors. At the beginning of each meeting, Conducting Officers and Directors of the Company, respectively, acknowledge if they have any new actual, potential or apparent conflict of interest identified or brought to their knowledge, or to be reported during the period under review, in respect of the Company as well as of the ACIM Branch. According to the provisions of Article 18 of the Company's Articles of Incorporation, in the event that any of its Director(s) had an interest opposite to the interests of the Company or to the investors of the Funds, such Director(s) should not engage in the discussions and voting on the items due to be discussed, and this abstention should be noted in the Minutes.

In addition to these regular acknowledgements by its Conducting Officers and Board members, ACIM should take special care in the day to day activities carried out, to monitor effectively the risk of conflicts of interest.

The Compliance Officer of the Company ensures as part of his review that Relevant Persons – who are involved in activities which may impair the proper management of conflicts of interest – are monitored at all times, and maintain a required level of independence.

On their side, Relevant Persons have to notify the Compliance Officer, of any irregularity they observe or that they suspect with regards to this Policy.

In any potential conflict of interest, the Compliance Officer will evaluate independently the situation, and act appropriately while keeping a record of such potential incident.

To fulfil his duty, the Compliance Officer has access to a separate and restricted space on the server of the Company, where all compliance documentation and files are stored, only accessible to the Conducting Officers and the Chairman of the Board of Directors of the Company.

#### **4. Managing conflicts of interest**

ACIM, its Conducting and Compliance Officers monitor and keep a record of situations where conflicts of interest arise or may arise and it is the duty of the Conducting and Compliance Officers of the Company to maintain such records and document both the steps taken to prevent such risks, and the analysis to detect those risks.

Situations may arise however, where the above-mentioned arrangements are not sufficient to ensure with reasonable confidence that a risk of damage to the interests of the investors of the Funds can be avoided.

If the Company, its Conducting and Compliance Officers, at any point, do not feel confident that the above-mentioned arrangements for dealing with conflicts are capable of preventing the risk of damage to any of the persons and entities involved, they shall take steps to disclose the sources of conflicts before making any decision.

In these circumstances, they report these situations to the Board of Directors of the Company, who will decide on how to manage the situation.

#### **5. Disclosure of conflicts of interest and investors' notification**

In situations where conflicts of interest cannot be avoided, the Board of Directors of ACIM is promptly informed in order for them to make any necessary decision to ensure that in any case the Company acts in the best interests of the investors of the Funds.

Depending on the party subject to the conflicts of interest, a competent internal body may be constituted by the Board of Directors of the Company or some of its members, the Compliance Officer or the Conducting Officers.

Accordingly, ACIM reports these situations to investors by the most relevant mean (email or written confirmation by post) and provides grounds and explanations for its decision. It is the Company's priority to give a clear and detailed disclosure of the conflicts of interest, to ensure that investors make an informed decision regarding the services or products offered.

#### *Record of proceedings*

The minutes of the competent internal body shall contain, when applicable:

- The names of the persons who disclosed or otherwise were found to have an actual, potential or apparent conflict of interest, the nature of the actual, potential or apparent conflict of interest, any action taken to determine whether a conflict of interest was present, and the competent internal body's decision ;
- The names of the persons who were present for discussions and votes relating to the matter, the content of the discussion, including any alternative to the proposed matter, and a record of any vote cast in connection with the proceedings.

#### **6. Record keeping**

ACIM keeps – under the responsibility of its Compliance Officer – a register of all identified situations of conflicts of interest including the types of situations where an actual, potential or apparent conflict of interest has arisen, within the Company and ACIM Branch, with a brief description of the situation indicating the nature and the cause of the conflict of interest, the business area involved and the decision made.

In accordance with all applicable regulatory requirements, records of those identified conflicts of interest are kept for at least five (5) years.

The Compliance Officer is responsible for managing the Company's records and register of identified conflicts of interest, and for reviewing or amending this Policy.

This Policy is reviewed at least annually, to ensure its appropriateness and effectiveness, and shall be amended whenever required: at any change in the structure of the Company, or following a change in the applicable Luxembourg legal and regulatory framework.

#### **7. Availability of the procedure**

This procedure is to be disclosed on the Company's website and is freely available at its registered office, upon investor's request.

The procedure shall be made available to all relevant staff.

Luxembourg, 17 September 2019