

## **Conflicts of Interest Policy**

Updated as of March 2018

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## 1 Glossary

Term	Description
UCITS	Undertakings for Collective Investment in Transferable Securities
AIF	Alternative Investment Fund
Funds	AIF or UCITS managed by Massena Partners S.A
AIFM	Alternative Investment Fund Manager
Massena Partners S.A	Management Company as per the definition provided by the law of the 17 December 2010 on UCITS, and hereafter “the ManCo”
BoD	Board of Directors or <i>Conseil de gérance</i> of the ManCo
Senior Management or Conducting Officers	Persons who effectively conduct the business, executive members or members of the governing body
Client (s)	If not explicitly specified, this term includes Investors and AIFs
Conflict(s) of Interest	Act of pursuing his/her own interest of the interest of a particular company or Investors to the detriment of others
Investment Committee	Investment committee established by the ManCo
Investor(s)	The investors of the AIF
Members	Any individuals, being part of the management or employee of the AIFM

## 2 Applicable regulations

<b>Luxembourg Law</b>	Law of 17 December 2010 relating to Undertakings for Collective Investment
	Law of the 12 July 2013 on Alternative Investment Managers (“AIFM Law”)
<b>Regulation</b>	No 231/2013 of the 19 December 2012 (“AIFM Regulation”)
<b>CSSF Circulars</b>	CSSF Circular 10-04 of 1 <sup>st</sup> July 2013
	CSSF Circular 04/155 on compliance function
	CSSF Circular 12/546 on organization of management companies
	IML Circular 98/143 on internal audit

## 3 Introduction

Massena Partners S.A acting as Dual ManCo, has, as required by the Luxembourg regulatory framework in force, a conflicts of interest policy that is defined, endorsed and implemented through a detailed policy by the management.

The ManCo has aligned its conflicts of interest policy with the current best practice and Luxembourg regulatory framework.

## 4 Purpose of the policy

The ManCo has policies and procedures which seek to:

- Identify circumstances which may give rise to conflicts of interest entailing a material risk of damaged to the interest of the Fund;
- Establish appropriate mechanisms and systems to manage those conflicts; and
- Maintain systems designed to prevent actual damage to the interest of the Fund through any identified conflicts.

## 5 Identifying conflicts of interest

A "conflict of interest" may arise in the course of providing services and activities and whose existence may damage or serve the firm's or other's clients/investors interests more than another's client's interests: the ManCo should take all the reasonable measures to identify, prevent and manage the materialization of those conflicts.

Directors and employees of the ManCo which are facing conflicts of interest should report the information to the Compliance Officer.

- Either if they have identified one conflict of interest situations listed in the record of potential conflicts of interest attached thereto (see Appendix 1);
- Either in case of doubt regarding a situation which may give rise to a conflict of interest.

The Compliance Officer maintains records of the types of situations which may give rise to a conflict of interest. These conflicts of interest are, besides conflicts reported by the employees and the Directors, identified by the Compliance Officer through control on and/or discussions with services providers, employees and clients (in particular before entering into any new relationship).

These controls and discussions made for that purpose as well as the relevant conflict mitigation measures are documented by the Compliance Officer in a record of conflicts of interest.

The Compliance Officer of the ManCo maintains at the registered office of the ManCo a record comprised of 2 tables:

- A record of the types of situations which could potentially give rise to a conflict of interest which have not necessarily materialised (see Appendix 1 – “cartographie des risques”)
- A record of the effective conflicts of interest as reported to, or identified by, the Conducting Officer (See Appendix 2 – Répertoire de conflits d'intérêt).

The Compliance Officer issues each year a report on conflicts of interest, to the attention of the conducting officers of the ManCo. This report sets out the actions undertaken to avoid or manage the identified conflicts of interest as well as their occurrence in the future.

## 6 Procedures for the managing of conflicts

- Where the third party provider is authorised under national laws implementing MiFID, the service provider is obligated to maintain an adequate conflicts of interest policy, take all reasonable steps to identify conflicts of interest and manage them adequately. The ManCo will not require further reports from such third parties.
- Where the investment manager or other third party provider is not authorised and regulated under MiFID, the ManCo ensures that the following obligations are met on a contractual basis and the following obligations relevant to the ManCo must also be met by such third party provider.

In order to limit any such conflicts and to manage any conflicts which do arise, the following controls and internal procedures have been put in place:

- effective procedures to prevent or control the exchange of information between relevant persons engaged in collective portfolio management activities involving a risk of a conflict of interest where the exchange of information may harm the interest of one or more clients;
- the separate supervision of persons whose principal functions involve carrying out collective portfolio management activities on behalf of, or providing services to, clients or to investors whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the ManCo;
- the removal of any direct link between the remuneration of persons principally engaged in one activity and the remuneration of, other revenues generated by, different persons principally engaged in another activity where a conflict of interest may arise in relation to those activities;
- measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carried out collective portfolio management services;
- measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate collective portfolio management activities where such involvement may impair the proper management of conflicts of interest.

All potential conflicts of interest which have been identified are fully disclosed in the Prospectus for the Funds and all material contracts which the ManCo enters into on behalf of the Funds contain detailed disclosure of the conflicts which may arise with all parties consenting thereto. Any disclosure made shall be clear, fair and not misleading and the disclosure shall contain sufficient detail about the relevant conflict of interest to enable the investor in the Funds or a third party contracting with the or the ManCo to make an informed decision.

Any transactions entered into by the ManCo on behalf of the Funds shall be consistent with the Best Execution Policy.

Establishment of information barriers such as "Ethical Walls" which will restrict information flows between different areas within the ManCo which are likely to generate a conflict of interest. The Ethical Walls shall be implemented where appropriate to enable the ManCo to carry out work on behalf of the Funds without being influenced by other information held by the Group of which the ManCo is part which may give rise to a conflict of interest.

The employees are allowed to subscribe in our in-house funds as disclosed in the legal documentation of each fund: As we refer to private equity funds with a lock-up period, no conflict of interest may arise as they are illiquid assets and the investment process can only start when fundraising is closed

The ManCo operates a "Need to Know" approach and complies with all applicable laws in respect of the handling of confidential information that it receives from investors in the Fund. Access to such confidential information is restricted to those who have a proper requirement for the information consistent with the legitimate interests of the ManCo or the Fund.

The ManCo will ensure any transaction carried out with a Fund by the ManCo shall be effected on normal commercial terms negotiated at arm's length. All transactions shall be in the best interests of the investor in the Fund.

The transactions shall be subject to:

- execution on best terms on organised investment exchanges under their rules; or
- where the above is not practical, execution on terms which the Fund/ ManCo, is satisfied conform to the principles outlined above.

## **7 Procedures for managing and evaluating the effectiveness of the conflicts of interest policy**

The conflicts of interest policy and the procedures in place are reviewed on an ongoing basis by the Compliance Officer. Should the Compliance Officer find that the procedures are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the fund or the shareholders are being prevented, the Directors of the ManCo and/or Funds shall be promptly informed in order for them to take any necessary decision to ensure that in any case the ManCo acts in the best interests of the Fund and of the shareholders and the policy and procedures shall be amended as appropriate.

In addition, the ManCo shall report such situations to the shareholders of the Fund in writing and will give reasons for its decision.

This policy has been approved by the board of directors and where no update is required, the policy will be applied consistently over time

## 8 APPENDIX 1:

### ❖ **Non-exhaustive list of situations that may create a Conflict of Interest**

- The Manco may attain a financial gain or avoid a financial loss at the cost of one or several customers
- The Manco has an interest in the outcome of a service or an activity provided to the clients or of a transaction carried out on behalf of the client which is distinct from the client interest in that outcome
- The Manco has a financial interest or for other reasons favors a customer's or group of customer's interests over the interest of another customer
- The Manco conducts the same business as the client
- The Manco receives or will receive from a person other than the customer an inducement in relation to the service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.
- An employee of the Manco has outside business interests that conflict with the interests of the company's clients
- The Manco trade for its clients in a security when at the same time it has information about potential future client orders in a relation to that security
- An employee of the Manco has relationship that affects its independence
- The Manco has information in relation to distressed assets and trades these assets for one client but not others
- The Manco records and reports false information (misrepresenting, falsifying relevant information required to be reported to clients and external parties or used internally for decisions-making purposes) in order to derive personal benefits

❖ **List of Conflicts of Interest occurred**

Nothing as of today