

ALPHA INVESTOR SERVICES MANAGEMENT

CONFLICTS OF INTEREST POLICY

	Responsable	Date	Visa
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Version	Date	Description/cause de la modification
Version 1.0	November 2011	Procédure soumise à la CSSF avec la demande d'agrément
Version 2.0	September 2017	
Version 3.0	July 2020	Global review and updating
Version 3.1	October 2020	Specific review

INTRODUCTION

This document contains the conflicts of interest policy (hereinafter, the “policy”) of Alpha Investor Services Management S.A. (hereinafter, “AISM S.A.” or “the Company”), a management company licensed by the *Commission de Surveillance du Secteur Financier* (hereinafter referred to as the “CSSF”) under the regime set out in Chapter 15 of the Luxembourg Law of December 17th, 2010 on undertakings for collective investment, as amended (hereinafter referred to as the “UCI Law”).

In addition, the Company is licensed by the CSSF to provide investment services, primarily the “management of portfolios of investments, including those owned by pension funds and institutions for occupational retirement provision, in accordance with mandates given by investors on a discretionary, client-by-client basis” pursuant to the provisions of Article 101 (3) (a) of the UCI Law.

The purpose of the present policy is to define the procedures and measures that must be applied in order to identifying, preventing or managing potential conflicts of interest which may arise in connection with the business activities of AISM S.A.

In particular, this policy aims at:

- identifying specific business areas and activities carried out by (or on behalf of) AISM S.A. which could give rise to conflicts of interest that may lead to a risk of damage to the interests of its clients and the managed funds and shareholders;
- preventing such conflicts of interest;
- managing and solving any conflicts of interest, if unavoidable, in the interests of its clients and the managed funds and shareholders; and
- monitoring and disclosing any conflicts of interest that cannot be adequately managed in the course of AISM S.A. activities.

LEGAL FRAMEWORK

- Articles 109 (1) b) and 111 d) of the Law of 17 December 2010 concerning Undertaking for Collective Investment in Transferable Securities (“UCITS”), as amended;
- CSSF Regulation 10-04 of 24 December 2010, transposing Commission Directive 2010/43/EU of 1 July 2010 implementing UCITS VI Directive and UCITS V Directive as regards to organizational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company (“CSSF Regulation 10-04”);
- CSSF Circular 18/698, repealing CSSF Circular 12/546, on authorization and organization of Luxembourg management companies (“CSSF Circular 18/698”) – in particular paragraph 383 and 384 of Section 5.5.7.3. thereof, which read as follows: “(...) *the IFM must inform investors of situations where the organizational or administrative arrangements it has made to manage conflicts of interest have not been sufficient to ensure, with reasonable certainty, that the risk of damage to the interests of the UCI or its unit-holders will be avoided. Such information must be provided in a durable medium*”

considered as appropriate. In addition, the IFM must indicate to investors the reasons for its decision in relation to these arrangements."

AISM S.A. will act honestly, fairly and in accordance with the best interests of its clients and the managed funds and shareholders and will take reasonable organizational measures to avoid or reduce the risk of conflicts of interest to a minimum level.

CONFLICTS OF INTEREST DEFINITION

Article 19 (1) of the CSSF Regulation 10-04 provides a non-exhaustive list of minimum criteria used to identify potential conflicts of interest arising in the course of providing services and activities by AISM S.A. in the following situations:

- when the Company, or relevant persons and entities belonging to it, can make a financial gain or avoid a financial loss to the detriment of its clients and the managed funds and shareholders;
- when the Company, or relevant persons and entities belonging to it, has an interest in the outcome of a service provided to the client or managed fund, distinct from that of the client or managed fund;
- when the Company, or relevant persons and entities belonging to it, has an incentive to favor the interests of a client or managed fund other than that to which the service is provided;
- when the Company, or relevant persons and entities belonging to it, carries out the same activity as the client;
- when the Company, or relevant persons and entities belonging to it, receives or may receive from a person other than the client, in connection with the service borrowed, an inducement in relation to collective portfolio management activities provided in the form of money, goods or services, other than the standard commission or fee for that service.

RELEVANT PERSONS AND ENTITIES

The Company has identified the following figures as relevant persons, who from time to time may be affected by individual conflicts in view of the activity carried out:

Relevant persons

- the members of the Board of Directors of AISM S.A.;
- the Conducting Officers of the Company;
- the members of the Board of Directors of managed funds (AISM Global Opportunities Fund and Kyron UCITS SICAV);
- the members of any investment committee of AISM S.A. or of any of the managed funds;
- the Fund/portfolio managers of the Company or of any of the managed funds;

- any other individual who is directly involved in the provision of services for (or on behalf of) the Company, such as third-party delegates and providers.

Relevant entities

- Alpha Investor Services Management S.A. ("AISM S.A.");
- Investment Managers;
- Investment Advisors;
- Managed fund's depositaries;
- Managed fund's central administrator;
- any external entity for any of the managed funds;
- any structuring or placement agent acting for the managed funds;
- any other entities that participates in the provision of investment and non-investment services and activities on behalf of the Company, such as third-party delegates and providers.

POTENTIAL CONFLICTS OF INTEREST SITUATIONS

The Board of Directors of the Company has identified the following potential conflicts of interest situation which may arise from conducting the business activities:

- Products/services: the risk that a relevant person or entity, directly or indirectly linked to the Company, has a direct interest in the outcome of products or services provided, which may be different from the Company's one;
- Inducements: the risk of direct or indirect advantages granted to clients, non-equal treatment for equivalent managed portfolios, receiving an inducement in relation to portfolio management activities provided to clients, executing a transaction through a broker which is less favorable than another one;
- Financial/personal interest: the risk for relevant persons to benefit from personal interest/relationship in companies in which AISM S.A. invests in or could invest in and ;
- Client services: the risk to make a financial gain or to avoid a financial loss to the detriment of the clients.

MANAGING CONFLICTS OF INTEREST

AISM S.A. will take all reasonable steps to identify conflicts of interest that arise or may arise in the course of providing any services.

Conflicts of interest risks can be managed by a combination of structural measures, ad hoc procedures and internal arrangements taking into account legal and regulatory requirements.

The Company uses the following measures to avoid or reduce the risk of conflicts of interest:

- Initial Due Diligence on delegates and service providers and on-going monitoring;
- Investment Guidelines regarding investments limits on securities which might arise a potential conflict of interest;
- Remuneration policy;
- Inducement policy;
- Personal transactions procedure;
- Voting rights policy.

ESCALATION PROCEDURE

It is the responsibility of all employees to familiarize themselves with this policy and to report potential conflicts of interest in doing their usual professional activities while conducting officers and the Board of Directors ensure the ongoing activity to identify specific situations of conflict of interest, being sure that all parties involved in the Company are aware of it.

If an employee of the Company becomes aware of circumstances which could constitute a potential conflict of interest, with material impact on the interests of the clients or managed funds, he/she must disclose it in writing to his/her line manager, who will report it to the Compliance Officer.

If the conflict of interest cannot be prevented or in case of identified and confirmed conflict of interest, which may not be managed for one reason or another, the Compliance Officer shall inform the CEO of the Company, then the Board of Directors, in order to implement mitigation measures.

CONFLICT OF INTEREST REGISTER

The Company maintains and updates regularly a conflicts of interest register (Annex I) in order to record all potential and proved conflicts of interest.

The Register lists the following information:

- the sequence number of the potential and/or proved conflict of interest;
- the date of identification;
- the designation of nature and type of the conflict of interest;
- a description of the conflict of interest;
- the names of the relevant persons involved in it;
- the measures taken to mitigate it.

Such Register is updated by the Compliance Officer and is submitted to the Board of Directors on a yearly basis.

DISCLOSURE OF CONFLICTS OF INTEREST TO CLIENTS

In situations where conflicts of interest cannot be completely avoided, the Board of Directors of AISM S.A. shall take any necessary decision to ensure that in any case the Company will act in the best interests of its clients or managed funds.

Additionally, AISM S.A. clearly discloses the general sources of the conflicts of interest to the clients or managed funds via any durable medium it may think appropriate.

REVIEW OF THE POLICY

This policy will be reviewed at least once a year by the Compliance function of AISM S.A. and will be submitted for review to the Board of Directors.

Where no update is required, the policy will be applied consistently over time.

ANNEX I – CONFLICTS OF INTEREST REGISTER



CONFLICTS OF
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