



CONFLICTS OF INTEREST POLICY



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1. Preamble

This Policy relates to the activity of LFM&P as a UCITS management company operating in multi-management (i.e. investment in third-party UCI) and to the principle of proportionality regarding a smaller establishment with a simple structure and management model.

1. Purpose

The protection of its clients is one of the priorities of Leleux Fund Management & Partners (hereinafter “the Company” or “LFM&P”). Accordingly, the Company is committed to acting in their best interests and in an honest, fair and professional manner.

To this end, the Company has taken measures intended to identify, prevent and manage possible conflicts of interest that could arise within the framework of its collective management activities. These measures are set out in this Policy.

This Policy:

- (i) Identifies the situations in which a conflict of interest can arise and cause a risk to the clients’ interests;
- (ii) Establishes mechanisms and procedures to control these situations;
- (iii) Monitors and maintains the mechanisms and procedures in place to ensure the long-term protection of the interests of the Company’s clients.

2. Definition

The term ‘conflict of interest’ refers to conflicting interests between the Company (or its staff, independent consultants, managers, directors and shareholders) and a client, or between two or more clients, which can occur in the context of management services, and which is likely to cause harm to one or more clients.

This types of conflict could therefore occur between the following categories of persons or entities in particular:

- A client;
- An account manager;
- An asset manager;
- The Company or all associated companies;
- A Company employee;
- An independent consultant;
- A Company manager;
- A Company director;
- A Company shareholder;

In the context of the exercise of management services for undertaking for collective investment



(hereinafter “UCI”), the Company has a duty to identify possible conflicts in relation to this management.

The Company shall take all reasonable measures to identify conflicts of interest and prevent them harming the interests of the undertakings for collective investment managed or those of its clients arising during UCI management between:

- The Company (including its employees, executive managers, authorised representatives, directors and any company associated with it) and the undertakings for collective investment managed;
- The undertakings for collective investment themselves;
- The Company’s clients and the undertakings for collective investment themselves.

3. Potential conflicts of interest – mapping

The Company identifies potential conflicts of interest as being:

- (i) Making a profit or avoiding a loss at the expense of the client;
- (ii) Being persuaded, for financial or other reasons, to favour the interests of another client or group of clients over those of the client concerned, or,
- (iii) Having an interest in the result of the service provided to the client or of a transaction carried out on behalf of a client that is different from the client’s interest in this result;
- (iv) Having the same professional activity as the client;
- (v) Receiving from a person other than the client a benefit or advantage in relation to the service provided to the client, in the form of money, goods or services, other than the commission or fees normally paid for this service;
- (vi) Analysing and taking account of the interactions between the group’s different entities.

Apart from these generic conflicts of interest, other conflicts of interest are likely to occur, which will be recorded in accordance with the mapping and record-keeping procedure.

The mapping identifies the concrete situations specific to the Company that are likely to give rise to a conflict of interests.

Please see the mapping and the register in the annex to this Policy.

4. Measures adopted to prevent conflicts of interest

a) Operational procedures to settle conflicts of interest

To prevent a conflict of interest and provide a reliable, honest and open service, the Company makes sure:

- that all persons concerned and involved with the activities involving a conflict of interests act with an **appropriate degree of independence** ;
- to prohibit, by internal measures and specific warnings, the exchange of information between

persons concerned when they are involved in activities containing a risk of conflicts of interest when the exchange of this information **can damage the interests** of one or more clients;

- to prohibit any situation or at the very least to limit the exercise, by any person, of an inappropriate influence on the manner in which a person concerned operates collective management services;
- to take measures aimed at the monitoring, separately, of those persons concerned whose activities could cause conflicts of interest between the interests of the client and those of the Company. ^[1]_[SEP]

This prevention of conflicts of interest will be reinforced by:

- arranging suitable training and awareness-raising;
- frequent updating, through experience, of the mapping of conflicts of interest.

b) Procedure applied

In the context of this Policy, the Compliance Officer must establish a suitable procedure to control risks related to conflicts of interest. The objective of this procedure is to prevent a client faced with such a risk from suffering the consequences.

In this respect:

- Collegiality in the Executive Management makes it possible to take decisions collectively, thus limiting individual conflicts;
- The Investment Advisory Committee's mission will be to consider the risk of conflict by implementing an equivalent, suitable and non-discriminatory policy;
- The Compliance Officer's mission will be to check the management of conflicts of interest and remediation in the face of specific cases;
- A written procedure must be established when a request from the Company, its Executive Management or a team member could result in a risk of conflict of interest;

The conflict of interest procedure will be reviewed by the Compliance Officer and by the internal audit.

Conflicts of interest register and mapping

The Company **establishes** and **maintains** a register of the collective management services that have given rise to or, in respect of ongoing management services, might give rise to a conflict of interests that could pose a real risk of harm to the interests of one or more clients. All conflicts of interest that have occurred and could not be avoided shall regularly be the subject of a report to the Executive Management responsible for adopting measures to manage them effectively.

On the basis of "mapping", a tool that forms the basis of this Policy, all potential conflicts of interest - including those that could arise between the Company itself and other companies in the group and affiliated companies - shall be listed in a structured and coherent manner (*Annex I - "Conflict of interest mapping and record-keeping procedure"*).

When an employee (including members of the independent control functions), manager or director detects a conflict of interests, the Compliance Officer must be informed without delay. The Compliance Officer, after recording this "confirmed" conflict in the register, shall then give an opinion on this conflict and how to resolve it.

This "conflicts of interest register" is a standardised file in which confirmed conflicts of interest, that include a material risk of harm to the interests of one or more of the persons concerned, are recorded.



This register must be accessible both electronically and on paper. However, only the electronic version will constitute the official version.

The “Conflict of interest mapping” is a file containing all potential conflicts of interest that the Company has identified in relation to its activities and to new situations that could arise. It also contains the preventive measures that the Company has introduced to prevent the conflicts of interest identified. This file is continuously updated by the Compliance Officer. There is also a paper version of the mapping. However, only the electronic version will constitute the official version.

When the Compliance Officer records a conflict of interests in the register, he refers to the mapping established by the Company, including the list of potential conflicts of interest drawn up by the Company. If there is no existing reference to the newly identified conflict, the Compliance Officer is required to update the mapping so that the register always refers to the mapping and the mapping is an accurate record of new conflicts of interest.

The Compliance Officer prepares a quarterly report to the Executive Management on the management and implementation of the Conflicts of Interest Policy, together with the updating and maintaining of the mapping and the register.

c) Notifying the client

The Company shall take all necessary measures to prevent conflicts of interest harming the client’s interests. These measures do not, however, rule out the possibility that situations can arise in which employees, managers or directors may be faced, in the context of management services, with a conflict of interest that is not covered with a **reasonable degree of certainty** by the principles and measures adopted.

In such cases, the Company shall notify the client of the conflict of interest:

- in **writing** on a durable medium;
- in a manner that is comprehensible and accessible for the clients in question so that they **can make a decision** on the subject of the management service in relation to which the conflict of interest has arisen.

5. Client information and complaints

Prior to any contractual relationship, the Company shall briefly inform the client about its Conflicts of Interest Policy. A version of the Conflicts of Interest Policy is available on the Company website, and the client can obtain a copy upon written request.

Clients are informed in advance, and within the specified time limit, of specific conflicts of interest likely to harm their interests and not adequately covered by organisational measures. This information is complete and detailed enough to enable the client to decide in full knowledge of the facts whether, in spite of the existence of the conflict of interests, it wants to pursue the management relationship with the Company.

Clients can also lodge a complaint concerning a conflict of interest that they believe could harm their interests. Complaints concerning conflicts of interest **shall be processed in accordance with the complaint handling procedure**. The Compliance Officer shall exercise a control of the proper monitoring of this procedure.



At the same time, and independently of a complaint submitted to the Company, clients can approach the FSMA directly to lodge a complaint.

6. Evaluation of the policy and procedures

The Company shall plan a periodic evaluation of its conflicts of interest policy and procedures to analyse whether these procedures **are still effective enough** to manage existing or potential conflicts of interest.

This evaluation shall be carried out by the Compliance Officer, in collaboration with all of the operational departments concerned.

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ANNEX 1 - Procedure for maintaining the register of confirmed conflicts of interest and updating the mapping of potential conflicts of interest within Leleux Fund Management & Partners

The conflicts of interest register relies on the mapping of potential conflicts identified by the Company:

(i) The structure of the mapping must be read as follows:

- Type of potential conflicts (A -> Z)
- Number of conflicts per type
- Persons concerned
- Theoretical description of the conflict
- General prevention measures

(ii) The structure of the register must be read as follows:

- The date of registration of the confirmed conflict
- Person identifying the conflict
- Mapping identification of the conflict (from A.1 -> to Z.10)
- Description of the conflict
- Management measures
- Status of the management measure (implemented / to be implemented)
- Date of implementation
- Report to the Executive Committee (YES/NO)
- Report date

(iii) Operating method:

- Every time a conflict is identified, it must be reported to the Compliance Officer, who enters it in the register, stating the date and nature of the conflict in accordance with the LFM&P mapping.
- If there is no existing reference to the newly identified conflict, the Compliance Officer is required to update the mapping so that the register always refers to the mapping and the mapping is an accurate record of new conflicts of interest.
- The Compliance Officer prepares a comprehensive description of the reported conflict.
- He then proposes measures to manage or mitigate the confirmed conflict.
- If it is not possible to implement the measure immediately, the Compliance Officer indicates that it is “to be implemented”. If he deems it necessary, he prepares a notification to the client concerned.
- When the measure has been implemented, the Compliance Officer records the date.
- Periodically, the Compliance Officer reports to the members of the Executive Management the confirmed conflicts of interest registered in this way to inform them and request decisions concerning the measures to be taken to avoid similar conflicts of interest in the future. If appropriate, the members of the Executive Management can decide to amend the Conflicts of Interest Policy.



- The Executive Management records the reporting and the decisions made in its minutes.
- The Compliance Officer ensures that the register remains available to the control authorities.

(iv) Layout of the document

The mapping and the register are two sheets in a single Excel document. In the register, column D, containing the mapping reference will show the colour of the type of conflict and the number of the potential conflict concerned. A drop-down menu enables communication between the two documents.

(v) Staff training

It is important that the employees, managers and directors fully master the concept of conflicts of interest. This is the only way they will be in a position to identify conflicts of interest when they arise and will be able to communicate them to their managers and the Compliance Department. To this end, training is arranged for all employees, managers and directors.

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Document approved and validated by the Board of Directors of Leleux Fund Management & Partners

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