



**Code of Conduct,
Personal transaction
and
Conflict of Interest Policy
of
Alpha Value Management LTD**

Dated 15th February 2017

This Policy/Plan has been reviewed and approved at the Board of Directors meeting of Alpha Value Management LTD dated **15th February 2017**

Alpha Value Management Ltd (“AVM”) has the parent company’s registered office situated in Malta and a branch currently located in Italy. The procedure applies across the board for all connected people inside/outside the parent company and all its subsidiaries.

The Basis for this procedure

While this document bases its reliance on the MFSA document entitled *Guidance Notes to the Investment Services Rules for Investment Services Providers*, the purpose of this document is to set an internal guidance in harmony with the proposals of the regulator. This is extended to include the Licence holder’s requirements regulating the code of conduct of and Personal transactions (if any) made by all the connected people inside/outside the parent company and all its subsidiaries.

Code of conduct

AVM including its management, employees, connected business persons employed at the parent company office or at any of its branches anywhere in the world will conduct its business honestly and ethically.

AVM will constantly improve the quality of our services, products and operations and will create a reputation for honesty, fairness, respect, responsibility, integrity, trust and sound business judgment. No illegal or unethical conduct on the part of officers, directors, employees or affiliates is in the company's best interest. AVM will not compromise its principles for short-term advantage. The ethical performance of this company is the sum of the ethics of the men and women who work here, thus, being expected to adhere to the highest standards of personal integrity.

Officers, directors and employees of the company:

1. must never permit their personal interests to conflict, or appear to conflict, with the interests of the company, its clients or affiliates.
2. must be particularly careful to avoid representing AVM in any transaction with others with whom there is any outside business affiliation or relationship.
3. shall avoid using their company contacts to advance their private business or personal interests at the expense of the company, its clients or affiliates.
4. shall avoid gifts, gratuities, fees, bonuses or excessive entertainment, in order to attract or influence business activity.
5. will often come into contact with, or have possession of, proprietary, confidential or business-sensitive information and must take appropriate steps to assure that such information is strictly safeguarded. This information - whether it is on behalf of our company or any of our clients or affiliates - could include strategic business plans, operating results, marketing strategies, customer lists, personnel records, upcoming acquisitions and divestitures, new investments, processes and methods. Proprietary, confidential and sensitive business information about this company, other companies, individuals and entities should be treated with sensitivity and discretion and only be disseminated on a need-to-know basis.

Misuse of material insider information in connection with trading in the company’s securities can expose an individual to civil liability and penalties under the Maltese Companies Act 1995.

Under this Act, directors, officers and employees in possession of material information not available to the public are “insiders“. Spouses, friends, suppliers, brokers and other outside the company who may have acquired the information directly or indirectly from a director, officer or employee are also

“insiders”. The Act prohibits “insiders” from trading in, recommending the sale or purchase of the company’s securities.

6. will seek to report all information accurately and honestly, and as otherwise required by applicable reporting requirements.
7. will refrain from gathering competitor intelligence by illegitimate means and refrain from acting on knowledge which has been gathered in such a manner.
8. will seek to avoid exaggerating or disparaging comparisons of the services and competence of their competitors.
9. will obey all Equal Employment Opportunity laws and act with respect and responsibility towards others in all of their dealings.
10. will remain personally balanced so that their personal life will not interfere with their ability to deliver quality products or services to the company and its clients.
11. agree to disclose unethical, dishonest, fraudulent and illegal behaviour, or the violation of company policies and procedures, directly to management.

Violation of this Code of Conduct can result in discipline, including possible termination. The degree of discipline relates in part to whether there was a voluntary disclosure of any ethical violation and whether or not the violator cooperated in any subsequent investigation.

Conflict of interest and personal transactions

Preamble

This document places its foundations on the most recent and updated regulations reflecting the regulation and enforcement in that which regards Conflicts of Interest, Personal Transactions and Insider dealings. The regulation in force forming this framework refers to the following:

<i>MAD</i>	Market Abuse Directive; Directive 2003/6/EC of the European Parliament and the Council on insider dealing and market manipulation (market abuse)
<i>MAR</i>	Market Abuse Regulation; Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC
<i>MiFID I</i>	Markets in Financial Instruments Directive I; Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC and repealing Council Directive 93/22/EEC
<i>MiFID II</i>	Markets in Financial Instruments Directive II; Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU MiFIR Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments and amending Regulation (EU) No 648/2012

Other Definitions

<i>AIF</i>	collective investment undertakings, including investment compartments thereof, which: (i) raise capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors; and (ii) do not require authorisation pursuant to Article 5 of Directive 2009/65/EC
<i>AIF Directive</i>	directive 2011/61/EU of the European Parliament AND Of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010
<i>AIF Regulation</i>	(EU) no 345/2013 of the European Parliament and of the council of 17 April 2013 on European venture capital funds and of regulation (EU) no 346/2013 of the European parliament and of the council of 17 April on European social entrepreneurship funds
<i>The Licence Holder/Company</i>	means Alpha Value Management Limited

<i>The Board</i>	the board of directors of the Company being the body with ultimate decision-making authority in the Company, comprising the supervisory and managerial functions.
<i>Management Body</i>	means the body with ultimate decision-making authority in a management company, investment company or depositary, comprising the supervisory and the managerial functions, or only the managerial function if the two functions are separated. Where, according to national law, the management company, investment company or depositary has in place different bodies with specific functions, the requirements laid down in this Directive directed at the management body or at the management body in its supervisory function shall also, or shall instead, apply to those members of other bodies of the management company, investment company or depositary to whom the applicable national law assigns the respective responsibility;
<i>Supervisory Function</i>	the relevant persons or body or bodies responsible for the supervision of the management company's senior management and for the assessment and periodical review of the adequacy and effectiveness of the risk management process and of the policies, arrangements and procedures put in place to comply with the obligations under the UCITS and the AIF Directive. Due to the scale of the company, it is understood that the proportionality principle plays a role. Therefore, the supervisory function should be understood to be the members of the management body. The members are mentioned in Appendix III of this policy.
<i>Relevant Persons</i>	categories of staff, including senior management, risk takers, control functions and any employee, whose professional activities have a material impact on the Company's risk profile or the risk profile of the UCITS/AIF that it manages.
<i>Clients</i>	Existing clients of the Licence Holder Licence Holder; Potential clients (where the Licence Holder is seeking individually to enter into a contractual relationship in respect of Regulated Business services), and, Past clients where fiduciary or other duties remain in place.
<i>Regulated business</i>	all allowable forms of business as mentioned and described in the licence as issued by the regulator.
<i>UCITS</i>	an undertaking for collective investment in transferable securities pursuant to the UCITS Regulations
<i>UCITS V Directive</i>	directive 2014/91/eu of the european parliament and of the council of 23 July 2014 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as amended and as may be further amended, consolidated or substituted from time to time
<i>UCITS Regulations</i>	the European Communities Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended and as may be further amended, consolidated or substituted from time to time and any regulations or notices issued by the Authority for the time being in force

The purpose of this policy is to set a level platform that would act as guidance to the Licence Holder in ensuring compliance with the conflicts of interest requirements set in the standard licence conditions by applying the following **four-tier** approach:

1. Identification of conflicts of interest;
2. Management and mitigation of conflicts of interest;
3. Disclosure; and
4. Recording Conflicts of Interest.

Identification of Conflicts of Interest

As per SLC 2.95 the Licence Holder must have appropriate internal procedures in place aimed at identifying conflicts of interest between:

- a) Themselves as Licence Holder or any relevant person [including their managers, employees or any person directly or indirectly linked to them by control] **and** their clients;
- b) between one client **and** another, which arises in the course of providing any investment and ancillary services; and
- c) a combination of the above two possible scenarios and which may arise in the course of providing investment and ancillary services or a combination thereof and whose existence may damage the interests of the client.

Examples of other relevant conflicts of interests are laid out in Appendix I and II of this policy.

In the course of identifying such conflicts of interest, the Licence Holder must in terms of SLC 2.97 take into account the question whether itself or a relevant person [as defined in the glossary of terms of the Rules], or a person directly or indirectly linked by control to the Licence Holder, falls within any of the following situations:

- a) the Licence Holder or that person is likely to make a financial gain, or avoid a financial loss at the expense of the client;
- b) the Licence Holder or that person has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- c) the Licence Holder or that person has a financial or other incentive to favour the interests of another client or group of clients over the interests of the client;
- d) the Licence Holder or that person carries on the same business as the client; and
- e) the Licence Holder or that person receives or will receive from a person other than the client, an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

Once the Licence Holder identifies the said conflicts of interests, in terms of SLC 2.94 and 2.96, Licence Holders are to **adopt effective systems and controls** in the form of procedures aimed at either:

- a) preventing the possibility of such conflicts of interest from adversely affecting the interest of its clients. [managing conflicts of interest means ensuring that relevant persons engaged in different business activities involving a conflict of interest of the kind identified by the Licence Holder, carry on those activities at a level of independence appropriate to the size and activities of the Licence Holder]; or
- b) where this is not possible to clearly disclose the nature and/or sources of conflicts of interest to the client before undertaking the business on its behalf.

The management of the company must make certain that conflict mitigation is part of a strong and effective compliance and risk management program. This begins with establishing a culture of compliance within a firm, with the management being the first to set example.

The licence holder outsources its compliance function in order to ensure zero tolerance for conflict-of-interest violations, adequate resources, full independence from staff including management, and is recognised by the regulator to have the necessary standing and authority to make staff, even senior staff, take notice.

Meanwhile, IN SITU, The Licence Holder requires that potential business be logged

1. at the earliest possible time and prior to signing a confidentiality letter or mandate;
2. receiving any non-public information or making a commitment, verbal or written, to act for a Client.

This is to assist in the identification and management of potential Conflicts that might occur. In order for the Licence Holder to be in a position to identify potential conflicts, material transactions involving Clients, Relevant Persons or the Licence Holder are logged internally and analysed against existing Licence Holder relationships and transactions.

In managing a Conflict of Interest it may be appropriate to use additional measures in the event that existing ongoing conflicts management measures are not sufficient to adequately manage the potential conflict, such as the following:

- a) implementation of ad hoc transaction specific Chinese Walls or other additional information segregation methods following consideration of all of the facts available to relevant management;
- b) escalation to senior management who have responsibility for the strategy of the Licence Holder and an appreciation of the relationship and reputation risks that may arise;
- c) declining to act.

Tactically speaking, the company continuously ensures that:

- a) All potential conflicts regarding new funds and products can be updated and disseminated dynamically.
- b) Plans with its compliance function a documented compliance training program to educate all personnel as to the critical importance of these efforts.
- c) Confirm the true independence of compliance, allocation and valuation functions, and the segregation of duties of all committee members.
- d) Also confirm the independence of third-party service providers, including administrators and auditors.
- e) Make certain that all conflict disclosures to investors are sufficient and adequate.
- f) Institute a safe-reporting policy for whistle-blowers.
- g) Establish procedures and systems for reviewing correspondence and emails, including technology for keyword searches.
- h) Set standards for review of transactions, trading and follow-up communications.
- i) Create a process for reporting exceptions to conflict-policy variances. (explained later on in this policy)

Management and mitigation of conflicts of interest

Should a Conflict of Interest arise, it must be managed promptly and fairly and within the natural proportional limits of the Licence Holder's Hierarchic structure. The Licence Holder has developed and set in place a number of arrangements designed to ensure that:

- a) divisions and legal entities operate with appropriate independence from one another;
- b) there are effective procedures in place to control the flow of information where, otherwise, the risk of a Conflict of Interest may harm the interests of a Client;
- c) Supervisory arrangements provide for separate supervision of staff where necessary for the fair management of Conflicts of Interest;
- d) there are appropriate controls in place to identify and manage cross-board memberships and outside business interests of Relevant Persons;
- e) relevant information is recorded promptly in a secure environment to enable identification and management of Conflicts of Interest;
- f) in certain jurisdictions appropriate disclosure may be made to the Client in a clear, fair and not misleading manner to enable the Client to make an informed decision;
- g) appropriate inter- and intra-divisional escalation processes are in place and complied with where a Conflict of Interest has been identified or may be identified;
- h) adequate records are maintained of the services and activities of the Licence Holder where a Conflict of Interest has been identified;
- i) where necessary, Relevant Persons may be asked to step aside from working on a specific transaction or participating in the management of a potential Conflict of Interest;
- j) where necessary, Relevant Persons are subject to personal account transaction rules; and
- k) there is a periodic review of the adequacy of the Licence Holder's systems and controls.

Information Barriers

The Licence Holder respects the confidentiality of information it receives about its Clients and operates a "Need to Know" approach and complies with all applicable laws with respect to the handling of that information. Access to confidential information is restricted to those who have a proper requirement for the information consistent with the legitimate interest of a Client or the Licence Holder.

The Licence Holder structures its business to manage Conflicts of Interest through the maintenance of information barriers ("Chinese Walls") where applicable to restrict information flows between different areas of the Licence Holder. Chinese Walls and other measures are put in place to enable the Licence Holder and Relevant Persons to carry out business on behalf of Clients without being influenced by other information held within the Licence Holder that may give rise to a potential conflict of Interest. The Licence Holder also has in place secure and confidential systems maintained within the compliance unit's locked section to record material information to assist in the identification and management of potential Conflicts of Interest.

Disclosure and Recording Conflicts of Interest

In extremely rare cases, a particular activity or activities of the Licence Holder might conflict with the interests of its Clients. For this reason, the Licence Holder has procedures to protect the Client's interests from conflicts that might arise from a firm's own activities. In certain circumstances, if some Conflict of Interest remains and, where permissible by local regulations, disclosure to an affected Client may be made in order to seek Client consent to

act. Disclosure will be made of the general nature and / or sources of conflict to enable the Client to make an informed decision.

For certain financial instruments, the Relevant Persons must provide, at a reasonably sufficient time before trading in the Financial Instrument, disclosures to counterparties regarding any material incentives and conflicts of interest present in connection with the said financial instrument.

Standardised disclosures indicating the types of conflicts that may be relevant with respect to the particular class of transactions. However, additional types of material incentives and conflicts of interest may be required to be disclosed in particular cases. Similar disclosures are required for research reports and public appearances.

In addition to disclosures regarding material incentives and conflicts of interest, other disclosures must also be made at a reasonably sufficient time before entering into the financial instrument transaction, including the material risks of the instrument, material contract characteristics, and economic terms of the instrument.

Register

The Licence Holder keeps and regularly updates a record of the types of Regulated Business activities carried out by or on behalf of the Licence Holder in which Conflicts of Interest entailing a material risk of damage to the interests of one or more Clients has arisen or, in the case of an ongoing Regulated Business service or activity, may arise. The information contained within the register facilitates the effective identification and management of any potential Conflicts of Interest.

Personal Transactions

This policy is intended to act as a guideline for what is considered to be best practice for both the Licence Holder and the Industry.

As a minimum, this policy covers trading in shares and derivatives. Beyond this, however, the scope of investments that should be covered is not defined, as this may vary depending on the business of the Licence Holder. However, the Licence Holder will lay out the types of investment intended to be covered.

The Licence Holder is expected to receive full information relating to the following:

- a) relevant persons are required to disclose existing holdings upon joining the Licence Holder and at least annually thereafter;
- b) relevant persons are required to obtain prior written permission for personal account dealing from the Designated Compliance Officer or other person designated by senior management. The permission should be valid for no more than 5 trading days, and be subject to the following constraints:
 - i. relevant persons may not buy or sell an investment on a day in which the Fund Manager has a pending "buy" or "sell" order in the same investment until that order is executed or withdrawn;
 - ii. relevant persons may not buy or sell an investment for their personal account within 1 trading day before (if the relevant person is aware of a forthcoming client transaction) or after trading in that investment on behalf of a client;
 - iii. relevant persons may not buy or sell an investment for their personal account within 1 trading day before (if the relevant person is aware of a forthcoming recommendation) or after a recommendation on that investment is made or proposed by the Fund Manager;

Note: Subject to the rules enforced by the Designated Compliance Officer, the restrictions in (ii) and (iii) above need not be applied where client orders have been fully executed and any conflicts of interest have been removed.

- iv. cross trades between relevant persons and clients be prohibited;
 - v. that short-selling of any securities recommended by the Licence Holder for purchase be prohibited;
 - vi. that relevant persons should be prohibited from participating in initial public offers available to clients of the Licence Holder or its connected persons, and should not use their positions to gain access to IPO's for themselves or any other person;
- c) that relevant persons are required to hold all personal investments for at least 30 days, unless prior written approval of the Designated Compliance Officer or other persons designated by senior management is given for an earlier disposal;
- d) that relevant persons are required, either:
- i. to hold their personal accounts with the Fund Manager or a connected person and place all deals through that corporation; or
 - ii. obtain approval from the Designated Compliance Officer for outside broking accounts, and ensure that copies of records and statements of personal transactions entered into by them are submitted to the Designated Compliance Officer.

It is the policy of the Licence Holder to maintain and distinguish personal transactions for relevant persons from other transactions, and to ensure that such transactions are properly approved and there is an adequate audit trail of such approval and the transaction

The Licence Holder as a relevant person should comply with the provisions set out in (a) to (d) above.

The Licence Holder:

- a) should not offer or accept any inducement in connection with the affairs or business of a client which is likely to significantly conflict with the duties owed to clients;
- b) in the case of a corporation, should maintain:
 - i. monetary limits, about the acceptance by staff members of gifts, rebates or other benefits received from clients or business contacts, to give effect to (a);
 - ii. a register of benefits received above the specified limit.

APPENDIX I

Potential conflicts of interest may arise in a variety of situations. Areas of concern include:

- a) the provision of investment research
- b) proprietary trading (which is not conducted at any level by the licence holder)
- c) portfolio management
- d) personal account dealing
- e) ownership interest

Below are non-exhaustive examples of what may be considered typical conflicts of interest that may arise in relation to investment services provided by the Licence Holder:

- a) The Licence Holder may engage in business and trading activities for its own account and/or Client accounts whilst other Clients are active in relevant markets at the same time.
- b) The Licence Holder may provide investment advice or discretionary portfolio management services to its Clients and the Licence Holder may also recommend or sell products issued by itself or affiliated companies.
- c) The Licence Holder or Relevant Person receives or provides substantial gifts or entertainment (including non-monetary inducements) that may influence behaviour in a way that conflicts with the interests of the Clients of the Licence Holder.
- d) The Licence Holder provides investment research in relation to an entity or group to which it also provides investment advisory services.
- e) The Licence Holder is the portfolio manager for more than one Client or fund particularly in respect of issues related to allocation.

APPENDIX II

Conflict of Interest Policy

On financial instrument (OICR) manage by ALPHA VALUE MANAGEMENT

In accordance with community and national regulations currently in force, ALPHA VALUE MANAGEMENT LTD. (AVM) has prepared a policy aiming to identify, prevent and manage the circumstances that generate or may generate a conflict of interest, impairing significantly the interests of the managed assets.

Concerning particularly the selection of investments: with regards to financial instruments managed or invested by AVM and mutual funds managed and invested by AVM in order to mitigate potential conflicts of interests, we have defined organisational measures and procedures.

Primarily, we note that the investment management company has adopted an organisational model in order to strengthen the independence devoted to the area of asset management. The management company has adapted its rules in relation to the protocol to the utmost autonomy. Explicitly the protocol is as follows:

- A) Prohibition of accumulation of roles. The company relies on a separation of organisational group roles, in particular, the people dedicated to the commercialisation of investment lines and products are not in Portfolio Management positions, or in any way connected to the decision making of asset allocation.
- B) Presence of independent directors among the board of directors of the asset management company, with a specific role in monitoring situations of possible conflict of interest. With the aim of ensuring, that the interests of the investors invested in the managed products are to be respected at all times.
- C) Regulation in the purchase of financial instruments with potential conflicts of interests.
- D) Guidelines on the parameters of all the informative rules on the investments made on behalf of each client, with the aim to provide an effective and easy way to deliver a clear valuation of the company's products included in the client portfolios.

APPENDIX III

Management Structure is composed of the following:

CEO	Ms Raffaella Maroglio
PORTFOLIO MANAGERS	Ms Raffaella Maroglio Mr Giorgio Saronne
EXECUTIVE DIRECTORS	Ms Raffaella Maroglio Mr Kenneth Schembri
NON-EXECUTIVE DIRECTOR	Mr Lorenzo Cipriani
BRANCH REPRESENTATIVE	Mr Roberto Lorenzini
FUND ADMINISTRATION MANAGER	Ms Gianella Giordano
INVESTMENT COMMITTEE	Ms Raffaella Maroglio Mr Giorgio Saronne Mr Roberto Lorenzini