

# CONFLITS OF INTERETS POLICY

OCTOBER 2024

## PREAMBLE

**Ellipsis Asset Management** ("Ellipsis AM") is a portfolio management company approved by the Autorité des Marchés Financiers under number GP-11000014, and is part of the Kepler Cheuvreux group.

This policy aims to ensure Ellipsis AM's compliance with the requirements of the AMF General Regulation, Article 318-13 (AIFs), Articles 321-46 and following (UCITS), as well as those of Article 34 of the Delegated Regulation (EU) 2017/565 of the Commission of April 25, 2016, supplementing Directive 2014/65/EU, commonly referred to as "MiFID II" (portfolio management on behalf of third parties) regarding conflict management.

The purpose of this policy is to prevent any harm to the interests of clients and investors resulting from a conflict of interest. This policy outlines how Ellipsis AM manages its conflicts of interest in accordance with the aforementioned regulations.

## MANAGEMENT COMPANY ACTIVITIES

Ellipsis AM primarily provides portfolio management services on a collective basis (UCITS and AIFs) and on an individual basis for third parties (mandates). Ellipsis AM does not provide order reception/transmission services for third parties. It does not intend to delegate its financial management.

Ellipsis AM markets its funds directly through its own salesforce and indirectly via distributors, including its parent company, Kepler Cheuvreux.

## METHODOLOGY AND FRAMEWORK

Ellipsis AM conducts its activities with respect for the primacy of its clients' and investors' interests, within a framework that guarantees its independence and upholds market integrity. The ethical rules of Ellipsis AM are built around these three fundamental principles.

Diligence, loyalty, neutrality, and discretion are general principles to which employees are subject in the course of their activities, in order to best defend the interests of clients and fund shareholders.

### 1 - CONFLICTS OF INTEREST IDENTIFICATION PROCESS

The analysis of potential conflicts of interest is conducted through a process and reviewed by the Compliance Officer of Ellipsis AM, in line with the evolution of its organization and activities. For example, potential conflicts of interest may arise in the following situations:

- Governance
  - Independence of the structure and the organization
- Portfolio Management
  - Investment decision-making

- Selection of intermediaries and counterparties
- Allocation of transactions to portfolios
- Choice of service providers
- Exercise of voting rights
  
- Funds marketing
  - Marketing materials for funds
  - Distributors' remuneration
  
- Handling exceptional situations
  - Valuation and/or execution errors
  - Clients/investors' complaints
  - Communication of events affecting the funds

To establish the most appropriate prevention and/or treatment measures, Ellipsis AM identifies interests that may conflict with those of the client/investor:

- Potential conflicts of interest with Ellipsis AM or with another entity within the Kepler Cheuvreux group,
- Potential conflicts of interest with employees arising from their personal transactions, relationships, or extracurricular activities,
- Potential conflicts of interest between clients or investors related to differences in treatment.

Ellipsis AM, through its Compliance Officer, maintains an internal register that records and evaluates all identified potential conflicts. This register also catalogues the controls implemented to prevent and mitigate the impact of each type of conflict.

## **2 - CONFLICTS OF INTEREST PREVENTION AND MANAGEMENT FRAMEWORK**

The conflict of interest's management policy implemented by Ellipsis AM is divided into two parts.

### **2.1 - A STRUCTURE FORMALIZED BY PROCEDURES**

Activities are organized with respect to the separation of functions to ensure that employees act independently.

The oversight and prevention of conflicts of interest are ensured through the implementation of internal procedures. The training plan organizes annual training sessions for employees on various procedures.

- Potential conflicts with Ellipsis AM are primarily addressed through the review of fees as part of the product governance procedure,
- Potential conflicts with other entities in the group are mainly handled through the execution policy and voting policy, as well as the prior analysis before the contracting of outsourced services and consideration of group standards,
- Potential conflicts with employees are primarily addressed through the code of ethics and the compensation policy,
- Potential conflicts between investors or clients are mainly managed through the subscription/redemption control procedure, the procedure for handling late technical orders, the order execution procedure, the marketing procedure, the regulatory documentation procedure, the rules of conduct for swing pricing, and the research procedure.

In the context of portfolio management on behalf of third parties, when the measures implemented are not sufficient to reasonably ensure that the risk of harm to interests...

If the measures implemented are not sufficient to reasonably ensure that the risk of harm to the interests of the client or investors will be avoided, Ellipsis AM communicates, in a durable medium, the necessary

information to investors regarding the general nature and/or origin of these conflicts, so that they can make informed decisions.

A conflict of interests mapping has been established by the Compliance Officer, identifying circumstances that give rise or may give rise to a conflict of interest. This mapping allows Ellipsis AM to identify and, where applicable, fairly manage any conflicts of interest that may arise in the course of its management activities and/or investment services, between its own interests and those of its clients or among the interests of multiple clients.

## **2.2 - THE EFFECTIVENESS OF THE SYSTEM IS ENSURED THROUGH CONTROLS**

The annual plan, established by the Compliance Officer, formalizes the control points as well as their frequency. The results of the controls conducted by the Compliance Officer are regularly communicated to the Executive Board, and the control activities are subject to an annual review by the Executive Board and the Supervisory Board.

The Compliance Officer maintains an up-to-date register of conflicts of interest as they arise, based on the occurrence of identified and confirmed conflicts of interest.

**Ellipsis AM will take all reasonable measures to identify, prevent, and manage conflicts of interest.**