
Last amended	Board approval
19.06.2018	20.06.2018

POLICY PREVENTING CONFLICTS OF INTEREST

The European Directive on Markets in Financial Instruments (MIFID II) has imposed on financial service providers the implementation of measures to prevent, identify and manage conflicts of interest.

This Policy applies to all relevant persons of Pensum Asset Management S.A. (hereafter “the Company” or “Pensum”).

Relevant persons are, for the purpose of this Policy:

- a) Directors, partners or equivalent, managers or tied agents of the Company
- b) An employee of the Company as well as any other natural person whose services are placed at the disposal and under the control of Pensum or a tied agent of Pensum and who is involved in the provision by Pensum of investment services and activities, including temporary workers and consultants not on Pensum’s payroll but engaged for a period of at least one month.
- c) A natural person who is directly involved in the provision of services to the Company or to its tied agent(s) under an outsourcing agreement for the purpose of the provision by Pensum of investment services and activities.

Any relevant person who deliberately breaches this Policy will be subject to disciplinary action, potentially leading to dismissal.

In order to detect the types of conflicts of interest which may arise in the provision of investment services and ancillary services, or a combination of such services, to customers and the existence of which may prejudice the interests of the customer, Pensum takes into account the possibility that the Company or a relevant person, or a person directly or indirectly linked by control to Pensum is in any of the following situations:

- Pensum or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- Pensum or that person has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of that client, which is distinct from the client’s interest in that outcome;
- Pensum or that person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- Pensum or that person carries on the same business as the client;
- Pensum or that person receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

Pensum identifies, on a permanent basis, any circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients.

The risk management function will assess all conflict risks on a regular basis (ICAAP report) and at least once a year.

Each new agreement with a counterparty or new client of the Company will be assessed with regards to potential conflicts of interests. In case of occurrence of a potential conflict, the Company will take appropriate actions to prevent the conflict which could lead to refusal of a deal or the on-boarding of a client.

Pensum determines procedures and routines to be followed in order to manage such conflicts of interest, including:

- Code of Conduct
- MiFID Policy
- Internal Governance Policy
- Remuneration Policy

In the event that these procedures no longer make it possible to avoid conflicts of interest, Pensum is obliged to adopt alternative and additional measures and procedures which are necessary and appropriate for this purpose.

In the event of misconduct or infringement of the rules preventing conflicts of interest, members of staff are required to refer the matter forthwith to the Compliance Officer through an Ethics Process Alert available in the Code of Conduct.

Pensum keeps and regularly updates a record of investment or ancillary services, or investment activity carried out in which conflicts of interest entailing a risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise.

Senior management shall receive, at least on an annual basis, a written report on all situations in which a conflict has arisen or may arise.

When the preventive measures put in place are insufficient to ensure that the interests of customers are not adversely affected, Pensum shall, as a measure of last resort, clearly disclose to the client that the organisational and administrative arrangements established by the Company are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interest of the client will be prevented. Such a disclosure shall include the general nature and/or the sources of conflicts of interest, the risks to the client arising as a result of the conflict and the steps taken to mitigate the risks before undertaking business on the client's behalf. It shall be made in writing and shall include sufficient detail, taking into account the nature of the client, to enable him/her to take an informed decision with respect to the service in the context of which the conflict of interest arises.

Internal control functions are in charge of evaluating the present Policy on a regular basis or in case any new kind of risk of conflict of interest may arise.