

Sienna Capital Management S.A.

Conflicts of Interest Policy

History

Version	Release Date	Description	Amended by	Reviewed by	Approval Date
V1	29/04/2021	Conflicts of interest Policy			

Appendices

Reference	Description	Amended by	Reviewed by	Approval Date
Annex I	Conflicts of Interest register			

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1 Glossary

Term	Description
Sienna / the Company	Sienna Capital Management S.A.
AIF	Alternative Investment Fund, as defined under Article 1(39) of the AIFM Law
AIFM	Alternative Investment Fund Manager
AIFM Law	Law of 12 July 2013 on Alternative Investment Fund Managers
Board	Board of Directors of the Company
Conflict of Interest	Situation in which a Staff member is involved in multiple interests, financial or otherwise, one of which could possibly impair its motivation or decision-making.
Compliance Officer	Person appointed by the Company to be responsible for managing the Compliance Function
Delegate or Service Providers	Any entity, part of the Sienna group or external, providing services to the Company
Funds	AIFs for which the Company acts as AIFM
Group	Sienna and affiliated companies
Investors	The investors of the Funds
Policy	This Conflicts of Interest Policy
Senior Management	The persons responsible for the management of the professional, authorised by the CSSF, also known as “authorised management” or “conducting officers”
Staff	Any individual, without restriction, being part of the management or employee of the Company (including secondments) as well as all Service Providers engaged by the Company in order to perform the dedicated tasks/functions

2 Applicable regulations

Law	Luxembourg law of the 12 July 2013 on AIFM
Regulation	Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012
Circular	CSSF Circular 18/698 regarding the substance of investment fund managers

3 Scope and purpose of the Policy

Sienna is an AIFM according to the Luxembourg law of 12 July 2013 on alternative investment fund managers. As such, the Company is required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to identify, prevent, manage and monitor Conflicts of Interest in order to prevent them from adversely affecting the interests of the Funds and the Investors.

The Company must notably take all reasonable steps to identify Conflicts of interest that arise in the course of managing the Funds between:

- a) the Company, including its managers, Staff members or any person directly or indirectly linked to the Company by control, and the Funds or the Investors; or
- b) one of the Funds or its Investors and another Fund or its Investors.

The purpose of the Policy is therefore to describe the arrangements referred to above and to inform the Staff members of their own obligations in terms of conflicts of interest.

The Policy also takes into account any circumstances of which the Company is or should be aware which may give rise to a Conflict of Interest resulting from the structure and business activities of other members of the Sienna group.

4 Initial identification and management of potential Conflicts of Interest

A Conflict of Interest is likely to exist where the Company, a Staff member or a third party under the direct or indirect control of the Sienna group:

- is likely to make a financial gain, or avoid a financial loss at the expense of one of the Funds or its Investors;
- has an interest in the outcome of a service/activity provided to any of the Funds or its Investors or of a transaction carried out on behalf of any of the Funds, which is distinct from the Fund's interest in that outcome;
- has a financial or other incentive to favour the interest of one of the Funds over the interests of another of the Funds, or to favour the interest of one Investor over the interest of another Investor or group of Investors in the same Fund;
- carries out the same activities different Funds; or
- receives from (or gives to) a person other than a Fund and/or its Investors an inducement for entering into a transaction or for providing a service, in the form of monies, goods or services, other than the standard commission or fee for that service.

The main measure to prevent Conflicts of Interest from adversely affecting a Fund and/or Investors is to ensure that actions that may impact the Fund and/or Investors are taken in the best interest of the Fund and/or Investors, and that they are taken independently of the interests of any of the Company's and/or Sienna group's other clients activities or staff members, etc. With regard to Investors, actions should be taken in the common interest of all of them.

The Company has identified the following categories of situations where potential Conflicts of Interest may materialize and has put in place measures to prevent the occurrence of such conflicts.

4.1 Conflicts of Interest internal to the Company

Several types of situations can lead to a Conflict of Interest:

- **One or several Staff members may have a directorship in a Fund managed by the Company.**

Preventive measure: it is ensured that the board of directors of the Fund and of the Company are not predominantly composed of the same people and that majority of vote

in the board of directors of the Fund is never with the Staff members. Furthermore, the Company ensures that an independent director is appointed at level of the AIFM (please refer to the organisational chart).

- **Staff members of the Company have relatives or relationships with persons in the management of Service Providers of the Company or of the Funds.**

Preventive measure: The Company's Staff members are subject to professional secrecy and are aware of the fact that violation of this principle may constitute a serious misconduct according to the labour legislation. All employees have to declare to the Compliance Officer if they have relatives or private relationships with persons in the management of Service Providers of the Company or of the Funds. Appropriate decisions will be taken on a case-by-case basis.

- **Staff members of the Company are in charge of certain activities and operations and are at the same time in charge of the control of these activities.**

Preventive measures: The Company applies the principle of segregation of functions and reporting lines. An organisation chart showing the separation of functions is established. People working in control functions are never involved in operations they control so that independence of controls is not compromised.

- **The Company's Staff members being part of activities giving rise to Conflicts of Interest or having access to privileged information or any other confidential information relating to the Funds or transactions with or on behalf of the Funds, do personal transaction or have another person doing transactions which have the character of personal transaction which are unlawful or based on confidential information.**

Preventive measure: the Company has put in place a policy regarding personal transactions which aims at ensuring that all employees are aware of the applicable restrictions and that they notify the Compliance Officer who can authorise or refuse the transaction if a Conflicts of Interest that would be detrimental for the Funds/Investors may arise. In addition, effective procedures have been taken to prevent or control the exchange of information between Staff members engaged in collective portfolio management activities involving a risk of a Conflict of Interest where the exchange of information may harm the interests of one or more Funds and their Investors.

- **Remuneration of Staff members of the Company is connected to the revenues generated by another person within the Company or another entity of the Group it belongs to or other related parties where a Conflict of Interest may arise in relation to those activities**

Preventive measure: potential variable part of the remuneration of Staff members is based on the individual assessment of the performance of the person's attributed function, according to the AIFM remuneration rules. Potential links between the remuneration of Staff members and the remuneration or the revenues generated by others are systematically removed if the link is encouraging behaviours which could be detrimental to the Funds or Investors interests.

- **The Company receives inducements or kickbacks from third parties in relation to services provided to the Funds or a transaction.**

Preventive measure: the Company is only entitled to receive a service fee paid by the Funds which is indicated in the Funds documentation.

4.2 Conflicts arising from the fact that the Company is a member of a larger group of companies in which an affiliate may have a financial or other business interest

- **Another entity of the Group provides services to the Funds managed by the Company (execution and trading services, marketing, KIID services, etc.)**

Preventive measure: service package is proposed to the Funds at transparent commercial conditions and Company only acts upon instructions from the Funds. Engaged parties of the Funds and the Company are subject to formal selection and monitoring processes to ensure that they are diligent, professional and that all such relationships are engaged into on a strictly professional basis with focus on quality, compliance and pricing of those services. If the termination of an agreement is in the best interest of the Funds and/or Investors, the Company must immediately terminate the agreement and find another solution.

- **Another entity of the Group acts as a counterparty in transactions with one of the Funds managed by the Company (securities lending, own account trading, loans, etc.)**

Preventive measure: The Company never appoints another entity of the Group as counterpart of the Fund on a discretionary basis. Such potential designation is always made on the basis of instructions from the Funds and is made in the sole interest of the Funds and the Investors. In addition the transaction is made at prevailing market conditions both with regard to the price and other conditions, such as legal terms.

4.3 Conflicts arising at the level of the delegates

- **The Company delegates to the portfolio managers the voting rights attached to relevant Fund assets. Votes could potentially be exercised in consideration of an interest which is not aligned with the sole interest of the Fund or the Investors.**

Preventive and control measures: the Company ensures that delegation of vote provides that vote instructions will necessarily be made in the sole interest of the Funds and the Investors. The Company verifies that voting decisions are properly documented and justified to be in the interest of the Fund/ the Investors.

4.4 Conflicts resulting from the fact that the Company provides services to different Funds/Investors

- **The Company may be performing its activities in a way that the interest of an Investor or a group of Investors is favoured over the interest of other Investors.**

Preventive measures: the Company ensures that Investors are all treated according to the standard trading processes which are designed to prevent late trading and market timing practices and to ensure that the terms of the Funds' documentation are properly applied.

- **The Company may happen to manage a Fund that is in direct competition with another investment structure within the Group or may happen to manage a Fund that is in direct competition with another Fund managed by the Company.**

Preventive measures: the Company ensures information barriers are in place to avoid exchange of information which may be harmless for the Funds or the Investors or for the asset managers. Furthermore, the Company has adopted a strategy that foresees that 75% of the commitment of an existing fund is invested before any new fund is launched.

5 Identification and management of Conflicts of Interest on an on-going basis

5.1 Identification and escalation

There are numerous occasions which may give rise to potential Conflicts of Interest in the course of the Company's business and operations. Entering into new business relationships or changes within the organisation are crucial moments and circumstances requiring particular attention to the potential risk of Conflicts of Interest.

New business relationships include client on-boarding and Delegate designation. Every time the Company enters into a relationship with a new client and/or a Delegate is designated, the new relationship must be submitted to careful examination regarding the potential risk of Conflicts of Interest. The Compliance Officer escalates to the Senior Management any new situation where potential Conflicts of Interest may arise.

A change within the organisation such as the internal restructuring of the activity, change in the organisation of work within the Group or the appointment of new Staff members can give rise to Conflicts of Interest. The Compliance Officer escalates to the Senior Management if the change within the organisation creates a new situation where potential Conflicts of Interest may arise.

Where a Staff member becomes aware of circumstances which he/she believes could constitute a Conflict of Interest, which is likely to have a material impact on the interests of a Fund and/or Investors, he/she must report the point to his/her immediate superior or to the Compliance Officer without delay. The Compliance Officer will escalate the information to the Senior Management if the risk is established. An ad hoc Conflict of Interest committee is scheduled which will analyse the potential Conflict of Interest and decide on the most appropriate measure to be taken.

The Company organises at least once a year an internal communication to draw Staff's attention on their responsibility to escalate any potential risk of Conflict of Interest.

5.2 Management of potential Conflicts of Interest emerging in the course of business

If the measures adopted under this Policy are not sufficient to prevent the risk of material damage to the Funds and/or the Investors, or if no preventive measure is in place to prevent the risk of material damage to the Funds and/or the Investors, the Compliance Officer will raise the situation to the attention of the Senior Management which will decide the most appropriate measure to take.

If the Senior Management is not confident that the conflict can be adequately managed, it must clearly disclose it to the concerned parties. Such disclosure is a last resort and should only be adopted in specific cases where the measures otherwise put in place are judged to be inadequate.

6 Disclosure of Conflicts of Interest

All potential Conflicts of Interest which have been identified are disclosed in a durable medium or by means of a website. Any disclosure made must be clear, fair and not misleading and must contain sufficient details about the relevant Conflict of Interest and the organisational arrangements made to ensure, that risks of damage to the Funds/Investors' interests will be prevented.

Where information is provided by means of a website and is not addressed personally to the investor, the following conditions shall be satisfied:

- (a) the Investor has been notified of the address of the website, and the place on the website where the information may be accessed, and has consented to the provision of the information by such means;
- (b) the information must be up to date;
- (c) the information must be accessible continuously by means of that website for such period of time as the investor may reasonably need to inspect it.

Where organisational arrangements made by the Company to identify, prevent, manage and monitor conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to Investors' interests will be prevented, the Company must clearly disclose the general nature or sources of Conflicts of Interest to the Funds and/or the Investors before undertaking business on their behalf, giving sufficient information to enable the Funds and/or Investors to take an informed decision on whether or not to proceed with the proposed transaction.

7 Maintenance of a register of Conflicts of Interest

The Compliance Officer maintains and keeps up to date a register of the Conflicts of Interest that have been identified or which are likely to happen in relation to the activities undertaken by or on behalf of the Company, and which entail a material risk of damage to the interests of the Funds and/or the Investors.

The register details the date when the Conflict of Interest was identified, the decision taken to resolve it, and the date when the decision was taken or when it was disclosed to the relevant parties and/or to the Investors.

The list of potential Conflicts of Interest and preventive measures is not meant to be exhaustive. The list will be amended each time new potential conflicting situations arise in the course of the Company's business and activities. To this end, the question of Conflicts of Interest is regularly at the agenda of the Senior Management meetings.

The Compliance Officer submits, on a frequent basis and at least annually, written reports on activities in which Conflicts of Interest have arisen or may arise.

8 Review of the Policy

The implementation of the Policy will be subject, at least once a year, to a central and independent internal review, which will be organised by the Senior Management of the Company in committee. This periodic review shall assess if the Policy:

- is operating as intended; and
- is compliant with national, international regulations principles and standards applicable to the sector within which the Company operates.

The outcome of the periodic review is properly followed up and presented to the Board.