



FIDEURAM  
ASSET MANAGEMENT IRELAND

## **Conflicts of Interest Policy**

April 2016

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## DOCUMENT CONTROL

<b>Version n.</b>	<b>Issue date</b>	<b>Issued by</b>	<b>Amendment - whole / partial</b>
1	July 2010	Compliance & Operational Risk Desk	Whole
2	July 2011	Compliance & Operational Risk Desk	Partial (added Guidelines)
3	November 2011	Compliance & Operational Risk Desk	Partial (amended Guidelines)
4	July 2014	Compliance & Operational Risk Desk	Partial
5	November 2014	Compliance & Operational Risk Desk	Partial (amended Guidelines)
6	April 2016	Risks & Compliance Desk	Partial

## 1. INTRODUCTION

The *Group Intesa Sanpaolo* (hereafter also the *Group*) carries out a wide range of activities which can result in significant conflicts of interest among the companies of the *Group*, the *Key actors* of the *Companies* and relevant *Clients* or among its *Clients*, when providing *Investment services and activities* or *Ancillary services* or a combination of them.

Fideuram Asset Management Ireland (hereafter also "FAMI"), as being among the *Companies* providing discretionary portfolio management services (hereafter also the *Companies*) of the *Group Intesa Sanpaolo*, implements and keeps a policy for the management of conflicts of interest. It takes into account the nature, size and complexity of its activities and the circumstances it knows or should know liable to cause a conflict of interest due to the structure and the activities of the other members of the *Group* too as well as to the activities carried out by the *Key actors*.

This document represents Fideuram Asset Management Ireland's Policy for the management of conflicts of interest and it aims at:

- identifying the circumstances which result in or could result in a conflict of interest able to seriously damage the interests of one or more *Clients*;
- describing the organisational procedures and measures adopted to manage these conflicts of interest.

The content of this Policy is reviewed at least semi-annually, or upon occurrence of significant circumstances which require its modification and/or integration, to make the identification of circumstances resulting in or which could result in some conflicts of interest continuously updated, to take the possible modifications occurred in the organisational structure of the *Group Intesa Sanpaolo* and of the *Services* it provides into account and to keep a high control of the solutions identified for the mitigation of conflicts of interest found out (e.g.: at any time of a change to business model/new product, etc.). This activity is up to FAMI's Compliance which avails of the support of FAMI's relevant units. In particular, business and compliance units work together to monitor conflicts of interest for more effective identification and management, considering that the identification of conflicts of interest is seen by FAMI as all employees' responsibility, considering conflicts of interest from both a bottom up and top down approach.

Fideuram Asset Management Ireland prepared this Policy, focused on *portfolio management services* and *advisory services*, and *keeping in mind both* the directions contained in the Parent Company's Policy and the peculiarities of its own operations and organisational and procedural structure.

Any amendment to this Policy, or any reporting stating that, as per semi-annual review, there is no need for any amendment, is submitted to the attention of the corporate bodies of Fideuram Asset Management Ireland.

## 2. CONFLICTS OF INTEREST IN THE PROVISION OF SERVICES

This Policy contains the description of the circumstances resulting in or which could result in conflicts of interest situations liable to seriously damage the interests of one or more *Clients* and which arise among Fideuram Asset Management Ireland and/or the *Key actors* and/or with the *Client* or among the *Clients*, during the provision of any *discretionary portfolio management service and advice*.

### 2.1 CONFLICTS OF INTEREST IN SERVICE AND INVESTMENT ACTIVITY PROVISION

FAMI is authorised to provide:

- *collective portfolio management*;
- *individual portfolio management*;
- *Advisory (service actually not performed)*.

#### 2.1.1 COLLECTIVE AND INDIVIDUAL PORTFOLIO MANAGEMENT (hereinafter "Portfolio management")

- a) In *Portfolio management* service, the selection of counterparts with which, concerning the already said service, there are agreements to pay or receive fees or commissions or to provide or receive non monetary benefits (so called inducements) implies a conflict of interest because the counterparts could make a choice dependent upon the existence of inducement agreements and not consistently with the actual convenience for the *Client*.
- b) In *Portfolio management* service, the introduction of *Financial instruments* issued, constituted, promoted or managed by the *Group* (or by a *Key actor* or by an *Actor connected to a Key actor*) in the managed assets implies a conflict of interest because FAMI could be encouraged to include inside the managed assets these *Financial instruments* because of the interest of the *Group* (or of the *Key actor*), regardless of the actual convenience of this operation for the *Client*.
- c) In *Portfolio management* service, the fact of introducing in the managed assets some *Financial instruments* for which a *Group Company* participated in the *Distribution* implies a conflict of interest because FAMI could be encouraged to include inside the managed assets these *Financial instruments* to protect the interests of the *Group* regardless of the actual convenience of this operation for the *Client*.
- d) In *Portfolio management* service, the fact of introducing in the managed assets some *Financial instruments* issued by companies in which the *Group Intesa Sanpaolo*:
  - o holds a *Qualified Holding* in the capital of the *Issuer* or of the company controlling the *Issuer* or of the major shareholder of the *Issuer* or if the *Issuer* is a *Key actor* or an *Actor with whom the Key actor has close links*;
  - o designates one or more members of the corporate bodies of the *Issuer* or of the company controlling the *Issuer* or of the major shareholder of the *Issuer*;
  - o participates in corporate agreements signed among the reference shareholders of the *Issuer* or of the parent company of the *Issuer* or of the major shareholder of the *Issuer*;

- has awarded significant lending or is one of the main financiers of the *Issuer* or of the belonging group of the *Issuer*;
  - holds the role of *Specialist, Corporate broker or Liquidity provider* in relation to some *Financial instruments* of the *Issuer*;
  - provided *Corporate finance services* to the *Issuer* or received a fee for these services in the last twelve months;
  - undertook, within one's activity, a *Management position* concerning the *Financial instruments* of the *Issuer* or of the belonging group of the *Issuer*. The existence of the conflict of interest is assessed with reference to the importance of the position undertaken;
  - is significantly held by the *Issuer*;
  - is an *Issuer* of *Financial instruments* correlated to the *Financial instruments* of the *Issuer*;
- implies a conflict of interest because FAMI could be encouraged to include the *Financial instruments* in the managed assets to favour the interests of the *Group* or of the *Key actor*.

The inclusion into the managed assets of

- units or shares of *UCIs* constituted, promoted or managed by Investment Managers of the *Group Intesa Sanpaolo* or in which the *Group Intesa Sanpaolo* holds a *Substantial shareholding*;
  - any other instrument or right sold to the managed assets by a *Group's Company* to which FAMI belongs to, or by a *Key Actor* or by companies financed by *Group's companies* also implies a conflict of interest because the *Company* could be encouraged, in the selection of investments, to favour the interests of the *Group*.
- e) In the service of *Portfolio management* the transfer of *Financial instruments* from a managed account to another implies a conflict of interest because FAMI could be encouraged to the said transfer to favour its relationship with one of its *Clients*.
- f) In *Portfolio management* service, the introduction into the managed asset of *Financial instruments* on which the manager or other *Key actors* involved into the management, hold a *Management position* in one's portfolio, or the transfer of *Financial instruments* from the manager or from the other *Key actors* to the *Client* implies a conflict of interest because the choice of the *Financial instruments* could be done upon the interests of the manager or of the other *Key actors*.
- g) In *Portfolio management* service, the introduction into the managed asset of *Financial instruments* issued by companies in which the manager or other *Key actors* involved into the management hold a *Qualified Holding*, or the transfer of those *Financial instruments* from the manager or from the other *Key actors* involved into the management to the managed asset implies a conflict of interest because the choice of the *Financial instruments* could be done upon the interests of the manager or of the other *Key actors*.
- h) The *Portfolio management* service implies a conflict of interest concerning the process of selection of the counterparts because FAMI could be influenced in choosing the counterparts favouring its own interests or *Group's* interests, irrespective of the actual convenience of such choices for the *Client*. Situations of conflict of interest in the activity of selection of counterparts can arise, in particular, in case of:
- Choice of the trustee or prime broker among the *Group*;

- The use of the Trustee for the provision of services other than custody;
  - execution of *Financing operations through securities* with companies of the *Group*;
  - advisory provided by companies of the *Group* or by companies with which FAMI has other business relations (if the fee is paid by the managed assets);
  - management delegations if given to Companies of the *Group* or to companies with which FAMI has other business relations (if they imply charges up to the managed assets).
- i) In *Portfolio management* service, the exercise on behalf of the *Client* of the right of vote inherent the *Financial instruments* included in the managed asset implies a conflict of interest because FAMI could be encouraged to exercise its rights of vote in the interest of the *Group* or of the *Key actors* and not in the exclusive interest of the *Clients*.
- j) In *Portfolio management* service, FAMI could find itself in conflict of interest in case of plurality of tasks in the *Group* companies by directors or managers involved in the management process, because FAMI or these actors could have a financial incentive, or of different nature, to privilege the interests of another company of the *Group* or of its clients.
- k) In *Portfolio management* service, the assumption by a director or an actor entitled with management delegations of FAMI of a significant role inside the *Issuer / Distributor* of financial instruments, implies a conflict of interest because these actors could be encouraged to invest the assets of the *Client* according to their own interests.
- l) In *Portfolio management* service, the choice of transmitting the orders for execution to a Company that falls into the scope of MiFID, or to a Key Actor or to an Actor that is connected to a Key Actor, implies a conflict of interest because FAMI could do so on the basis of the fees and commission received by the Group (or the Key Actor) as opposed to the best interest of the client.
- m) In *Portfolio management* service the transmission of orders in a systematic way to a single venue, when this venue is managed by a company which is participated by the Group (or by a key actor or by an actor connected to a key actor) or when the Group is involved into corporate agreements that rule the company that manages the venue, or on which a MiFID company acts as a Market maker, implies a conflict of interest given that the choice of the venue could be driven by the Group's profit (or by the key actor's profit) and not on the basis of the best interest of the client;
- n) In *Portfolio management* service, the transmission of orders to a broker from which it receives fees, commissions or non-monetary benefits (inducements), implies a conflict of interest given that the choice of the broker could be driven by the existence of specie agreements in relation to the inducements and not on the basis of the best interest of the client
- o) In *Portfolio management* service, a proposed increase in the management fee of the Collective Investment Scheme (hereinafter "CIS") managed by FAMI could imply a conflict of interest given that FAMI (and its Board of Directors) has a duty to the Shareholders, i.e. the Parent Company, however the Company (and its Board of Directors) is accountable and responsible for the performance and conduct of the applicable CIS. These differing obligations could sometimes put FAMI (and its Board of Directors) in a difficult position whereby a proposed

increase in the management fee of the CIS could be in the interests of the shareholder but not necessarily in the interests of the investors.

### 2.1.2 ADVISORY

- a) In the *Advisory* service, the recommendation of *Financial instruments* issued, constituted, promoted or managed by the *Group* (or by a *Key actor* or by an *Actor connected to a Key actor*) implies a conflict of interest because FAMI could be encouraged to recommend these *Financial instruments* due to *Group* interest (or *Key actor's*), irrespective of the actual convenience of this operation for the *Client*.
- b) In the *Advisory* service, the recommendation of *Financial instruments* for which a *Group* company participated in the *Distribution* implies a conflict of interest because FAMI could be encouraged to recommend these *Financial instruments* to protect the interest of the *Group* irrespective of the actual convenience of this operation for the *Client*.
- c) In the *Advisory* service, the inclusion into the managed asset of *Financial instruments* issued by companies in which the *Group Intesa Sanpaolo*:
- has a *Substantial shareholding* in the capital of the *Issuer* or of the parent company of the *Issuer* or of the majority shareholder of the *Issuer* or if the *Issuer* is a *Key actor* or an *Actor with which the Key actor has close links*;
  - designates one or more members of corporate bodies of the *Issuer* or of the parent company of the *Issuer* or of the majority shareholder of the *Issuer*;
  - participates in corporate agreements signed among reference shareholders of the *Issuer* or of the parent company of the *Issuer* or of the majority shareholder of the *Issuer*;
  - has granted a significant lending or is one of the main financiers of the *Issuer* or of the belonging group of the *Issuer*;
  - has the role of *Specialist, Corporate broker* or *Liquidity provider* concerning some *Financial instruments* of the *Issuer*;
  - provided *Corporate finance services* to the *Issuer* or received a fee for such services in the last twelve months;
  - assumed, inside its own activity, a *Management position* as per the *Financial instruments* of the *Issuer* or of the belonging group of the *Issuer*. The existence of the conflict of interest is assessed with reference to the importance of the position assumed;
  - is significantly held by the *Issuer*;
  - is an *Issuer* of *Financial instruments* correlated to the *Financial instruments* of the *Issuer*;
- implies a conflict of interest because FAMI could be encouraged to recommend the *Financial instruments* to favour the interests of the *Group* or of the *Key actor*.

The recommendation of units or shares of *UCIs* which are constituted, promoted or managed by the Investment managers of the *Group Intesa Sanpaolo* or in which the *Group Intesa Sanpaolo* has a *Substantial shareholding* also implies a conflict of interest because the *Company* could be encouraged, in investment selection, to favour the interests of the *Group*.

- d) In the *Advisory* service, the recommendation of *Financial instruments* for which the manager or other *Key actors* involved in the provision of the advisory service hold a *Management position* in one's portfolio, implies a conflict of interest



because the choice of the *Financial instruments* could be influenced by the interests of the manager or of the other *Key actors*.

- e) In the *Advisory* service, the recommendation of *Financial instruments* for which the manager or other *Key actors* involved into the provision of the advisory service hold a *qualified holding*, implies a conflict of interest because the choice of the *Financial instruments* could be influenced by the interests of the manager or of the other *Key actors*.
- f) In *the Advisory* service *FAMI* could find itself in conflict of interest in case of plurality of tasks in the *Group* companies by directors or managers involved in the provision of the advisory service, because *FAMI* or these actors could have a financial incentive, or an incentive of different nature, to privilege the interests of another *Group* company or of its clients.
- g) In *the Advisory* service, when a director, or by another entitled actor, with management delegations of *FAMI*, takes on a significant role in the *Issuer / Distributor* of financial instruments, implies a conflict of interest because these actors could be encouraged to invest the assets of the *Client* according to their own interests.

## **2.2 GIFTS AND HOSPITALITY OFFERS**

The receipt by the *Key actors* of gifts or hospitality offers having a significant value implies a conflict of interest because this could influence the correct provision of the *Services*. *FAMI* is committed to an ethical environment for all employees, executives and Board members. Giving or receiving certain gifts and entertainment can be part of normal business relationships and can, in appropriate circumstances, create goodwill and enhance business relationships. However, it could also give rise to actual or perceived conflicts of interest and could compromise its duty to act in the clients' best interest. *FAMI* issued a "Gift Policy" to provide rules to guide decisions related to gifts and entertainment.

## **2 GROUP PROCEDURES FOR THE MANAGEMENT OF CONFLICTS OF INTEREST**

This Policy, apart from identifying the circumstances which result in or could result in a conflict of interest, defines the policies to follow and the measures to be adopted to manage these conflicts of interest or identifies, inside the procedures already provided at *Group* level in application of other legal or regulatory provisions, those deemed appropriate also for the management of situations of conflict of interest identified in the first part of this document.

### **3.1. CHINESE WALL**

At *Group* level, a segregation of functions and a logistic separation (so called "Chinese Wall") between the organisational structures which provide *Corporate finance services* to firms (so called "Corporate side") and those providing services and activities to investors or the financial markets (so called "Market side") is assured. This functional and logistic separation allows to assure that:

- the Market side does not have access to privileged information known by the Corporate side: in this way the risk that the Market side, within its routine market activity, operates availing of such *Privileged information* is avoided;
- the structures of the Market side neither hierarchically refer to the structures in the Corporate side nor can know the operations, being so able to operate, by definition, in an independent way and without conditions: in this way the risk that the Market side, within its market routine activity, is influenced by the interests deriving from the operations ordered by the Corporate side is avoided.

Considering that FAMI is authorised to the provision of portfolio management services and advisory (and therefore belongs to the so called Market side), *Group* controls, as per functional and logistic separation, assure that the *Key actors* of FAMI involved in the provision of the above said services can not know any *Privileged information* or operations known by *Group* companies carrying out activities belonging to the Corporate side of the Chinese Wall.

### **3.2 CODE OF CONDUCT and ETHIC CODE**

With reference to the conflicts of interest connected to the interests of the *Key actors*, the *Group* adopted internal policies and codes providing for, among other things:

- rules concerning gifts, presents and hospitality offers to corporate representatives and employees;
- principles of behaviour in the relations with clients.

The above mentioned documents represent the measures adopted for the management of the conflicts of interest which could result from personal interests of the *Key actors* or of some of them, whereas expressed.

Moreover, in given circumstances, the *Group* adopts registration procedures of the *Actors connected to a Key actor* to monitor those possible situations of conflict of interest highlighted in the first part of this document.

### **3.3 "GREY MARKET" OPERATIONS**

The *Group*, to improve the protection of its own *Clients*, adopted rules aiming at limiting the treatment of bond related *Financial instruments* presenting particular critical characteristics.

### **3 PROCEDURES IN FAMI FOR THE MANAGEMENT OF THE CONFLICTS OF INTEREST**

FAMI, further to the implementation, at *Group* level of procedures and measures identified by Parent Company Intesa Sanpaolo, to manage the situations of conflict that are potentially able to damage the interests of one or more *Clients* of the *Group*, also defined additional tailored procedures to be followed for the management of these conflicts of interest identified in the first part of this Policy.

#### **4.1 INVESTMENT PROCESS**

##### **4.1.1 PLURALITY OF TASKS**

FAMI adopted an organisational model and a structure of tasks and powers aiming at protecting the decision-taking autonomy of FAMI concerning the choices made about asset management services provision.

In particular, at present, in the organisational model the actors entitled with management delegations in FAMI can not simultaneously be entitled with operational delegations in other companies of the *Group* carrying out in favour of managed assets the activities of trading, *Distribution*, order receipt and transmission of orders, or ancillary services.

##### **4.1.2 FINANCIAL INSTRUMENTS SELECTION**

FAMI adopted an investment process governing the activities, roles and responsibilities in the provision of *Portfolio management and Advisory* services. This process is formalised in the appropriate procedures, which represent the reference point for a global analysis and understanding of management activities structure and implementation.

##### **4.1.3 INVESTMENTS IN FINANCIAL INSTRUMENTS ISSUED OR PLACED BY GROUP'S COMPANIES**

FAMI issued specific rules in reference to investments in financial instruments issued or placed by the Group's companies (please refer to Annex I "Guidelines for managing conflicts of interests") applicable to the Sub-Funds managed directly by FAMI.

##### **4.1.4 EXERCISE OF THE VOTING RIGHT**

FAMI has adopted a specific procedure for the management of possible situations of conflict of interest resulting from the exercise of the voting right with reference to financial instruments pertaining to managed UCIs, which provides for:

- the decision-taking process followed for the exercise of the vote and of other faculties inherent the managed financial instruments should be appropriately formalised and kept;

- if the vote concerns a company of the belonging *Group* of FAMI the reasons for the decision adopted are also expressed.

The same procedure provides for that the behaviours assumed during the meeting, according to their importance, are notified to the *Clients* in the annual report or by other appropriate form, previously decided by the Board of Directors.

## **4.2 SELECTION OF CONTRACT COUNTERPARTS**

As defined in the structure of tasks and powers adopted by FAMI, the agreements having significant influence on managed assets shall be previously submitted to the opinion of independent directors who express their opinion on the adequacy of their content and on the consistency of these agreements with the interest of the clients.

In case the counterparties falls into the scope of the related parties, their approval follows strict authorisation steps as defined in details in the Group's guidelines for Related Parties transactions.

## **4.3 BEST EXECUTION POLICY**

FAMI adopted a "Best Execution Policy" aimed at obtaining the best possible result for the orders forwarded on behalf of the managed UCIs and of clients' portfolios.

With reference to the transactions concerning all types of *Financial instruments*, including units or shares of quoted *UCI* (ETF), whereas negotiated in relevant markets, FAMI considers the achievement of the *best execution* with reference mainly to the *total consideration*, consisting of the price of the financial instrument and of the costs relevant to the execution, also taking the execution promptness and the execution probability according to the characteristics of the negotiated instrument into account.

## **4.4 BROKER REVIEW PROCESS**

FAMI adopted a specific process to evaluate the qualitative aspects of the services received by the counterparties in each area of operation (equity, fixed, FX, etc.).

## **4.5 INCENTIVES RELATED POLICY**

FAMI adopted an "Inducement policy" to manage the inducements given / received within the provision of the *Portfolio management* service.

The Policy describes the criteria to use to certify the legitimacy of the incentives received / given by FAMI, as well as the choices adopted within the corporate policy

of management of the inducements in terms of method approach. The check is performed before receiving any benefit.

The inducements are allowed as long as they:

- aim at increasing the quality of the service offered to the *Client*;
- do not impede the accomplishment by FAMI of the duty to act in the best the interest of the *Client*.

According to regulatory provisions the clients are notified in advance of the existence of inducements.

#### **4.6 PERSONAL TRANSACTION POLICY**

FAMI adopted a Personal Transaction Policy in order to regulate transactions on financial instruments carried out by or on behalf of Relevant Subjects, on a personal level or, in any case, outside the scope of the activities that the Relevant Subjects undertake on behalf of the Company, assuming that these Subjects:

- are involved in activities that could give rise to conflicts of interest, or
- have access to Insider Information or to other Confidential Information concerning clients or transactions with or on behalf of clients within the context of the activity performed on behalf of the Company.

#### **4.7 PRODUCT DEVELOPMENT PROCESS**

FAMI adopted a product development process governing activities, roles and responsibilities in the launch of new products and in the management of existing products. This process represents the reference point for a global analysis and understanding of management activities structure and implementation.

#### **4.8 BOARD OF DIRECTORS' CONFLICT OF INTEREST POLICY**

The board of Directors has established a documented conflict of interest policy for its members according to the statutory requirements under Section 231 of the Companies Act 2014 and requirements under Section 9.5 of the Corporate Governance Code for Collective Investment Schemes and Management Companies. This Policy is designed to ensure that FAMI meets its obligations to identify and manage conflicts of interest in relation to directors.

#### **4.9 TRAINING**

FAMI is committed to provide training to employees on a regular basis, in order to make clear to staff that the clients' interests are paramount, to train employees on their obligations around conflict of interest and to remind them of how conflict of

interest may exist, in order to enable conflict of interest identification from the ground up.  
FAMI believes that a strong firm culture is fundamental to succeed a high level of conflict of interest's aware environment.

## **4 REPORTING ON CONFLICTS OF INTEREST AND RELEVANT REGISTER**

### **5.1 REPORTING ON CONFLICTS OF INTEREST**

Where the organisational or administrative arrangements made by FAMI for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Clients will be prevented, the senior management will be promptly informed in order for them to take any necessary decision to ensure that in any case FAMI acts in the best interests of the Clients.

FAMI shall report any situations referred above to the Clients by durable medium giving reasons for the decision.

### **5.2 REGISTRER OF THE CONFLICTS OF INTEREST**

FAMI's Compliance manages and regularly updates a register of the types of activities undertaken in which a conflict of interest entailing a material risk of damage to the interests of one or more Clients may arise.



## 6 ANNEX I : GUIDELINES FOR MANAGING CONFLICT OF INTERESTS

### 1. Investments in financial instruments issued by the Group's companies.

<b>FINANCIAL INSTRUMENTS ISSUED BY GROUP COMPANIES</b>	<b>SHARES AND OTHER EQUITIES</b>	TRADED ON REGULATED MARKETS	
		- included in the benchmark	<p>This is allowed up to the maximum limit of the security's weight in the benchmark increased by 1 percentage point.</p> <p>The Manager must make a written request for investments up to the limit of 3% on the weight in the benchmark. Authorisation can be provided by the Head of Desk.</p> <p>In the case of investments over 3% of the weight in the benchmark, after a written request from the manager in accordance with the Head of Desk, authorisation is given by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the Managing Director.</p>
		- not included in the benchmark	<p>This is allowed up to the maximum limit of 1% of the managed portfolio, after the manager notifies the Head of his/her department; the manager must make a request in writing for investments up to 3% of the managed portfolio. Authorisation is provided by the Head of Desk.</p> <p>In the case of investments over 3% of the managed portfolio, after a written request from the manager in accordance with the Head of Desk, authorisation is given by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the Managing Director.</p> <p>In any case, total investment in the assets under management cannot exceed 1% of the company capital with voting rights.</p>
	NOT TRADED ON REGULATED MARKETS	<p>This is only allowed after a written request from the manager in accordance with the head of Desk with authorisation from the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the Managing Director.</p>	
<b>DEBT SECURITIES</b>		<p>Only allowed for instruments with rating no lower than the investment grade.</p> <p>At the time of subscription, the overall performance must be consistent with that of other issuing operations with similar ratings and duration that belong to the same sector.</p> <p>The evidence to support the investment decision must be adequately traceable.</p>	

	<b>STRUCTURED SECURITIES AND DERIVATIVE INSTRUMENTS</b>	<p>Only accepted provided that FAMI has control tools and systems which allow for independent assessment of the single financial instrument in order to avoid a situation where the price paid does not match the fair value.</p> <p>Investment in structured financial instruments and derivative instruments (e.g. certificates) which could replace direct investment in financial instruments, after a written request from the manager in accordance with the Head of Desk, is authorised by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head Investments, authorisation is given by the Managing Director.</p>
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2. Investment in financial instruments placed<sup>1</sup> by Group Companies.

Investment in financial instruments placed by Group Companies is subject to the rules listed below:

- during the placement period, the investment is allowed provided that it complies with the limits and authorisations outlined in the table below.
- there are no specific limitations after the end of the placement period, with the exception of those limitations laid down in the regulations in force or in other company or Group provisions.

<b>FINANCIAL INSTRUMENTS PLACED BY GROUP</b>	<b>SHARES AND OTHER EQUITIES</b>	TRADED ON REGULATED MARKETS	
		- included in the benchmark	<p>This is allowed up to the maximum limit of the security's weight in the benchmark increased by 1 percentage point.</p> <p>The Manager must make a written request for investments up to the limit of 3% on the weight in the benchmark. Authorisation can be provided by the Head of Desk.</p> <p>In the case of investments over 3% of the weight in the benchmark, after a written request from the manager in accordance with the Head of Desk, authorisation is given by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the Managing Director.</p>

<sup>1</sup> If a Group company is part of the underwriting syndicate, then the financial instrument is deemed to be effectively acquired by the Group company

		<p>- not included in the benchmark</p>	<p>This is allowed up to the maximum limit of 1% of the managed portfolio, after the manager notifies the Head of his/her department. The manager must make a request in writing for investments up to 3% of the managed portfolio. Authorisation is provided by the Head of Desk.</p> <p>In the case of investments over 3% of the managed portfolio, after a written request from the manager in accordance with the Head of Desk, authorisation is given by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the Managing Director.</p> <p>In any case, total investment in the assets under management cannot exceed 1% of the company capital with voting rights.</p>
		<p>NOT TRADED ON REGULATED MARKETS</p>	<p>This is only allowed after a written request from the manager in accordance with the Head of desk with authorisation from the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the Managing Director.</p>
	<p style="text-align: center;"><b>DEBT SECURITIES</b></p>		<p>Only allowed for instruments with rating no lower than the investment grade.</p> <p>At the time of subscription, the overall performance must be consistent with that of other issuing operations with similar ratings and duration that belong to the same sector.</p> <p>The Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies must be provided with information in writing concerning these transactions.</p> <p>For investments exceeding 3% of the issuing, following a written request from the manager in accordance with the Head of Desk, an authorisation must be sought for by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the Managing Director.</p>

	<p><b>STRUCTURED SECURITIES AND DERIVATIVE INSTRUMENTS</b></p>	<p>Only accepted provided that FAMI has control tools and systems which allow for independent assessment of the single financial instrument in order to avoid a situation where the price paid does not match the fair value.</p> <p>Investment in structured financial instruments and derivative instruments (e.g. certificates) which could replace direct investment in financial instruments, after a written request from the manager in accordance with the Head of Desk, is authorised by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the Managing Director.</p>
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