

# Policy on conflicts of interest

*Last update : 12/06/2020*

Pursuant to article L.533-10 of French Monetary and Financial code, ABC arbitrage Asset Management S.A. (hereinafter "ABAM") must take all reasonable actions to prevent conflict of interest to harm its clients interests.

Preventing conflict of interests starts with identifying them as such. To this end, ABAM set a cartography inventorying every situation, which in its view and knowledge, is susceptible to present a risk of conflicts of interests. This cartography was conceived and created with respect to the company's activities and size.

ABAM established a policy to prevent and handle conflicts of interest. Indeed, ABAM has to ensure its management autonomy, prevent conflict of interests and, if any, resolve them fairly with the interests of either its mandators or shareholders of the AIFs it manages in mind.

To that end, each of ABAM employees and more specifically any and all portfolio managers, have to inform their hierarchy of any and all conflict of interests they would detect between ABAM and a third party. Moreover, each employee must strictly restrain from soliciting third parties with whom they interact (intermediary, mandator, provider etc.) with gifts or advantages risking to jeopardise their impartiality and independence of decision. They must restrain to receive any direct or indirect retributions of any type whatsoever from third parties without prior express authorisation from ABAM directors.

For the sake of transparency, any gifts sent to employees at ABAM office address will be delivered, opened and listed. Should an employee receive a gift or advantage directly at their personal address or attention, they must imperatively inform the company's ethics officer as soon as practically possible. More generally, employee and particularly portfolio managers commit to respect at all times the Ethics code published by the French Association for Financial Gestion (AFG).

In addition, ABAM put in place a remuneration policy allowing:

- To preserve ABAM Clients' interests, notably regarding the modalities to determine the variable part of the portfolio managers' remuneration;
- To ensure a stronger cohesion within ABAM as interests are the same to every employee;
- To set out a real motivation tool: bonuses reward both accomplished work and future implication.

Finally, ethics rules and controls set out by ABAM are prescribed hereafter.



The Ethics code is attached to the internal company rules and regulations and is given individually to each and every employee. It has been decided not to create several categories of employees and not to distinguish between positions deemed sensitive and those deemed less so. This is explained by:

- A need of cohesion and clarity due to ABAM size;
- A need of simplicity of understanding and applying these rules;
- A precaution towards both the mandators and the employees themselves.

Hence it is considered that all employees can be in possession of sensitive information or be in conflict of interests and that obligations imposed are significant enough to reduce the risk of using said information or being in conflict of interest. This code sets out:

- The frame for confidential, privileged and sensitive information;
- The conditions under which employees can intervene on an exchange for themselves;
- The rules specifically applicable to portfolio managers.

It centres around respect of basic principles of financial ethics. These are:

- To ensure the client services in privileging its interest;
- To respect the integrity of an exchange;
- To respect professional confidentiality;
- To act with diligence, loyalty, neutrality, discretion and impartiality at all times.

These rules are mainly issued based on a risk prevention, sometimes a penal one, inherent to objective situations. These ethics rules therefore are a protection including to employees. The Compliance and Internal Control Officer ("CICO") as the person in charge of Ethics in ABAM or the Legal department of ABC arbitrage Group are available at all times for any questions and/or difficulties on ethics in respect of portfolio management.

Should you need any further information on this policy please reach out to [rcci@abc-arbitrage.com](mailto:rcci@abc-arbitrage.com) or through postal mail to ABC arbitrage Asset Management S.A., Compliance and Internal Control Officer ("CICO"), 18 rue du Quatre Septembre 75002 Paris France. Please keep in mind to distinctly indicate your complete contact details.