



Investments

UTI International (France) SAS

Conflict of interest policy

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I. PURPOSE

This policy aims to manage internal conflicts of interest and to inform clients of how conflicts of interest that may arise in the course of the company's activities are identified and managed.

The purpose of this document is to identify, prevent and manage conflicts of interest through following actions:

- Establish a map of conflict of interest risks,
- Take all reasonable measures to prevent conflicts of interest from harming the interests of the clients,
- Keep a register of conflict of interest situations,
- Inform clients when the measures implemented are insufficient to ensure, with reasonable certainty, that their interests will not be adversely affected.

II. REGULATORY CONTEXT

This policy for managing conflicts of interest is established pursuant to :

- Article L533-10 3° of the French Monetary Financial Code
- Book III of the RGAMF (Articles 313-18 and following)
- Regulation (EU) No 596/2014 on market abuse
- Article 38 of Arrêté of November 3, 2014
- Regulations for markets in financial instruments (MIF II): directive 2014/65 (articles 9, 16, 23 and following, and 27), delegated regulation 2017/565 (articles 27, 29, 33 and following)
- EBA Guidelines on internal governance: EBA /GL/2021/05

III. DEFINITIONS

A conflict of interest is defined as a situation in which the interests of the Company, or of a person linked to the Company (including General Management, namely the President and Effective Directors, or employees), conflict with the interests of one or more clients, or where the interests of different clients of the Company conflict with each other.

IV. POTENTIAL CONFLICT OF INTEREST SITUATIONS

Potential conflict of interest situations are situations where the Company or a person related to it:

- Is likely to realize a financial gain or avoid a financial loss at the clients' expense,
- Has an interest in the result of a service provided or a transaction carried out on behalf of the client which is different from the client's interest in the result,
- Is encouraged, for financial or other reasons, to favour the interests of another client or group of clients over the interests of the client to whom the service is provided,
- Carries out the same professional activity as the client,
- Receives or will receive from a person other than the clients an advantage in relation to the service provided to the client, in any form other than the commission or fees normally charged for that service.

UTI IF has set up a risk map that highlights potential conflicts of interest.

These conflicts can be grouped under the following themes:

- Financial management activity (equal treatment of portfolios, transactions between portfolios, instruction of errors, etc.),
- Direct or indirect remuneration received by the Company (transparency of information to the client, choice of market intermediaries, benefits and gifts, etc.),

- Company internal organisation and procedures (separation of functions, remuneration of employees, etc.),
- Personal account transactions of the Company, its General Management and employees,
- Privileged relations of the company or its employees with counterparties or issuers,
- The primacy of the client's interest (equal treatment of orders and holders).

The Company implements an effective conflict of interest management policy. To each source of conflict of interest, corresponds a prevention system, as well as implementation of 1st and 2nd level controls.

V. PREVENTION OF CONFLICTS OF INTEREST

The general principles applied to the prevention of conflicts of interest are integrity, fairness, impartiality and the primacy of the client's interests. These principles occupy a prominent place among the ethical rules of UTI IF. All employees are required to comply with ethical rules and are provided with adequate information, training and guidance.

The control of the conflict of interest management system is the responsibility of the RCSI of UTI IF. The definition of compliance adopted by the Company is "compliance with laws and regulations, professional and ethical standards" and includes compliance with conflict of interest provisions and guidelines.

The measures and controls adopted by the Company with regard to the prevention and management of conflicts of interest include the following provisions in particular:

- Effective procedures to prohibit or control the exchange of information between employees carrying out activities involving a risk of conflict of interest when the exchange of this information may harm the interests of one or more clients (confidentiality of information held by employees, establishment of Chinese walls, etc.).
- A method of remunerating the Company's employees to avoid behaviour that is not in line with the client's interests.
- Strict procedures and rules in the selection and remuneration of intermediaries. The selection of market intermediaries is made in accordance with the principle of the primacy of the client's interest and is based in particular on an analysis of the quality/price ratio of the service.
- Measures aimed at prohibiting or limiting the exercise by any person of inappropriate influence on the way in which such employee exercises his activities (declaration of external mandates, receipt and granting of benefits and gifts, declaration of personal transactions).
- Appropriate training for the employees, in order to ensure satisfactory knowledge of their responsibilities and obligations.

Where the adoption and implementation of such measures do not ensure that employees carry out their activities with the independence required by the primacy of the client's interest and by regulation, the company implements a conflict of interest management system.

VI. MANAGEMENT OF CONFLICTS OF INTEREST

6.1 Escalation of the conflict of interest

Any employee of the Company who suspects or becomes aware of a risk of conflict of interest or a proven conflict of interest must immediately inform the RCSI of UTI IF or, in his absence, the General Management.

6.2 Management of the escalation of the conflict of interest

The RCSI of UTI IF is authorised to manage any escalation of conflicts of interest.

The RCSI of UTI IF will analyze the nature, causes and consequences of the identified conflict of interest and take appropriate emergency measures to limit the immediate consequences. In particular, it may clearly inform the exposed clients of the identified potential conflict of interest. The informed client will have the opportunity to make an informed decision on the provision of the investment service. These exchanges of information must be kept for 5 years.

The RCSI of UTI IF then defines and implements corrective actions to avoid or limit the occurrence of the identified conflict of interest, in particular by amending or adopting the necessary procedures and/or strengthening controls if such actions are possible.

The RCSI of UTI IF shall maintain a record of the services or activities for which a conflict of interest involving a significant risk to the interests of one or more clients has occurred (if applicable) or is likely to occur.

In the event of a new activity or a change in the Company's organisation, the RCSI of UTI IF shall record in the same register any conflicts of interest that may arise and the procedures put in place to avoid it.

VII. RECORD KEEPING

The RCSI is responsible for maintaining records relating to conflicts of interest.

The RCSI shall ensure the Company keeps, for at least 5 years from the cessation of the conflict, records of:

- Identified conflicts and actions taken to manage those conflicts,
- Any reports given to the General Management or the Strategic Committee about conflicts of interest, and
- Copies of written conflicts of interest disclosures given to clients.

VIII. PERMANENT AND PERIODIC CONTROLS

8.1 First level controls

The first level of control is carried out by each employee in order to verify:

- the effective application of the procedure in its various obligations,
- compliance with the ethical commitments of the UTI IF Compliance Manual

Every employee has the right to raise an alert if he or she feels that the Company is not fulfilling its responsibilities to manage conflicts of interest appropriately. They can report issues anonymously to the RCSI.

Employees should refer to the Whistleblowing policy.

8.2 Second level controls

The second level of control is carried out by the RCSI which controls:

- annually, declarations of personal transactions and external mandates,
- the absence of conflicts of interest as identified by the mapping,
- the quarterly update of the register of conflicts of interest,
- the annual update of this policy and the mapping and their validation by Management.

8.3 Periodic controls

Periodic control is ensured by CiD Consulting within the framework defined by the subcontracting agreement.

Appendix 1: Conflicts of interest register

Mise à jour le : 28/06/2024
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 Updated by:



Registre des conflits d'intérêts (traitement et suivi) Register of conflict of interest (management and follow-up)						
Date d'identification Date of acknowledgement	Personnes concernées Persons concerned	Nature du conflit Nature of conflict	Mesures et actions entreprises Actions taken	Information du client (O/N) Client information	Information Direction Report to Management	Commentaires et Suivi Comments and Follow-up

Appendix 2: Conflicts of interest risk map

DOMAIN	Theme	Description of Potential Risk	Probability	Impact	Gross risk	Risk Mitigating Factors	Net risk
Staff Ethics	Personal Transactions (PAD)	Risk for an employee to act against the interests of a client or UTI IF by using confidential information	Low	Medium	Low	<ul style="list-style-type: none"> - Declaration of Personal Transactions - Personal Transactions Procedure - Training and Awareness - 2nd level control 	Low
Staff Ethics	Inducements received	An employee would receive a remuneration, gift or non-monetary benefit to favor a client against the interests of another client	Low	High	Medium	<ul style="list-style-type: none"> - Gifts and Benefits Procedure - Remuneration policy - Declarations of Gifts and Invitations - Training and awareness - 2nd level control 	Low
Staff Ethics	Inducements paid	UTI IF would pay a non-monetary fee, gift or benefit to a client or service provider to influence his decisions	Low	Medium	Low	<ul style="list-style-type: none"> - Gifts and Benefits Procedure - Declarations of Gifts and Invitations - Training and awareness - 2nd level control 	Low
Staff Ethics	External mandates	Risk for an employee to act against the interests of a client or UTI IF	Low	Medium	Low	<ul style="list-style-type: none"> - Policy and annual declaration of external mandates and activities - Procedure specifying restrictions and obligations - 2nd level control 	Low
Investment Advice	Special interest in the advice given	UTI IF would have a particular interest (participation, function, family proximity, business ties, etc.) in the advice given	Low	Medium	Low	<ul style="list-style-type: none"> - Investment Advice Procedure - Compliance Manual - Training and Awareness - 2nd Level control 	Low
Investment Advice	Use of insider information	UTI IF would advise a client on a transaction for which it holds inside information	Low	High	Medium	<ul style="list-style-type: none"> - Investment Advice Procedure - Compliance Manual - Training and Awareness - Market Abuse Policy - 2nd Level control 	Low

DOMAIN	Theme	Description of Potential Risk	Probability	Impact	Gross risk	Risk Mitigating Factors	Net risk
Distribution of UCITs	Conflict between UTI IF and its clients	The retrocessions paid could encourage UTI IF to offer one UCIT rather than another.	Low	High	Medium	<ul style="list-style-type: none"> - Investment Advice Procedure - Communication on fee structure - Training and Awareness - 2nd Level control 	Low
Staff remuneration	Conflict between UTI IF and its clients	Remuneration that goes against the interests of a client Indexation of remuneration on purely quantitative criteria	Low	Medium	Low	<ul style="list-style-type: none"> - Remuneration policy and practices - Annual evaluation of employees - 2nd level control 	Low
Governance	Definition of roles and responsibilities	Conflicts of interest resulting from the exercise of several functions and mandates in different entities of the group	Low	Medium	Low	<ul style="list-style-type: none"> - Governance policy clarifying roles and responsibilities - Policy and annual declaration of external mandates and activities - 2nd Level control 	Low
Organisation	Accumulation of mandates	Favoring one activity to the detriment of another (division of working time)	Medium	Medium	Medium	<ul style="list-style-type: none"> - Governance policy clarifying roles and responsibilities - External mandates and activities Policy and annual declaration - 2nd Level control 	Low
Organisation	Accumulation of mandates	Favoring another company to the detriment of the interests of UTI IF	Medium	Medium	Medium	<ul style="list-style-type: none"> - Governance Policy Specifying Roles and Responsibilities - Policy and annual declaration of external mandates and activities - 2nd Level control 	Low
Organisation	Externalisation	Favoring an external service provider to the detriment of the interests of UTI IF by a lack of competition	Medium	Medium	Medium	<ul style="list-style-type: none"> - Outsourcing Procedure - Annual Assessments of Providers - 2nd level control 	Low