

JULY 2022

CONFLICTS OF INTREST POLICY



1 POLICY

Conflicts of interest can arise in the course of the Firm's investment management business from time to time. ATLAS pays due regard to the interests of clients and aims to treat them fairly at all times.

FCA regulated firms are required to take all appropriate steps to identify and to prevent or manage conflicts of interest that may arise in the course of conducting regulated activities.

Likewise, section 912A(1)(aa) of the Corporations Act states that AFS license holders must have in place adequate arrangements for the management of conflicts of interest that may arise wholly, or partially, in relation to activities undertaken by the licensee or a representative of the licensee in the provision of financial services as part of the financial services business of the licensee or the representative. Further, ASIC Regulatory Guide 181 (RG 181) Licensing: Managing conflicts of interest serves to assist AFS license holders interpret the Corporations Act.

1.1 IDENTIFICATION OF CONFLICTS

FCA and ASIC regulated firms must take all appropriate steps to identify and to prevent or manage conflicts of interest between:

- ATLAS, including senior management, staff, or any person directly or indirectly linked to the Firm by control, and a client of the Firm; or
- one client of the Firm and another client.

1.2 TYPES OF CONFLICTS

When identifying conflicts of interest, staff should consider whether ATLAS:

- is likely to make a financial gain, or avoid a loss, at the expense of a client;
- has an interest in the outcome of a service or activity provided to a client, or of a transaction carried out on behalf of a client, which is distinct from the client's interest in that outcome;
- has a financial or other incentive to favour the interests of one client or group of clients over another;
- carries out the same business as the client; or
- receives or will receive an inducement from a person other than the client in relation to services provided to the client in the form of monetary or non-monetary benefits or services.

1.3 RECORD OF CONFLICTS

As required by both the FCA and ASIC, ATLAS maintains a register of conflicts which includes details of both actual and potential conflicts faced by ATLAS daily in its business. This register is maintained by the CCO.

1.4 CONFLICT MANAGEMENT AND AVOIDANCE

A number of arrangements have been put in place with a view to taking all appropriate steps to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of any client. All conflicts and the arrangements in place to mitigate or avoid them are contained in the Conflicts Register and focus on ensuring that the interests of clients are always protected and that the interests of ATLAS and/or any associated party(ies) are not favoured at their expense. Where conflicts are unavoidable, ATLAS ensures that appropriate

policies and procedures are put in place to manage such conflicts, e.g., personal account dealing (“PAD”) and gifts, benefits and entertainment.

Where a potential conflict of interest is identified, ATLAS will seek to organise its business activities in a manner that prevents the crystallisation of the conflict of interest. This will include appropriate segregation of functions and business lines such that a level of independence may be achieved. To the extent appropriate to the size and scale of the business, this may involve, inter alia:

- Information barriers to prevent or control the exchange of information between members of staff engaged in activities involving a risk of conflict of interest where the exchange of that information may harm the interests of one or more clients.
- Functional independence and separate supervision of relevant members of staff whose main functions involve carrying out activities or providing services for clients whose interests may conflict, or otherwise represent interests that may conflict.
- A review of remuneration arrangements in the Firm where these might give rise to conflicts of interest in relation to the activities or services provided by the relevant members of staff.
- Reassignment of members of staff to prevent or control the simultaneous or sequential involvement of relevant members of staff in separate services or activities where such involvement may impair the proper management of conflicts of interest.
- Policies and procedures covering inducements and personal account dealing.

However, it is accepted that, despite the implementation of all appropriate controls to prevent occurrence, the complete avoidance of all conflicts of interest may not be feasible in a commercial environment.

ASIC does not prohibit all conflicts of interest but rather, requires that all conflicts of interest be adequately managed which includes actual, apparent and potential conflicts of interest. This is achieved with a 3-step process namely:

- i. Identification;
- ii. Assess and evaluate; and
- iii. Manage.

1.5 OUTSIDE BUSINESS INTERESTS

Staff members are required to obtain prior approval from the Chief Compliance Officer and or the Executive Committee before engaging in any employment outside their employment with ATLAS. Staff members are also required to obtain the prior approval of the Chief Compliance Officer before taking an interest in any outside business organisation, and in particular before becoming a director, an officer or adviser to a company or any other entity, whether or not it is a paid position.

Personal interests must not affect the ability of a member of staff to make judgements or decisions in the best interests of ATLAS and its Clients.

Approval for outside business interests will not be unreasonably withheld, it being understood that any outside employment or business interests must not be carried out on ATLAS’ premises, nor shall it conflict or interfere with ATLAS’ business in any way.

1.6 MANAGEMENT OF CONFLICTS OF INTEREST

Where a conflict of interest is unavoidable, ATLAS will take appropriate measures to mitigate and manage such conflict of interest in a manner that seeks to ensure that the Firm and its Staff are not advantaged, and that no Client is adversely affected. The Clients' best interests remain paramount.

1.7 CONFLICT DISCLOSURE

Where ATLAS is not reasonably confident that it is able to manage a particular conflict of interest to adequately protect the interest of a client, the fact, or source of, the conflict of interest will be clearly disclosed to the client before the Firm undertakes any related business. In particular, the disclosure will include:

- A specific description of the conflict of interest;
- An explanation of the risks to the client that arise;
- That the organisational and administrative arrangements established by the Firm to prevent or manage that conflict of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented; and
- Sufficient detail to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest arises.

This disclosure will only be made as a matter of last resort. Further, the fact of the disclosure is not considered to be a mitigant. All the controls detailed in this Policy will continue to be applied, in respect of that conflict of interest.

1.8 CONFLICT MONITORING

The Conflicts of Interest Policy is reviewed by the CCO on an ongoing basis and is reviewed by the Board annually to determine whether all conflicts remain relevant or if any conflicts no longer apply. At the annual review, the CCO will confirm whether in his/her view conflicts are being effectively managed. The Board of ATLAS will review all aspects of ATLAS's Conflicts of Interest Policy in conjunction with the Conflicts Register with a view to identifying any conflicts that may previously have gone undetected or are no longer live conflicts or potential conflicts.

Where there is concern that the conflict management arrangements are not being followed, the CCO will raise this with the Board who will consider appropriate steps to ensure compliance with the arrangements.

If any new conflict arises, the CCO will advise the Board at the quarterly Board meetings. The Board will, in turn, consider how the conflict can be successfully and appropriately managed. The CCO will update the Conflicts Register accordingly.

ATLAS's compliance monitoring programme incorporates a number of specific tests aimed at reviewing ATLAS's performance in the management of conflicts. These tests will be performed from time to time as deemed appropriate and the results will be reported to senior management.

1.9 CONFLICTS TRAINING

All staff receive a copy of the Firm's Compliance Manual and Compliance Policies & Procedures Manual and receive training in respect of conflicts of interest. In addition, all staff are required to give a periodic undertaking confirming compliance with the Firm's compliance procedures, including PAD and policies relating to the receipt of gifts, benefits and entertainment.

2 PROCEDURE

All staff must notify the CCO immediately if they become aware of a conflict of interest or potential conflict of interest, outlining the reasons for the perceived conflict.

The CCO will investigate the concern in line with the policy set out above, discussing with any and all relevant persons as necessary.

If it is felt that the conflict of interest can be managed, the CCO will implement appropriate systems and controls to mitigate the risk.

If it is felt that the conflict of interest cannot be managed, then the CCO and senior management will decide whether the activity causing the conflict should cease or if the conflict should be disclosed to the client. Generally, where the conflict of interest is self-created the most straightforward method of complying with FCA rules will be to prevent the conflict from arising.

Where disclosures are made, they must include specific description of the conflicts of interest that has arisen, be in sufficient detail to enable the client to take an informed decision with respect to the service and clearly state that the organisational and administrative arrangements established by the Firm to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented.

Where new services/products are considered by the Firm's senior management, possible conflicts of interest will be discussed and added to the Conflicts Register as necessary. On an annual basis, the Conflicts Register is reviewed by the Firm's senior management to determine whether any additional key or potential conflicts have arisen and need to be managed or prevented or if any current conflicts have been resolved and thus no longer need to be recorded in the Conflicts Register. Conflicts will additionally be reviewed to determine whether they are being effectively managed. The Conflicts Register summarises the means by which ATLAS manages each conflict.