



INTEGRITY POLICY  
(CODE OF CONDUCT)

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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.

## 2. Introduction

The Executive Management of Leleux Fund Management & Partners (hereinafter referred to as the “Company” or “LFM&P”) has stipulated priority management objectives on risk control, related to possible harm to its reputation and the general principles that must be observed in its own activities in order to preserve its reputation and integrity.

The Board of Directors wanted to specify the general principles upon which the Company establishes, implements and keeps suitable operational Policies and procedures to detect risks of harm to its integrity or reputation and risks of failure in areas relating to the compliance function.

The Board of Directors insists on the fact that all decisions taken internally, whether by the executive management or members of the operational teams, have the primary purpose of treating the different participants equitably and in accordance with the principle of equality. In this respect, the interests of one group of participants will never be placed above those of another.

## 3. Purpose

The purpose of this Integrity Policy (hereinafter the “Policy”) is to define the primary objectives of LFM&P concerning the control of risks of harm to its integrity while remaining aware of and/or ensuring compliance with the principles and values by the Company, its staff, the Board of Directors and the executive management as shown in the Governance Memorandum.

This vision can be summarised in three key values:

- a. **Service:** All staff must make the client and the service provided their main concern, above any other objective or priority. Each of the Company’s clients must be able to benefit from a personalised service, adapted to their individual needs and investment goals.
- b. **Excellence:** All staff must demonstrate a thorough and professional approach to performing their daily duties. In all of their assigned tasks, staff will aim for nothing less than excellence. They will establish self-monitoring procedures enabling them to guarantee the quality of their work. They will organise their work so that there is no place for the unexpected or improvisation. They will aim for the constant improvement of procedures to benefit the service provided to the client, and will support the changes in the Company’s activities and organisation with an open mind. Each employee will plan and manage any change in the organisation by following the basic principles of modern project management. Finally, each employee will take pride in achieving this excellence, in particular by prioritising teamwork, which means interacting with their colleagues in respect and dialogue.
- c. **Independence:** Each employee will prioritise the client's main interests, putting these

interests above those of the Company and the employee. This impartiality of service is guaranteed not only by the transparency of costs invoiced to clients, but also by the independence of the Company's capital. The value of independence is reflected in the commercial policy and objectives established by the management bodies.

In addition to these three values, each of the Company's employees and management bodies is expected to act in an honest, legal and ethical manner at all times.

This Integrity Policy contains the rules of conduct both internally and towards the client, together with all of the measures to be applied concerning the activities of staff on their own behalf, respect for the integrity of the financial markets, prevention of conflicts of interest, the fight against money laundering and the financing of terrorism, and specific mechanisms, insider trading and market abuse.

Finally, the Integrity Policy determines the acceptance criteria for the Company's clients and the transactions made by the Company.

The Integrity Policy also aims to impose strict and high-level rules of conduct followed in the first instance by the Executive Management (*'tone at the top'*) through codes of conduct and respect for the ethical principles applicable to collective management.

This Policy constitutes a general framework providing staff, executive managers and directors with the conduct guidelines that serve as a point of reference for decision-making and the execution of operations.

#### **4. Management of the Integrity Policy**

The person responsible for the process of revising and updating this document is the Company's Compliance Officer.

The Policy must be reviewed (and approved by the Board of Directors) at least once per calendar year, when the Board of Directors assesses whether the Integrity Policy is still suitable for the Company's activities.

#### **5. General principles**

##### **5.1. Compliance with the legislation**

The Company strictly observes the laws and regulations that govern its activities. It complies not only with the laws of the country, but also with the European and international standards that apply to its activities.

In complying with the legal provisions, the Company is also careful to respect the spirit of the law. As a result, the Company does not take part in, and makes sure not to be associated in any way with, unlawful activities. It refrains from providing its clients with services which could help them commit offences and refuses to carry out transactions with funds originating from the unlawful activities of its clients.

##### **5.2. Cooperation with the authorities**

Cooperation with the authorities responsible for implementing the laws is a legal obligation.

The Company makes sure to fulfil this obligation in good faith and collaborates diligently and competently with the authorities by providing them with any information and assistance they require to ensure the successful completion of their duties in accordance with the applicable legislation.

More specifically, the Company (the Compliance Officer), on its own initiative, informs the Financial Intelligence Processing Unit (CTIF) of anything that could indicate money laundering or the financing of terrorism.

### 5.3. Applicable ethical standards

The Company shall incorporate the general principles contained in the sector-based ethical codes as established by FEBELFIN and BEAMA.

### 5.4. Prevention policy concerning taxation

To protect its reputation regarding tax matters, the Company must ensure that in its activities it takes account of the specific risks related to its use for tax fraud purposes.

Within the framework of the Overall Risk Assessment that must be performed in accordance with money laundering legislation, the Company will perform a detailed analysis of the “tax” risks related to its activities.

The primary responsibility for meeting the tax obligations rests with the client. It is not the responsibility of the Company, when entering into a relationship with a client or establishing a transaction, to conduct an in-depth investigation of the legality of the client’s tax situation or the transaction with the relevant tax authorities.

The Company shall nevertheless refrain from:

- Knowingly providing assistance to tax fraud or similar activities on the part of the client;
- Providing its clients with mechanisms that are not normal practice and whose aims are effectively to encourage tax fraud;
- Lending assistance to any activity whose only possible purpose is an unlawful tax advantage for the client.

### 5.5. Fight against money laundering, the financing of terrorism, and the freezing of assets

The Company shall apply the precepts of the anti-money laundering law of 18 September 2017 (AML/FT) in order to manage the risks related to money laundering, the financing of terrorism and the freezing of assets (including international financial sanctions). To this end, after taking up his post, the Compliance Officer shall draw up an Overall Risk Assessment (art. 16 and following of the AML/FT law).

All of the applicable professional and legal obligations relating to the fight against money laundering

and the financing of terrorism must be strictly complied with, and the necessary resources must be provided to staff.

Managers shall ensure that members of staff are fully informed and aware of the risks related to money laundering and the financing of terrorism and constantly demonstrate the necessary vigilance to remain so. Continuous training courses on these subjects are organised for the staff and new recruits.

#### 5.6. Fight against market abuse and insider training

The Company shall perform its activities in an honest, fair and proper manner, in the best interests of its clients and with respect for the integrity of the markets. It shall refrain from abusively exploiting the information relating to orders submitted by the UCI awaiting execution, and shall take measures to prevent the abuse of such information by any of the persons concerned. It shall ensure that such information is not used for purposes other than those for which it has been provided, by not communicating this information to third parties and not conducting any activities based on this information.

To enable the Company to fulfil its legal obligation to inform the FSMA of any suspicious activity that could constitute a case of insider trading or market manipulation, any suspicion must be reported to the Compliance Officer, who will examine the need to inform the control authority.

The Compliance Officer shall ensure the protection of the interests of investors and respect for the integrity of the market and shall take the necessary measures to this end. In case of doubt about the scope of the Company's obligations concerning the fight against market abuse, the Compliance Officer must be consulted.

#### 5.7. Duty of discretion and the right to privacy

The Company must strictly fulfil its obligation of confidentiality and discretion concerning its relations with its clients. The duty of discretion of the Company's staff applies to all information concerning the activities carried out and all information obtained by the Company regarding its business relationship with the client (private and financial data, etc.).

This duty of discretion is defined in the Company's procedures and in the employment regulations that apply to all of the Company's staff.

The protection of the clients' personal data is a priority for the Company. This data is protected by the introduction of material and electronic resources and suitable procedures that meet the regulatory requirements. Apart from exceptions stipulated by the law, the Company shall refrain from disclosing information gathered about clients and their activities to third parties .

### **6. Strategic principles and organisation of various collective portfolio management activities**

In the context of UCI management activities, good governance notably involves the determination of the Company's objectives, the establishment of effective administration and internal control, the identification and proper consideration of the interests of all the Company's stakeholders, and the exercise of the activity in accordance with the principles of sound and prudent management, in compliance with the applicable legal provisions.

## 6.2. Principles of internal governance in practice

It is the responsibility of the Board of Directors and the Executive management to guarantee the application and observation of the guidelines set with a view to an honest organisation and the scrupulous provision of services.

To this end, each of the Company's *business lines* shall, within its organisation, pay special attention to the proper and professional supervision of the exercise of its activities, directed to its financial and material resources as much as to its human resources.

To guarantee the exercise of management in line with the clients' interests and to be able to overcome possible conflicts of interest, the responsible bodies and executive management shall, in the structural organisation of the activities, ensure that it remains adequately independent of its shareholders, service providers and other parties concerned.

## 6.2. The prevention and management of conflicts of interest

The governance of the Company as described in the Governance Memorandum specifies how the structure for the management of conflicts of interest has been established with the aim of minimising them. Likewise, rules of conduct have been established to ensure that potential conflicts of interest can be avoided.

A map of potential conflicts of interest, together with a conflict management policy and a register of proven conflicts that could not have been mitigated by the measures and procedures in place, will be provided to executive managers who will take additional measures to prevent or limit the impact of such a conflict on the interests of clients.

The Company ensures that its management is, generally, a byword for fairness between all of the players involved.

The policy for the management of conflicts of interest is communicated to all of the parties involved in the transaction chain and to service providers.

## 6.3. Organisation and procedures

The Executive Management establishes the appropriate organisational structures, human resources and expertise required, adapted to the complexity and range of UCI management products, services and activities and to the management tasks performed within the framework of their company.

This means in particular that the competencies and responsibilities of the Company's different departments are laid out in writing. Procedures and reporting lines are also developed and implemented appropriately and monitored on a regular basis. A separation adapted to the level of the tasks of departments and staff is established where possible and necessary, given the nature of the activities.

## 6.4. Complaints process

The Company implements and keeps efficient, operational and transparent procedures for the reasonable and rapid handling of complaints submitted by the investors. The Company records each complaint and

the measures taken in response to them. Investors can lodge their complaints at no cost, with access to the complaint procedures being free of charge and available.

#### 6.5. Compliance

The Company establishes a permanent, effective and independent compliance function responsible for LFM&P's Integrity Policy, control of the risks to reputation, and the fulfilment of its obligations in terms of compliance.

To be able to perform its tasks properly, the compliance function must have the necessary authority, resources and competencies, while conforming to the principle of proportionality.

For the performance of its duties, the compliance function shall have access to all necessary information.

#### 6.6. Delegation and subcontracting

In the context of the delegation or subcontracting of services to third parties, the Company acts with all the required competence, care and diligence regarding the choice of service provider. The service provider must satisfy the relevant quality standards. Accordingly, subcontracting shall be subject to a written agreement concerning the market conditions and standards in force.

Subcontracting does not in any way lessen the responsibility of the Company's administration bodies, neither in regard to the shareholders and clients, nor in regard to the control authority. This is why the Company must at once take the necessary measures to control the subcontracted activities and processes.

### 7. **Principles and measures for effective operational management**

The Company implements procedures and provisions enabling the rapid and fair execution of the planned operations.

#### 7.1. Investment policy and decision-making

The Investment Policy [Politique de placement] implemented shall always comply with the legal provisions and to the Investment Policy [Politique d'investissement] fixed on a statutory or contractual basis. In regard to UCI management, the management regulations or articles of association and the prospectus contain the criteria that the Investment Policy must satisfy.

#### 7.2. "Best execution"

The Company shall, in all circumstances, act in the best interests of the undertakings for collective investment and the funds it manages. To do this, it establishes a *Best Execution* Policy in which it describes the general principles that must be taken into account when an order is executed. These principles concern elements such as the price, costs, probability of execution, speed, size and nature of the order.

The Best Execution Policy is provided to participants and updated at least once annually.

#### 7.3. New or tailored activities



The Company establishes a *Product Approval Process* so that prior to the launch of a new product or activity, the control and development functions are consulted. This process is intended to anticipate and avoid risks related to non-compliance, non-transparency, commercialisation and the market.

#### 7.4. Transactions of members of staff

The Company intends to promote the highest degree of respect for ethics and integrity in all its activities.

All staff must refrain from acting in conflict of interest situations and committing market abuse.

In particular, financial analysts and other persons concerned participating in investment research shall strictly comply with the ethical rules stipulated in the Company's personal transactions procedures.

This rule also applies to transactions involving financial instruments carried out by a core employee on his own behalf and outside of the Company.

#### 7.5. Relations with agents

For the execution of orders, the Company uses an agent. It pays particular attention to the choice of agent who, in practice, implements a "*best selection policy*" based on objective criteria. The relationship with the agent is periodically evaluated by the Company, enabling it to remedy possible problems.

The method for selecting the agent is described in the *Best Selection Policy*. With regard to payments related to transactions, either paid to the agent or received, it is necessary to show that they contribute to the quality of service to the client and that their actions do not prejudice the obligation to act in the client's best interests.

#### 7.6. Principles of valuation of assets

In regard to UCI management services, the Company is responsible for guaranteeing the fair reflection of the value of portfolio assets and, if appropriate, the accuracy of the net asset value per share. To do this, it follows the basic principle that intends the valuation of assets to be independent of UCI management, while taking the principle of proportionality into consideration. As far as possible, the valuation methodology is based on the "market-to-market" principle on the basis of predetermined criteria. In the Belgian context, however, the primacy of accounting legislation should be taken into account. Belgian implementing decrees also stipulate the procedures to be followed if it is impossible to calculate prices or if the net asset value (NAV) is incorrectly calculated.

### 8. Information to clients

The information provided enables the client to evaluate the service/product and make an informed choice.

The distribution of information occurs before, during and after the investment and takes account of the category of (potential) clients and the type of service or product.

All information on the products and services for (potential) clients must be correct, clear and not misleading. This requirement applies to both the content and the form of the information, as well as to

marketing communications, which must be clearly recognisable as such.

The information must be appropriate and worded in comprehensible language, according to the targeted audience. It must contain an accurate reference to the benefits and explicit statement of possible risks related to the services/products offered.

Clients are also informed of the costs and expenses related to a service or product.

If the information refers to past performances or contains data related to future performances, it must comply with the relevant legal provisions.

The consistency of the information between the different publications such as the standard agreements, prospectuses and periodic reports is also a point of attention.

The distribution of information also concerns the reporting to existing clients of the execution of orders.

#### **9. Principles of external governance: Exercise of the rights of shareholders/creditors**

The policy concerning the use of shareholders' rights in relation to portfolio values is a particularly important question for companies responsible for collective management.

If the undertakings for collective investment exercise the rights of shareholders related to the portfolio values, this must be done in a considered manner and in the interests of the investors. The policy developed by the UCI in this context is communicated in the annual report.

#### **10. Implementation and methods of control**

The Company shall establish the necessary methods of control to ensure the effective implementation within the Company of the principles described above.

The Company's managers shall inspire and cultivate in their company a receptive, open and positive approach to professional ethics and the Integrity Policy described above.

The Compliance Officer shall ensure that the aforementioned principles are complied with and that suitable measures are taken to prevent their violation.

The Company's internal audit must incorporate adequate controls to verify the proper application of this Policy.

The Company expects its employees to observe the terms of their employment contract fairly, cooperatively and in good faith.

The general duty of diligence also includes the moral obligation to report any suspicions an employee might have concerning one or more other employees who might have committed a wrongdoing (i.e. fraud, serious misconduct or gross negligence) in violation of internal or external rules. For this reason, the Company has established a whistleblowing code intended to encourage and develop a corporate culture based on honesty and transparency whereby all staff ("the whistleblowers") have the opportunity to report potential wrongdoings as soon as possible after they have been committed without fear of

reprisal, and whereby the whistleblowers are guaranteed that they will be treated fairly and that suitable investigations will be carried out in relation to their concerns.

Whistleblowing is intended to enable any employee to share, in good faith, legitimate concerns on the subject of:

- significant infringements of the values of the establishment or of the codes of conduct or ethics;
- Unethical or illegal behaviour concerning matters related to the competence and control of the Company.

In view of the size of the establishment, this system is simple, and the Company undertakes to ensure that:

- whistleblowers can communicate their suspicions directly to the Compliance Officer without using the usual chain of command;
- honest whistleblowers are protected against direct or indirect disciplinary action or similar action, and their identity must, as far as possible, remain confidential;
- the information communicated by whistleblowers is examined and that the necessary steps are taken to correct dysfunctions.

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