



**IFP**

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INVESTMENT MANAGEMENT S.A.  
LUXEMBOURG

## **Conflict of interest Policy**

**March 2019**

## **Introduction**

Under Articles 18-22 of CSSF Regulation number 10-4, IFP Investment Management S.A. (the “Company”) has adopted the present **Conflict of interest** Policy.

On a preliminary basis it is to be considered that although the law requires the Company to establish, implement and maintain an effective conflicts of interest policy, the policy is appropriate to the size and organisation of the Company and the nature, scale and complexity of its business.

Conflicts of interest routinely requires a balanced adjustment between objectives.

This document describes the situations that can lead to a conflict of interest between the Company, its clients, its services providers and its shareholders, and the principles, rules and procedures for the control, management and minimization of the same and related damage that may result. The document also indicates the general approach to be taken to neutralize the potential negative effects that may result or when the conflict is embedded in the business model the transparency requirements with shareholders.

This document is divided into the following sections:

1. The first section identifies the potential main conflicts of interest that may arise;
2. The second section describes the principles, rules and procedures that the Company has introduced to the efficient management of conflicts of interest, with reference to specific services rendered;
3. The third section describes the control system on the effective implementation of the contents in the previous parts;
4. The fourth section identifies the documentation resulting from the adoption of this policy.

The following potential conflicts of interest also applies to the companies which are part of the IFP Group. This in view of the fact that certain Directors of the Company are relevant persons of the Group companies. Accordingly, they may have conflicts in decisions taken by the Board of the Company, which affect their respective affiliates or business counterparties.

## **Definitions**

In the present document, the following definitions will be currently used:

A **conflict of interest** is a situation where, within the framework of the conduct of business of the Company, the interests of at least two relevant persons are at stake at the same time, either directly or indirectly.

**Relevant person** means any of the following:

- a) a director, partner or equivalent, or manager 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 the Company and who is involved in the provision by the Company of collective portfolio management,
- c) a natural person who is directly involved in the provision of services to the Company under a delegation arrangement to third parties for the purpose of the provision by the company of collective portfolio management.

An **interest** is a “source of advantage of whatever nature, whether material or immaterial, professional, commercial, financial or personal.

## **SECTION I – IDENTIFICATION OF POSSIBLE MAIN CONFLICT OF INTEREST**

For the purposes of identifying the types of conflicts of interest that arise in the course of providing services and activities and whose existence may damage the interests of a UCITS, the Company shall take into account, by way of minimum criteria, the question of whether the Company or a relevant person, or a person directly or indirectly linked to the Company, is in any of the following situations, whether as a result of providing collective portfolio management activities or otherwise.

The conflicts of interest “mapping” includes four main sources of potential conflicts, according to the persons involved, i.e.:

- I. Conflicts of interest arising for the role of a “**relevant person**” inside the Company and, at the same time, in another related entity which may have an opposite interest compared to the Company;
- II. Conflicts of interest arising from **any contract with third parties** in which a relevant person has an economic or personal interest, which may be in opposition with the Company interests;
- III. Conflicts of interest arising by using the parts of the UCITS **Funds** managed by the Company as instruments for investing in the clients’ **portfolio**. This kind of investment, not itself prohibited, has to be carefully monitored to verify (1) the protection of both investors (in the Fund and as clients of the discretionary portfolio management services) and (2) the level of fees applied to the clients.
- IV. Conflicts of interests arising for a company as being part of a **group** which interest can be opposite to the interest of the company.

The mapping identifies several potential conflicts of interest which belong to one of the previous category.

## SECTION II - MANAGING CONFLICT OF INTEREST

In order to manage the possible conflicts of interest identified, the Company shall take appropriate organizational measures to ensure that they do not adversely affect the interests of investors. The following are the major guidelines adopted by the Company for this purpose.

### *A] General Measures to Mitigate Conflicts of Interests*

In order to prevent, avoid or at least mitigate conflicts of interests, the following precautions are

taken	For Board Members	For Conducting Officers	For Employees	For Clients and Investors
Potential professional conflict of interest	Declaration of any other commitment.	Declaration of any other commitment.	Declaration of any other remunerated or not activities, conflicting with their	They have an activity that can come against the decision taken for the management of

			commitment inside IFP.	their investments
Potential investment based conflict of interest	Declaration of investment in the company's products, per sub-fund and per board member	Declaration of investment in the company's products, per sub-fund and per conducting officer	Declaration of investment in the company's products, per sub-fund and per employee	Investigating background and Monitoring of amount of investment per investor and per sub-fund
Personal Link	Declaration of any personal link	Declaration of any personal link	Declaration of any personal link	Dialogue with client
Hospitality	Declaration of any gift (hospitality included) received by 3 <sup>rd</sup> parties (customers included) and refusal above 250 euros value. Any gift (hospitality included) to be recorded at compliance officer's office in a dedicated file.			

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The following **independence criteria** shall apply:

- i. neither a Director nor a Conducting Person nor any other person of the COMPANY shall have single signing authority save for as otherwise decided by the Board;
- ii. at least one Conducting Person must be fully independent from the Investment Manager; and
- iii. the Risk Management and Compliance Function must be hierarchically and functionally independent from operating units of the Company.

***B) Handling of Conflicts due to membership to IFP Group***

1. With reference to cases in which the Company invests part of the portfolios in UCI placed and / or managed by companies of the IFP Group:

- a) the Company makes it aware to the client that though different departments it is part of the same company and invests if possible into the class that has the less commission applied for the strategy considered, when investing in the funds managed by the company, it applies the rule of a limited amount in the portfolio;

***C) Handling of conflict due to personal interests of Relevant Persons***

The Relevant Persons, while participating in decision-making processes relating to company investments, shall refrain from suggesting and performing personal transactions. Relevant Persons shall have the responsibility to inform the CO of personal investments which may be “price sensitive”. This sensitiveness has to be assessed based on the impact of the company transactions on the price of the investments in question.

### **SECTION III - ROLE AND RESPONSIBILITIES AND FUNCTIONS OF THE PERSONS INVOLVED IN THE PROCESS OF MANAGING CONFLICT OF INTEREST**

#### **1. Board of directors**

The board of directors of the Company defines and approves the organizational measures and procedures for managing conflicts of interest, as well as to remedy any shortcomings of these measures and procedures.

The board of directors is responsible for:

- Assessment of the significance of each case of conflict of interests identified with it and updating the mapping;
- The definition of the measures deemed appropriate to the management of the cases of conflict of interest, in accordance with the principles and provisions of the applicable legislation and this Conflict of Interest Policy;
- The reports to investors referred to in paragraph (2) Regulation CSSF n. 10-4.

#### **2. Conducting Persons**

The Conducting Person(s) will assume the role of support on a continuous basis to the board in coordinating the activities of survey and management of conflict situations (for example, by updating the mapping making this late promoters of the proposed integration / implementation of this policy aimed at better management and detected of cases of conflict).

In particular, the Conducting Persons:

- (a) operates a second level of control, in order to verify the operations that might represent a conflict of interest, even potential;

(b) supports the different business functions from, time to time be involved, in the assessment of potential conflicts of interest;

(c) keeps and update of the register of conflict;

(d) verifies the correct application of this policy and submit an annual report to the board of directors regarding conflicts of interest.

Should a new case of conflict of interest arise, not covered by this Conflict of Interest Policy, the Conducting Persons shall:

a) identify:

- Type and nature of the conflict of interest;
- The scope of the conflict area;
- Actors (IFP Group companies / Relevant Persons).

b) acquire, where necessary, information and / or relevant documentation to the examination of the case for conflict detected;

c) establish, where possible, a hypothesis of organizational, procedural and control for the handling of the conflict, articulating its proposal to be submitted to the board of directors for the next update of the mapping and the adoption of the necessary safeguards.

## **SECTION IV – DOCUMENTATION**

### **1. Register of conflict**

The Company has provided for the establishment of a Register of Conflicts in which they reported the case of a conflict of interest as provided by art 22 of the Regulation CSSF 10-4.

The register is held and updated by the Conducting Persons following the instructions given from time to time by the board of directors.

In the register are also given the needed information from Relevant Persons in accordance with this Conflict of Interest Policy.

The register is kept and updated in electronic way.

### **2. Communications to investors**

In order to provide customers with adequate information concerning the conflict of interest policy adopted by the Company, the Company, prior to any contractual relationship, provide Investors, at their request, with a special document containing a summary of this Policy.

Investors have the right to receive, at any time and following easily request, more information on the contents of the Policy.