

CONFLICT OF INTEREST POLICY

Summary of the policies put in place at NATAM Management Company S.A. (The Manco), 11 rue Béatrix de Bourbon - L 1225 Luxembourg T. +352-288.091 F. +352-288.091.91 www.natam.lu |info@natam.lu (RCS Luxembourg B 208754)

1. INTRODUCTION

In the context of identifying and managing conflicts of interests, the MANCO has validate the following policy, in accordance with:

- the Regulation 10-4 of the CSSF transposing the European Directives 2010/43/UE
- the section 5.5.7 of the CSSF circular 18-698
- the Article 14 of the AIFM Luxembourg law dated 12 July 2013
- the Articles 30-36 "Conflict of Interest" of the EU Commission Delegated Regulation 231/2013

More in particular, the purpose of the Conflict of Interest Policy is:

- to identify by reference to the specific services and activities carried out by (or on behalf of) the MANCO, potential and existing conflicts of interest entailing a risk of damage to the interests of a Fund or its shareholders ;
- to specify procedures to be followed and measures to be adopted in order to manage such conflicts in an independent manner, and
- to communicate this information to all MANCO employees.

2. RELEVANT PERSONS AND ENTITIES

The MANCO intends to manage conflict of interest fairly, both between the relevant persons or relevant entities and the managed funds or investors and between an investor and another investor. To the extent of this policy, the following subjects are considered as:

Relevant persons	Relevant entities
<ul style="list-style-type: none"> • Member of the Boards of Directors of the MANCO (hereafter “BOD”); • Conducting Persons of the MANCO (hereafter “CP”); • the members of the Board of Directors of the Funds, if any under the specific governance rules of the Funds; • the members of any investment committee of any of the Funds; • any Portfolio Manager acting for any of the Funds; • any other individual who participates in the provision of investment services and activities on behalf of the MANCO 	<ul style="list-style-type: none"> • Banca Finnat Euramerica SpA • any company of the Group Finnat • Investment Managers; • Investment Advisors; • Fund’s depositaries; • Fund’s central administrator; • any external valuer for any of the Funds; • any structuring or placement agent acting for the Funds; • any other entities that participates in the provision of investment services and activities on behalf of the MANCO.

3. MANAGEMENT OF CONFLICTS OF INTEREST

The BOD has appointed among the CPs, the Chief Compliance Officer (CCO) as responsible as an independent position for active management of conflict of interest. The CCO assists in the process of management but it is each employee responsibility to manage conflicts and reports directly to the Board.

In making investment decisions, or buying products and services, the MANCO acts in investor’s best interest and put investors' interest ahead of those of the relevant persons or relevant entities. With this aim, the Board issued this policy, through the following steps by virtue of which:

- Identification of actual and potential conflicts of interest
- Mitigating conflicts of interest
- Resolution of conflicts of interest
- Maintenance of a conflicts of interest register (“Register”)
- Initiating the disclosure of unresolved conflicts of interest
- Monitoring of conflicts of interests for outsourced activities
- Regular reporting to the Board
 - Disclosure to investors (with reference to the situations for which there is a high risk that the measures are not adequate to manage)
 - Set up of specific policies regarding particular matters which may generate dangerous conflicts of interest such as gift, remuneration, inducement, strategy for the exercise of voting rights

4. CONFLICTS OF INTEREST DEFINITION

Art. 19 of the CSSF Reg. 10-4, for the purposes of defining and identifying the types of conflicts of interest that arise in the course of providing services and activities by a management company and whose existence may damage the interests of the funds managed, provides a non-exhaustive list of minimum criteria used to identify potential conflicts of interest arising in the course of the management of the Funds in the following situations:

- when the MANCO, or relevant persons and entities, including those belonging to its group, can make a financial gain or avoid a financial loss to the detriment of the client;
- when the MANCO, or relevant persons and entities, including those belonging to its group have an interest in the outcome of a service provided to the client, distinct from that of the client;
- when the MANCO, or relevant persons and entities, including those belonging to its group, have an incentive to favor the interests of a client other than that to which the service is provided;
- when the MANCO, or relevant persons and entities, including those belonging to its group, carries out the same activity as the client;
- when the MANCO, or relevant persons and entities, including those belonging to its group, receives or may receive from a person other than the client, in connection with the service to these borrowed, an incentive in the form of money, goods or services, other than committees or received for that service.

5. SCENARIO OF POTENTIAL CONFLICT OF INTERESTS

Considering the above criteria, as first step of analysis in order to define and identify the potential situation of conflicts of interests the BOD has identified at least the following main scenarios of raising of potential situation of conflict of interest (list not exhaustive, but to be considered as guiding principle list:

- Lack of independence of the Board, being certain members expressed by Banca Finnat
- Lack of independence of the senior managers, being certain members expressed by Banca Finnat
- Lack of independence in the evaluation process, in case of (partial) involvement of relevant persons
- Trade negotiations which may involve relevant persons
- Relevant person having an interest in the outcome of a service provided to the MANCO, which is distinct from the MANCO's interest in that outcome
- Relevant person having multiple positions in companies or other collective investment schemes, in which the MANCO invests

6. MANAGEMENT OF POTENTIAL CONFLICTS OF INTEREST AND ESCALATION

CPs and the BOD ensure the ongoing activity to identify specific situations of conflict of interest and endeavour to make sure that all parties involved in the MANCO are aware of the this matter.

The responsibility to assess the compliance of the MANCO's relevant persons and relevant entities with the conflict of interest procedure has been assigned to the CCO, under the supervision of the Board. The CCO is charged to control that the procedure is respected and must notify the BOD for any breach or violation he should be aware of, in the normal course of his assessment procedures. In case a CP detects a circumstance that aggravates a pre-existing conflict of interest, or that generates a new one, without delay, must inform the CCO who must immediately escalate the Chief Executive Officer (CEO) and then the Board.

The CPs taking into account the principle of proportionality, the organization and the nature of business of the MANCO, identifying situations that could suit potentially lead to conflicts of interests, effectively manage only those specific circumstances that are appropriate to effectively generate conflict "significant", that can seriously harm the interests of the MANCO or its investors.

To properly manage these concrete situations of conflict of interest CPs show the measures already in place (if any), propose any appropriate measures to mitigate the extent and will jointly assess the severity.

The main methods used by the MANCO to manage conflict of interest, either real or potential, include the following:

a.	Disclosure to the investors of the infragroup and personal relations.
b.	Appointment of a independent board member and/or senior manager and/or C.O.
c.	Cost and remuneration in line with the market and standard contractual conditions
d.	Due Diligence carried out by independent subject
e.	Appointment of a segregated function
f.	Establishment of stricter investment thresholds
g.	Approval of the independent board member or conducting person
h.	Abstention of the person in potential conflict of interest situation from the investment/decisional process
i.	Use of an investment algorithm reducing the decision power of the person in a situation of potential conflict of interest

7. CONFLICTS OF INTEREST REGISTER

The MANCO maintains and updates regularly a Conflicts of Interest Register in order to record all activities which produce or can produce a conflict of interest. The register is archived in the MANCO registered office and in the CPs' office. The conflict register contains information on:

- The sequence number of the conflict
- Designation of the type of conflict;
- Description of the conflict;
- Persons involved;
- Measures taken to mitigate the conflict;
- Conflict rating (low, medium, high) considering the mitigating measures
- Date of acknowledgement of conflict.

An extract of the Conflict of Interest Register, with the main situation of conflict and the measures taken to mitigate the conflict at the date of the writing of this manual, according to the list sub table 2 is the follows:

Designation of the type of conflict	Persons involved	Measures taken to mitigate the conflict	Conflict rating	Date of acknowledgement of conflict
Lack of independence of the Board, being certain members expressed by Banca Finnat	Alfiero	a/b	Low	1.1.2017
Lack of independence of the senior managers, being certain members expressed by Banca Finnat	Alfiero	a	Low	1.1.2017
Lack of independence in the evaluation process, in case of (partial) involvement of relevant persons	Investment Manager	a/b/g	Low	1.1.2017
Trade negotiations which may involve relevant persons	Banca Finnat Investement Manager	b/g/h	Low	1.1.2017
Relevant person having an interest in the outcome of a service provided to the MANCO, which is distinct from the MANCO's interest in that outcome	Board Members of NATAM and/or Fund	g/h	Low	1.1.2017
Relevant person having multiple positions in companies or other collective investment schemes, in which the MANCO invests	Board Members of NATAM and/or Fund	g/h	Low	1.1.2017

8. GIFT AND ENTERTAINMENT

A conflict of interest may arise where a relevant person receives or offers a gift or entertainment that constitutes an inappropriate incentive to act in a certain way.

The MANCO does not permit the offering or acceptance of gifts or entertainment by a Relevant Person unless it is reasonable, proportionate and for a legitimate business purpose. Where applicable, the Relevant Person must obtain pre-approval for gifts and entertainment and approval will not be granted by the CCO where it is seen to give rise to an actual or potential conflict of interest, is inappropriate in nature or otherwise breaches any of the MANCO's policies.

9. WHISTLEBLOWING

The Banca Finnat Group provides appropriate channels for the reporting/whistleblowing of conflicts of interest within the group where an employee considers this to be the appropriate channel to draw the matter to the attention of the MANCO.

The Banca Finnat's Whistleblowing Policy sets forth the procedures for employees to report any concerns or suspicions regarding possible violations of laws, rules or regulations or possible violations of the policies, standards or procedures for the countries in which it operates.

10. TRAINING

The MANCO provides, and expects its staff to attend or take, regular training on conflicts management and conflicts of interest related topics. This training is critical in ensuring that the staff is able to identify and escalate conflicts of interest and are aware of the processes by which they are identified, escalated and resolved. Appropriate resources are dedicated to the training and building of awareness of conflicts of interest to develop the knowledge and understanding of each employee.