

BRIEF SUMMARY OF ANTI-MONEY LAUNDERING AND KNOW YOUR CUSTOMER-POLICIES DEVELOPED BY ALFA ASSET MANAGEMENT (EUROPE) S.A.

Alfa Asset Management (Europe) S.A. is a Luxembourg based company, registered under the number B171442 being supervised by Luxembourg's financial commission "Commission de Surveillance du Secteur Financier (CSSF) under number: P00000446 as investment firm.

Framework and commitment

Luxembourg is a founding member of the European Union, the Financial Action Tax Force (FATF) and a member of the Organisation for Economic Cooperation and Development (OECD), therefore, a committed jurisdiction in regards to transparency, the fight against money laundering, corruption and financing of the terrorism.

Alfa Asset Management (Europe) S.A. being a supervised and licensed institution within Luxembourg, the European Union and in one of the jurisdictions committed to prevent financial crime to occur, is bound to International Standards, Local rules and Regulations and necessary and applicable circulars (for more details please follow this link <https://www.cssf.lu/en/>).

In addition, please feel free to check on the status of supervision of Alfa Asset Management (Europe) S.A. and other professionals in this link <http://supervisedentities.cssf.lu/index.html?language=fr#Home>.

As an investment firm, the activities of Alfa Asset Management (Europe) S.A. are described and to be executed within the frame of the relevant sections of the Luxembourgian Law of the financial sector "Law dated 5th April 1993" (as amended) and such activities are under the supervision of the Financial Sector Commission in Luxembourg (CSSF).

Additionally, Alfa Asset Management (Europe) S.A. is one of the market participants who has joint the International Capital Market Association ICMA charter <http://www.icmagroup.org/Regulatory-Policy-and-Market-Practice/Asset-Management/icma-private-wealth-management-charter-of-quality/> to further commit with the fight against international crime and for transparency.

Compliance, anti-money laundering, counter terrorist financing, financial crime and other risk in our culture, our teams and structure

Within the firm, all relevant International Standards, European Directives and Regulations as well as local rules and regulations have been included in our different procedures, and in specific in the measures taken to identify potential clients, third parties and the monitoring of the activities under the scope of our services.

In this sense, we identify and verify identity of clients and beneficial owners as well as their sources of funds and wealth on the basis of information and documents obtained from reliable sources and checking the indecency of such sources as applicable.

Such records are subject to updates in the terms of the applicable laws and regulations and to a document retention policy which allows its conservation for a period of five (5) years at least.

In more details, our Know Your Customer process and client acceptance and continuance procedures put special focus on:

1. Identification of the client(s) and its controlling person(s);
2. Understanding of the structure and beneficial ownership of the client(s);
3. Purpose of business and intended nature of the relationship;
4. Understanding of assets involved and their source as well as understanding of global wealth of client(s) and beneficial owner(s);

5. Profiling and monitoring of business activities;
6. Update of previously obtained information.

The compliance with our internal rules and procedures is entrusted to a five-layer process of control and subject to review on yearly basis.

- ✓ Layer 1. Alfa Asset Management (Europe) S.A. and network of cooperation sales team, acting as a first control point.
- ✓ Layer 2. Alfa Asset Management (Europe) S.A Compliance team / Alfa Asset Management (Europe) S.A Risk team perform real time controls and post facto reviews.
- ✓ Layer 3. A Service provider PSF has been selected as a service provider to facilitate some of the externalisation of functions applicable to Alfa Asset Management (Europe) S.A, and being a well-established PSF was chosen for its specific high quality and controlled services, including reporting.
- ✓ Layer 4. Internal Audit.
- ✓ Layer 5. External audit.

Furthermore, policies and procedures are reviewed and approved by Compliance, Authorised Management and the Board of Directors of Alfa Asset Management (Europe) S.A.

Every team member is provided with relevant training on annual basis in accordance with legal standards and in particular with focus on matters relevant to the specific function, risk exposed and to understand responsibilities and actions on each case which comes to the attention of any staff member.

Some team members are provided with specific training and in all cases specific trainings are set whenever found appropriate or upon a regulatory or legal change.

Client on boarding and new business relationships

In order to ensure four eyes principle and completeness of information, Alfa Asset Management (Europe) S.A. has set an internal distribution of task which is monitored by a system including a number of checkpoints and approval required to on board a client.

The process starts with a detailed questionnaire which covers several aspects of identification as well as the focus on Know Your Customer information.

Based on the information collected and in accordance with the risk level, clients are subject to a risk based approach in terms of verification of the information obtained and subject to screening in terms of sanctions, restrictions and political exposure.

Any match with a Politically Exposed Person (PEP) is analysed in order to take the necessary and appropriate measures in including the enhanced due diligence measures set by local rules and regulations.

In a similar way, alerts triggered by potential matches with sanction, restricted or other subjects of interest is subject to analysis and testing in order to take the respective measures.

The process of screening is performed on regular basis in order to ensure update of information, monitoring and further understanding of material changes.

Once the process of identification and verification of the information has been successfully collected and validated, each prospect is presented to the Client Acceptance Committee for final approval.

A similar process is in place for selection of counterparties and contractors, in accordance with existing rules, regulations and internal policies and procedures.

Any transaction which triggers an alert is treated by the Compliance and Risk department as appropriate.

Cooperation with authorities

Alfa Asset Management (Europe) S.A. actively cooperates with authorities and establishes fast and effective channels of communication in order to facilitate the track of potential risks and in order to protect the stability of Luxembourg as a jurisdiction and the financial system as a vital element of our social structure.

We have appointed our Chief Compliance and Risk Officer (CCO) to act as Money Laundering Reporting Officer who performs Suspicious Activity Reports on behalf of the organisation in full independency.

The Chief Compliance and Risk Officer report directly to Authorised Management and to the Board of Directors both upon request and proactively.

Our Compliance and Risk department is seeing as an institution inside the institution; therefore, fully independent and granted with all necessary decision powers, autonomy, resources and tools necessary to comply with the entrusted functions.

Is to note that suspicious activity reports are part of the exclusive scope of the money laundering reporting officer (MLRO) and only selected members of authorised management receive reports in that sense.

Cooperation with authorities is not limited to money laundering reporting.

Nominee services

Alfa Asset Management (Europe) S.A. accepts to act as a nominee on behalf of its clients only when such clients are known to the firm and have been subjected to client's on boarding and acceptance process with satisfactory results and clearing from Compliance and Risk.

The information collected on such clients is treated with the same document retention policy than any other information related to the client's acceptance and continuance procedures and the transactions are subjected to monitoring.

In addition, we inform that whenever Alfa Asset Management (Europe) S.A. accepts to be a nominee for a client, this client is subject to regular updates, risk control, and every other professional obligation in the same category that any other client sharing the same risk level.

We notify parties in the relationship, within the limits of applicable Luxembourg regulations, material changes or relevant information in regards to activities, monitoring, suspicions, identification, verification, profiling and update.

The provision of nominee services is performed with the highest level of control, transparency and disclosure relevant to each situation in accordance with our risk based approach.