



Conflicts of Interest Policy

December 2022

1. Introduction and Scope

ReAPS Asset Management Limited (“ReAPS” or “Company”) is authorised as a UCITS Management Company to manage UCITS Funds and to provide discretionary portfolio management services on a customer-by-customer basis. ReAPS is also permitted to act as Investment Manager of pension schemes.

ReAPS is required to conduct its business according to the principle that it must manage conflicts of interest fairly, between its management, Relevant Person or any person directly or indirectly linked to ReAPS, the Company’s clients or between one client and another.

This Conflicts of Interest Policy (“Policy”) covers the activities of managing UCITS schemes and pensions schemes carried out by or on behalf of ReAPS (including activities carried out by a delegate or sub-delegate, if any) and the activities of discretionary portfolio management.

The Policy establishes the standards designed to prevent violations of applicable conflicts of interest regulations and enables ReAPS to identify and adequately manage conflicts of interest in the best interest of the clients.

The Policy applies to those conflicts of interest that may give rise to a risk of damage to the interests of a Client in the course of providing a service. Conflicts of Interest may arise between:

- ReAPS and the Clients of the Company;
- ReAPS and another member within APS Group;
- ReAPS and a Relevant Person;
- ReAPS and its Shareholder/s;
- REAPS and its Vendor/s;
- Two or more Clients of ReAPS; and
- A Relevant Person and a Client.

2. Definitions

For this Policy, unless otherwise provided or unless the context otherwise requires, the below-mentioned words shall be interpreted as follows:

“*Client*” shall refer to an existing client or potential client of ReAPS.

“*Connected Person*” shall refer to:

- a. the spouses or partners, the children or stepchildren, the parents, and any other dependents of the Relevant Person, when such categories of persons are residing or cohabiting with a Relevant Person, and
- b. a body corporate in which the Relevant Person holds shares of a nominal value equal to such an amount as would enable him to appoint a majority of the board of directors.

“*Relevant Person*” shall refer to any of a director, committee member and/ or an employee of ReAPS.

“Vendor” shall refer to a vendor, supplier or service provider, consultant and advisor of the Company.

“Related Party” means shareholders, subsidiaries, associated undertakings and/or joint ventures of ReAPS.

3. Identifying Conflicts of Interest

For the purposes of identifying the types of conflicts of interest that may arise in the course of providing services that may materially damage the interests of a Client, ReAPS shall take into account, the question of whether itself or a Relevant Person, Connected Person or Related Party is in any of the following situations, whether as a result of providing services or otherwise:

- a. Likely to make a financial gain, or avoid a financial loss at the expense of the Client;
- b. Has an interest in the outcome of a service provided to the Client or of a transaction carried out on behalf of the Client, which is distinct from the Client’s interest in that outcome;
- c. Has a financial or other incentive to favour the interests of another Client or group of Clients over the interests of the Client;
- d. Receives or will receive from a person other than the Client, an inducement in relation to a service provided to the Client, in the form of monies, goods or services, other than the standard commission or fee for that service.

A conflict of interest may be a situation where actual, perceived, or potential conflicts exist provided that it is not enough that one party may gain a benefit if there is not also a possible disadvantage to a Client, or that one Client to whom ReAPS owes a duty may make a gain or avoid a loss without there being a concomitant possible loss to another Client.

When identifying the types of conflict of interest, ReAPS shall take into account its interests, including those deriving from its belonging to a group or from the performance of services and activities, and the duty towards the Client it manages; the interest of two or more managed Clients; and conflicts that may arise as a result of the integration of sustainability risks, where applicable. In layman terms the latter refers to any conflicts of interest that may stem from the integration of the Client’s sustainability preference and the integration of sustainability risks in ReAPS’ investment process.

4. Examples of Potential Conflicts of Interest

Hereunder is a list of examples of what may be considered typical conflicts of interest that may arise. Conflicts of interest may not always be clear-cut and easy to define and this is a non-exhaustive list and is provided only for indicative purposes. A conflict of interest occurs when:

- ReAPS may engage in business and trading activities for its own account and/or Clients whilst other Clients are active in the relevant markets at the same time;
- ReAPS may provide investment management services to its Clients and may also recommend or sell products issued by itself or affiliated companies;

- ReAPS or a Relevant Person receives or provides substantial gifts or entertainment (including non-monetary inducements) that may influence behaviour in a way that conflicts with the interests of the Clients of the Company;
- ReAPS is the portfolio manager for more than one Client or fund particularly in respect to issues related to allocation;
- A Relevant Person's private interest may interfere with the interests of ReAPS and its Clients. Such a conflict may result in divided loyalties, and in situations when loyalties are divided, it is hard to be objective about a decision;
- ReAPS' Relevant Persons and other members of APS Group are, or may be, involved in other financial, broking, investment or other professional activities which, in the course of their business, will on occasion give rise to conflicts of interest with the Clients managed by ReAPS.

5. Managing Conflicts of Interest

ReAPS endeavors to manage any conflicts of interest which may arise from time to time, promptly and fairly. In this respect, ReAPS has in place policies and internal procedures aimed at ensuring that:

- There are effective controls in place to manage the exchange of information where, otherwise, the risk of a Conflict of Interest may prejudice a Client's interest;
- Supervisory arrangements provide for separate supervision of employees where necessary for the fair management of conflicts of interest;
- The remuneration of Relevant Persons principally engaged in one activity is not directly linked to the remuneration of, or revenues generated by, different Relevant Persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- There are measures to prevent or limit any person from exercising inappropriate influence over the way in which a Relevant Person carries out investment management activities;
- There are measures to prevent or control the simultaneous or sequential involvement of a Relevant Person in separate investment management activities where such involvement may impair the proper management of conflicts of interest.

To ensure that the above measures are being adhered to, ReAPS and its Relevant Persons are subject to a number of policies which are included in the 'ReAPS Policies Register' and 'APS Group Policies Register' respectively.

In managing conflicts of interest, it may be appropriate to use additional measures if existing ongoing conflicts management measures are not sufficient to adequately manage the potential conflict, such as the following:

- a. Implementation of ad hoc transaction specific Chinese Walls or other additional information segregation methods following consideration of all the facts available to relevant management;

- b. Escalation to senior management/board of directors who have responsibility for the strategy of the Company and an appreciation of the relationship and reputation risks that may arise;
- c. Disclosing in detail on a durable medium the nature and source of the conflict of interest to the Client, the risks to the Client due to the conflict of interest and any details of steps taken to potentially mitigate these risks, prior to rendering any service;
- d. Declining to act.

The following is a list of prevent conflicts of interest measures adopted by ReAPS:

Information Barriers

ReAPS respects the confidentiality of Client's information and operates a 'Need to Know' approach. This principle means that information has to be disclosed only to those people who have a legitimate business need for the information and access rights to that information allocated according to that need. Additionally, ReAPS is bound by the applicable regulations such as GDPR and Professional Secrecy, relating to the handling and processing of Clients' information.

Officers' Responsibilities

- a. *Board of Directors:* Board members are responsible to establish, approve and oversee the implementation and maintenance of effective policies to identify, assess, manage, and mitigate or prevent actual, potential, or perceived conflicts of interest. A director must avoid a situation in which he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
- b. *Relevant Persons:* All Relevant Persons are responsible for identifying and managing conflicts of interest on an ongoing basis and are required to:
 - Comply with this Policy and any other applicable policies relating to the identification, documentation, escalation, and management of conflicts of interest.
 - Act with integrity and exercise good judgement and discretion.
 - Act with the requisite degree of independence and objectivity when discharging their responsibilities at the Company.
 - Avoid where possible, situations giving rise to conflicts of interest due to any of the following:
 - (i) personal financial interest,
 - (ii) family members or close personal/professional relationships,
 - (iii) previous (within the past 5 years), current or potential future involvement in an activity or endeavour (whether within ReAPS or outside ReAPS' premises), and/ or
 - (iv) different roles and responsibilities at the Company, within the APS Group or with a new employer outside ReAPS.
 - To act objectively, or properly discharge their duties and responsibilities owed to ReAPS and/or Clients, and to avoid the risk of reputational damage to the Company.

- immediately notify the Compliance Manager of the existence and nature of an actual, potential, or perceived conflict of interest, as per Appendix 1 - Conflicts of Interest Declaration Form.
- Immediately disclose conflicts of interest when participating in decision making fora and, if resolved otherwise, to recuse from the decision-making process and not seek to influence such decisions any further. This applies to all Board Meetings and Management Committees within ReAPS.
- Not to misuse information obtained in the course of working at ReAPS including in connection with dealing in securities.
- Manage work-related information on a “Need to Know” basis respecting information barriers and duties of confidentiality at all times.
- Challenge and escalate promptly issues of concern to superiors and Compliance Manager so that conflicts of interest may be appropriately recorded, reviewed, managed, and monitored.
- Taking into consideration that staff members of ReAPS as seconded from APS Bank plc, being a shareholder of APS Bank plc, or having private accounts or loans, or using other services of APS Bank plc, shall not lead to a situation considered to be conflicting with that of ReAPS.

Related Parties Transactions

APS Group adopted a ‘Related Party Transactions Approval Framework’ which applies to all subsidiaries including ReAPS. The framework sets out the safeguards that are to be applied to transactions and arrangements between related parties of the APS Group which transactions must be entered into at arm’s length and on a normal, commercial basis. Such safeguards are intended to prevent (or the perception of) any party to such transaction from taking advantage of its position.

Policy Framework of ReAPS

Officers are to also have regard to the policies adopted by ReAPS when preventing and/ or managing any conflict of interest:

- *Prevention of Market Abuse Policy* - The policy outlines ReAPS’ arrangements to prevent market abuse and includes a ‘Personal Dealing’ section which outlines the obligations of ReAPS’ staff when dealing in securities on their own account. It provides guidance on when it is prohibited for ReAPS’ staff to deal in securities and what procedures to follow when deals are conducted. In all cases, the procedure is designed to minimise the risk of situations whereby staff are in breach of their legal obligations and/or bring themselves and/or ReAPS into disrepute because of misconduct or unlawful behaviour of activity.
- *Market Sounding Policy* - This policy governs the internal management of insider information when receiving market sounding from third parties including the process for segregating inside information and the registering persons who have access to Inside Information, and defining the procedures, communications and records relating to the receipt of any market soundings.
- *Inducement Policy* - This policy defines the procedures and measures to be applied by ReAPS in the identification, classification, recording and disclosure of inducements. ReAPS would not be fulfilling its obligation to identify and prevent or manage conflicts of interest if it is to pay or receive any inducement in connection with its service from a party other than the Client unless the

benefit enhances the quality of service to the Client and does not impair with ReAPS' duty to act in the best interests of its Clients.

- *Remuneration Policy* - ReAPS has a procedure in place to ensure that the remuneration process does not impair compliance with ReAPS' duty to act in the best interest of its Clients which identifies and manages any conflicts of interest, promotes sound and effective risk management, and does not encourage risk-taking. The policy is aligned with the Remuneration Policy adopted by APS Group.
- *Voting Policy* - The purpose of this policy is to lay down guiding principles and procedures for ReAPS in exercising the voting rights attached to financial instruments held in the portfolios of its Clients. The aim is to preserve the Clients' interest and to ensure, the manner in which voting rights attached to financial instruments held in the respective Clients' portfolios are to be exercised, is for the exclusive benefit of the Client concerned and in accordance with the investment objectives of the said Client. To mitigate possible conflicts, the policy shall be adopted across all mandates when exercising voting rights.
- *Outsourcing and Delegation Policy* - ReAPS shall endeavour to identify, assess, and manage conflicts of interests regarding its outsourcing arrangements. In the event that the outsourcing arrangement creates material conflicts of interest, ReAPS shall take appropriate measures to manage those conflicts of interest.
- *Allocation Policy* - This policy seeks to manage potential conflicts of interest resulting from the execution and allocation of trades across different portfolios amongst different Clients which could otherwise result in unfair trade execution or allocation across Clients' accounts of investment opportunities and trades being executed in priority to favour one or more Clients at the disadvantage of other Clients.
- *Best Execution Policy* - ReAPS has processes in place to ensure that execution of transactions is such that the total cost or proceeds in each transaction are the most favourable under the prevailing circumstances.

6. Disclosure and Reporting of Conflicts of Interest

ReAPS requires that Relevant Persons disclose to the Company any situations that reasonably would be expected to give rise to a conflict of interest. Relevant Persons are reminded that if they have a conflict of interest or are in a situation which may be perceived by others as a conflict of interest, this should be reported to the Compliance Manager by disclosing the circumstances of the case. The notification of the existence and nature of the conflicts of interest should be submitted by filling Appendix 1 - Conflicts of Interest Declaration Form.

The Company holds a 'Conflict of Interest' register. In this register, the Company keeps record of all the types of regulated business activities carried out by or on behalf of the Company, in which conflicts of interest entailing a material risk of damage to the interests of one or more Clients has arisen. The information contained within the register facilitates the effective identification and management of any potential conflicts of interest. The Compliance Manager will seek to ensure that the Board of Directors is kept informed of any conflicts of interest identified entailing a risk of damage to the interest of one or more Client, at least on a yearly basis.



All Relevant Persons must raise concerns with the Compliance Manager as soon as possible if there is reason to believe or suspect that a conflict of interest has occurred or may occur in the future.

Notwithstanding that ReAPS has taken measures to protect the Client's interests from conflicts that might arise from its own activities, circumstances may arise where a conflict of interest remains. Where any arrangements made by ReAPS to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to Client interests will be prevented, ReAPS shall disclose the nature and/or the sources of conflicts of interest to the Client before proceeding with the transaction.

7. Ongoing Review and Monitoring

ReAPS regularly monitors the effectiveness of the Policy, at least annually. Any material shortfall to this Policy shall be notified to ReAPS' Board of Directors on an ad hoc basis.

Appendix 1

Conflicts of Interest Declaration Form

This Form is to be completed by the Relevant Person in terms of Section 6.2 of ReAPS 2 – Conflicts of Interest Policy (“Policy”). Terms used in this Form shall have the same meaning ascribed to in the Policy.

The Form is to be delivered to the Compliance Manager once completed.

1. Details of Relevant Person

Name and Surname:	Click or tap here to enter text.
Designation:	Click or tap here to enter text.

2. Disclosure of Conflict

Description of Conflict: (if applicable, the nature of the financial arrangement and the total amount (to be) received or paid under the transaction)	Click or tap here to enter text.
Date identified:	Click or tap here to enter text.
Name of any Connected Party and Nature of Connection (e.g., family member) if applicable	Click or tap here to enter text.
Action taken to manage the conflict of interest (if any):	Click or tap here to enter text.

Signature:	
Date:	Click or tap here to enter text.