

Conflict of interest: prevention and management policy

Updated on July 1st 2019 (summary)

Important note : this document is a free translation of the document titled « Politique de prévention et de gestion des conflits d'intérêts ». In case of discrepancies between the two versions, only the French version will be considered valid and binding.

Policy scope

In accordance with Articles 321-46 and following the AMF General Regulations, the purpose of this procedure is to define the measures implemented by Moneta Asset Management to prevent, manage and deal with situations of conflicts of interest arising in the course of its business:

- between Moneta Asset Management and its clients, whether natural or legal persons; or
- between one or more Moneta Asset Management Relevant Persons and the portfolio management company's individual or corporate clients; or
- between two or more clients of Moneta Asset Management, natural or legal persons.

Any investor who acquires units in a fund managed by Moneta Asset Management is considered a client of Moneta Asset Management.

This procedure is intended to apply to all Moneta Asset Management Relevant Persons as per the Article 321-31 of the AMF General Regulations, inter alia directors and employees (employees, temporary staff, interns and, in general, any person placed at the disposal and under the authority of the portfolio management company).

Conflict of interest identification

In the context of Moneta Asset Management's activities, several situations are likely to create conflicts of interest likely to harm the client's interests and are defined in article 321-47 of the AMF General Regulations. Moneta Asset Management takes all necessary measures to identify the sources of potential conflicts of interest. A conflicts of interest mapping is realized and updated at least whenever necessary and yearly to this purpose.

Prevention of conflict of interest

Moneta Asset Management is an entrepreneurial and independent portfolio management company whose activity is collective portfolio management. The activity of own-account management is limited to the management company's financial investments.

The prevention of conflicts of interest within Moneta Asset Management is based as much on organizational measures as on procedures and controls.

Organizational measures

- Separation of functions

In order to guarantee the interests of clients, all decisions are taken independently and Moneta Asset Management and its Relevant Persons ensure equal treatment between them.

Moneta Asset Management has an organization that separates "risky" functions with regard to conflicts of interest. In regards to this, the management team, trading department, Middle Office, valuation (outsourced) and marketing teams are all clearly separated.

The compliance function is fully independent and continuously monitors activities to ensure that internal control procedures are appropriate.

- Circulation, exchange and protection of information

The computer system is set up with independent networks between the teams, with access limited according to the Relevant Person role in the firm. This makes it possible to limit the authorizations only to the persons concerned by certain subjects (for example: Middle Office functions do not have access to the networks linked to portfolio management). Barriers to the circulation of information intended to prevent the circulation of confidential or privileged information are thus put in place in order to separate activities likely to generate conflicts of interest (activities that are sources of non-public information or conflicts of interest between them). In addition, specific operational procedures make it possible to manage the circulation of confidential or privileged information and to remind Relevant Persons registered on insider or confidentiality lists of their obligations of discretion and abstention with regard to this information (see collection of procedures, market abuse procedure).

Procedures and controls

The measures and controls adopted are designed to prevent and manage conflicts of interest and include the following provisions in particular.

- An internal conflict of interest management policy including instructions that the Relevant Persons must follow in order to identify, prevent and manage conflicts of interest

The AFG's internal code of ethics and rules of professional conduct, supplemented by numerous targeted application procedures, limit the risk that Moneta Asset Management staff may take advantage of information held to the detriment of clients or act in accordance with interests that could be contrary to those of clients (procedures are in place to make employees aware of the rules of professional conduct, personal transactions procedures, gift policy, market abuse procedure, etc.).

- Strict procedures and rules to govern order processing and the primacy of the client's interest

Moneta Asset Management strictly respects the operating rules of the financial markets and refrains from any infringement of equal treatment of orders.

In particular, orders transmitted on the market are pre-allocated and time-stamped, and Moneta Asset Management does not accept subscription-repurchase orders transmitted by clients after the centralisation deadline.

- Strict procedures and rules in the best selection/execution policy

Moneta Asset Management selects with all due proper care its market intermediaries that intervene in order execution. To this purpose, Moneta Asset Management is applying its best selection/execution policy to obtain the best result for the UCITS it manages, in their exclusive interest.

Conflict of interest management

Treatment of potential or actual conflict of interest situations

Any Moneta Asset Management Relevant Person who notices a potential or actual conflict of interest must immediately inform the Head of Compliance and Internal Control. The Head of Compliance and Internal Control analyses the situation and indicate to the Relevant Person concerned the behaviour to adopt. Should the risk be judged significant, the Head of Compliance and Internal Control informs the Directors of its analysis.

Maintenance of the conflict of interest register

In accordance with the provisions of article 321-50 of the AMF General Regulations, Moneta Asset Management sets up a register recording the activities carried out by the portfolio management company or on its behalf for which a conflict of interest involving a significant risk of harm to the interests of one or more of its clients has occurred or is likely to occur.

The register shall identify all potential or actual conflicts of interest and the measures in place to deal with such conflicts of interest.

Client information

Where a situation of potential conflict of interest is identified and the measures put in place by the asset management company are not sufficient to ensure, with reasonable certainty, that the risk of harming the interests of clients will be avoided, the managers of the asset management company shall be informed as soon as possible so that they can take any measure necessary to ensure that the asset management company will in all cases act in the best interests of the UCITS and its unit-holders or shareholders.

Similarly, if management considers, on the advice of the compliance officer, that a conflict of interest has not been resolved, the affected unitholders or clients will be informed using a suitable medium by Moneta Asset Management.