



**anax**  **s**

**Conflict of interest management policy**

## Purpose

The purpose of the conflict-of-interest identification and management procedure is to identify situations leading, or liable to lead, to a conflict of interest and to apply a solution aimed at prioritising and protecting the interests of the company's clients.

## Guidelines

As a portfolio management company, Anaxis Asset Management must make every reasonable effort to prevent conflicts of interest from adversely affecting its clients' interests.

Conflicts of interest may potentially arise between:

- The company, interested parties (as defined in Article 321-32 of the AMF General Regulations) or any other person directly or indirectly affiliated with the company via a controlling relationship, on the one hand, and the company's clients, on the other hand;
- Or between two clients.

Where the measures adopted by the company cannot reasonably prevent the risk of client interests being adversely affected, the company must clearly notify them of the general nature or source of said conflict of interest before acting on their behalf.

Furthermore, the company must establish and maintain an effective conflict of interest management policy, which must be formalised in writing and appropriate to its size, structure and importance as well as the complexity of its business.

Finally, the company must also keep and update a record of the types of investment services, related services and other activities provided by or for the company, for which a conflict of interest involving a material risk of an adverse impact on the interests of one or more clients has occurred or, in the case of ongoing services or activities, is liable to occur.

## Methodology

### A. Conflicts of interest: Step-by-Step

- A conflict of interest is identified by Management or by an employee
- The conflict of interest is reported: the RCCI (Compliance and Internal Control Officer) is notified in writing or by e-mail
- The RCCI manages the conflict of interest by:
  - determining any urgent measures that need to be applied;
  - defining and implementing corrective actions;
  - notifying the affected clients, if necessary;
  - updating the conflict-of-interest log and completing the conflict-of-interest record.
- The conflict of interest is archived.

## B. Identifying conflicts of interest

The process for identifying and managing conflicts of interest must be applied by the interested parties, within the meaning of internal compliance rules, involved in the following activities:

- Investment advice;
- Fund sales and management;
- Discretionary portfolio management.

It is especially important for the company and the interested parties to identify the following situations:

- The company, an interested party, or any person affiliated with them, is liable to generate a financial gain or avoid a financial loss at a client's expense;
- The company, an interested party, or any person affiliated with them, has a vested interest in the outcome of a service provided or a transaction carried out for a client which is different from the client's interests;
- The company, an interested party, or any person affiliated with them, has a financial or other incentive to favour the interests of another client or group of clients over those of the client to which the service is provided;
- The company, an interested party, or any person affiliated with them, receives or will receive (from a person other than the client) a benefit associated with the service provided to the client, in any form whatsoever, other than the commission or fees usually charged for this service.

## C. Reporting conflicts of interest

Any interested party that identifies a potential or proven conflict of interest, or that has any doubts regarding a situation liable to generate a conflict of interest, must immediately notify the Chairman-RCCI or, in his absence, the Management Committee. Notification must be given on a durable medium (e.g. internal memo or e-mail) and provide the following information:

- The department involved;
- The date on which the conflict was identified;
- The nature of the conflict (potential or proven);
- A description of the conflict;
- The clients impacted by the conflict;
- The type of impact generated by the conflict.

## D. Managing conflicts of interest

The RCCI is authorised to manage any conflicts of interest. He analyses the nature, causes and consequences of the identified conflict of interest and takes the appropriate measures to limit its immediate consequences.

Where the conflict of interest has previously been encountered and addressed under the conflict-of-interest management policy, the RCCI adopts a solution in line with this policy.

Where the conflict of interest has not yet been dealt with under the policy, the RCCI adopts a solution based on the following procedures and measures:

- Efficient procedures aimed at prohibiting or controlling the communication of information between interested parties exercising activities with the potential to generate conflicts of interest, where such communication of information might adversely affect the interests of one or more clients;
- Separate supervision of interested parties whose main duties consist in exercising activities for certain clients or providing them with services, where the interests of these clients might generate a conflict, or where said interested parties represent different interests, including those of the service provider, which might generate a conflict;
- Elimination of any direct link between the remuneration of interested parties primarily exercising a given activity and the remuneration of other interested parties primarily exercising another activity, or the revenues generated by these other parties, where a conflict of interest is liable to arise in relation with these activities;
- Measures aimed at prohibiting or limiting the exercise of inappropriate influence by any person on the way an interested party exercises his activities;
- Measures aimed at prohibiting or controlling the simultaneous or consecutive participation of an interested party in several investment services, related services or other activities, where said participation is liable to adversely affect the appropriate management of conflicts of interest;
- Measures ensuring that an interested party can only act in this capacity and for Anaxis Asset Management where said party provides advisory services to companies whose securities are held in portfolios under management or review for investment purposes.

If the adoption or implementation of one or more of these measures and procedures is not sufficient to ensure the required degree of independence, the RCCI shall take any additional or substitute measures or procedures that may prove necessary.

The RCCI carries out corrective actions in order to prevent the identified conflict of interest from occurring or to limit its consequences, notably by altering or adopting the necessary procedures or enhancing controls if such actions are possible.

Where the measures adopted by the RCCI cannot reasonably prevent the risk of client interests being adversely affected, the company must clearly notify them of the general nature or source of said conflict of interest before acting on their behalf. A copy of the letter sent to the client is archived.

The RCCI maintains and updates the conflict-of-interest log and a record of the services or activities for which a conflict of interest involving a material risk of adversely affecting the interests of one or more clients has occurred or is liable to occur.

In the event a new activity is developed or the company's structure is changed, the RCCI also records any conflicts of interest that might arise as a result and the procedures in place to avoid them.

#### **E. Management of conflicts of interest relating to sustainability**

Anaxis Asset Management has chosen to apply ethical criteria to its portfolio management activities. This commitment reflects our vision of a more balanced and harmonious society in which the satisfaction of economic needs and personal aspirations is compatible with environmental preservation and respect for others. The integration of ESG criteria, which cover sustainability risk in particular, into investment choices should be a source of long-term performance.

The implementation of this responsible investment approach by Anaxis Asset Management requires specific vigilance, supervision and communication measures based, among other things, on the identification of conflicts of interest that may arise in the course of this activity. In order to prevent such situations, Anaxis Asset Management has put in place a set of measures to manage these conflicts of interest with a specific ESG organization based on:

- A transparent ethical management policy.
- Specialized teams and resources.
- Internal governance dedicated to responsible investment, consisting of a management committee and an ethics committee.

This organization enables Anaxis Asset Management to ensure that investment decisions are aligned with its ESG strategy and are free from any external or internal influence.

#### **F. Archiving**

All documents related to the detection and resolution of conflicts of interest are archived in the "Conflicts of Interest" file.

## LIST OF POTENTIAL CONFLICTS OF INTEREST

Potential conflict of interest	Procedure implemented
<p><b>Between Anaxis SA's third-party fund distribution activities and Anaxis AM's management activities.</b></p>	<p>No third-party funds distributed by Anaxis S.A. will be used in the funds managed (directly or by delegation) by Anaxis Asset Management.</p>
<p><b>Case of other products managed by Anaxis AM.</b></p>	<p>An investment in these internal group products must follow the specific approval procedure described below:</p> <ul style="list-style-type: none"> <li>• Assessment by the management committee of the interest of this fund in the context of the management of the portfolio concerned (UCITS or mandate);</li> <li>• Preparation of a written report supplementing the RCCL, explaining how conflicts of interest can be resolved or noting the existence of persistent conflicts and issuing a conclusion, possibly accompanied by preconditions and constraints;</li> <li>• If both reports are favorable, addition of the fund to the list of approved investments;</li> <li>• Treatment of the target fund on an equitable basis by the management committee.</li> </ul> <p>Such an investment is subject to the following conditions:</p> <ul style="list-style-type: none"> <li>• Clear identification of the investments concerned and reconciliation with the depositary of the subscribing portfolio and the registrar of the target fund (stocks and movements);</li> <li>• Waiver of management fees by Anaxis AM: Anaxis AM will not be entitled to claim FDG in both the subscribing fund and the target fund in the following case: when a fund invests more than 10% of its assets in in-house funds, a retrocession will be implemented from the first euro invested.</li> </ul> <p>In the context of such an investment, positions and commission calculations will be subject to specific verification. Furthermore, the supporting documents for these verifications will be retained for a minimum of five years, thereby ensuring that the amounts received by the various entities can be justified at any time.</p>
<p><b>With the activities of Anaxis S.A.S.</b></p>	<p>The activities of Anaxis S.A.S. mainly concern services provided to other companies in the group. Anaxis S.A.S. does not carry out any management or distribution activities and therefore does not receive any remuneration in this respect.</p>
<p><b>With the management of equity capital.</b></p>	<p>Cash management will be handled by Jean-Julien GOETTMANN.</p> <p>There will be no active management of the company's equity capital and reserves. These will be placed in term accounts or invested in carefully selected money market UCITS.</p>
<p><b>Between the company's management activities and the marketing of its products or services.</b></p>	<p>In the event that a third-party company is both a potential investor in the products managed by Anaxis Asset Management and the issuer of securities eligible for inclusion in the portfolios, any person aware of this situation must notify the internal control department. The latter will then modify its control plan accordingly.</p> <p>In particular, internal control must ensure that each transaction involving this security is formally justified by a detailed note, which may be included in the management committee's report or drawn up separately. Details of the planned transactions and the documents used to support the decision must be explicitly mentioned and archived. This note must be signed by the Chief Investment Officer and the risk controller.</p>

Potential conflict of interest	Procedure implemented
<p><b>With ESG data providers.</b></p>	<p>In order to prevent the risk of conflicts of interest related to the choice of a data provider, Anaxis Asset Management has implemented a system for evaluating the methodology and several factors (price, quality, coverage, etc.) to be taken into account in the selection process. The final choice is made by the ESG analysis manager.</p>
<p><b>With ESG analysis.</b></p>	<p>In order to prevent the risk of conflicts of interest related to the improvement or deterioration of an issuer's ESG ratings, Anaxis Asset Management has implemented a structured methodology that relies as much as possible on the analyses and conclusions of recognized organizations such as the CDP, the SBTi initiative, the Urgewald association or providers selected for the quality of their services.</p>
<p><b>With the Voting Policy.</b></p>	<p>Our shareholder engagement activities are designed to promote and protect the interests of our clients as investors. We carefully consider the risks of conflicts of interest that may exist between Anaxis Asset Management, its clients and the companies in which we invest. Voting decisions are subject to approval by the management committee and the responsible investment director in order to avoid the possible prevalence of particular interests. If, despite all these precautions, a potential or actual conflict of interest arises, it will be reviewed by the RCCI in accordance with our current conflict of interest prevention and management procedure so that the necessary measures can be taken to resolve the situation or find a balanced solution.</p>
<p><b>« Greenwashing »</b></p>	<p>The risk of greenwashing is the risk that the management company may present the sustainable characteristics of a product, strategy or investment process in an exaggerated, ambiguous or unfounded manner because its own interests (fundraising, remuneration, reputation, cost constraints) conflict with the interests of clients in being properly informed and served. More broadly, this risk can also manifest itself in suggestive communications that bear no relation to reality or in omissions: evocative illustrations, typographical elements suggesting a label, unverifiable statements, lack of references to the origin and reliability of information, and vague descriptions of the means employed. These practices lead investors to form a false perception or deprive them of the objective means of assessment they expect.</p> <p>In order to control this risk, communications relating to sustainable investment are systematically reviewed by the Head of Responsible Investment (who is also Chairman of Anaxis Asset Management). The latter has no commercial function. The RCCI is also consulted to ensure that communications comply with regulations.</p> <p>In addition, the ESG characteristics of products are subject to independent monitoring (by the risk monitoring team, internal control and periodic control). They are subject to systematic incident recording and an escalation procedure. The governance structure in place includes an ethics committee and oversight at the highest level with a clear separation of functions.</p> <p>Regular internal meetings (at least monthly) between the head of responsible investment and the rest of the team, including the affiliated distributor's sales staff, ensure a good level of knowledge of ESG characteristics and the appropriate presentation of products to clients.</p>

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