

## **Helios Capital Asset Management (India) Private Limited**

### **CONFLICTS OF INTEREST MANAGEMENT POLICY**

#### **IMPORTANT INFORMATION**

*If at any point a conflict of interpretation / information between this Policy and any Regulations, Rules, Guidelines, Notifications, Clarifications, Circulars, Master Circulars issued by the Securities Exchange Board of India (“SEBI”) arise then, interpretation of such Regulations, Rules, Guidelines, Notification, Clarifications, Circulars, Master circulars issued by SEBI shall prevail.*

**Version History:**

<b>Version</b>	<b>Date of review</b>	<b>Reviewed by</b>	<b>Next date of review</b>	<b>Checked by</b>	<b>Description of Key changes</b>	<b>Date of approval of the Boards</b>
1	June 30, 2023	Ankit Parikh	June 2024	Abhinav Khemani	Formulation of Policy	July 04, 2024
1.1	July, 2024	Sonali Wagh	June 2026	Abhinav Khemani	No material change. Introduction part updated to describe various businesses of the AMC.	Boards of AMC: July 16, 2024 Trustee Company: July 22, 2024

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## A. INTRODUCTION

As an asset management company and an Investment Manager, Helios Capital Asset Management (India) Private Limited (“Helios AMC” / “AMC”) places a high priority on investors’ interest. As conflicts of interest affecting investors’ interest could undermine the integrity and professionalism of Helios AMC’s business, any such conflict situations must be identified as early as possible. Helios AMC’s policy is to take all reasonable steps to maintain and operate effective organizational and administrative arrangements to identify relevant conflicts and potential areas of conflicts and resolve / address the same.

Helios AMC is a private limited company incorporated under the provisions of the Companies Act, 2013, having its registered office at 515 A, 5<sup>th</sup> floor, The Capital, Plot No. C70, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, Maharashtra, India.

The AMC acts as the Investment Manager for the schemes Helios Mutual Fund (“Fund”). The Fund is registered with the Securities and Exchange Board of India (“SEBI”) as a mutual fund under the SEBI (Mutual Funds) Regulations, 1996 (“**Regulations**”) with registration number MF/079/23/05. Helios Trustee Private Limited (“Helios Trustee”) is the Trustee Company for the Fund.

It is also registered with SEBI as Portfolio Manager under SEBI (Portfolio Managers) Regulations, 2020 and provides portfolio management and advisory services to domestic and overseas clients under SEBI Registration No. INP000006916.

The AMC also acts as the investment manager for Helios India Alternate Fund (“AIF Fund”), which is formed as a Trust and has received registration as a Category III Alternative Investment Fund from SEBI vide Registration No. IN/AIF3/19-20/0773, under SEBI (Alternative Investment Funds) Regulations, 2012.

## B. OBJECTIVES

The Objectives of this Conflict-of-Interest Management Policy are:

- To identify the circumstances which may give rise to conflicts of interest which may be detrimental to Helios AMC’s investors’ interests across various businesses; and
- To implement the procedures and processes to resolve various conflicts identified.

## C. SCOPE

This policy shall be applicable to Helios AMC, Helios Trustee and all its employees.

## D. CONFLICTS OF INTEREST

A conflict of interest arises when an actual or potential interest may influence you to not act fairly, independently and objectively in the interest of the investors (“Conflict of Interest” or “Conflict”).

Generally, a “conflict of interest” is a situation in which Helios AMC / Helios Trustee, or its employees have an actual or potential interest that may influence the objective performance of Helios AMC’s / Helios Trustee’s obligations towards the investors or prevent employees of Helios AMC from rendering an unbiased and fair treatment to the investors.

Such conflicting interest may be direct or indirect economic interest, which could be cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship or other incentive or valuable consideration.

A conflict of interest may arise/exist between the parties stated below and these conflicts may be detrimental to the interests of the investors:

- i. Helios AMC and the investors investing in the schemes of Helios Mutual Fund
- ii. An employee of Helios AMC, Helios Trustee and an Investor / schemes of the Fund;
- iii. Group companies of Helios AMC and investors / the schemes of the Fund;
- iv. Critical vendors/service providers and the investors of the Fund;
- v. The investee company of the fund is an investor of the fund; and
- vi. Various business activities being undertaken by Helios AMC.

In the above scenarios, Helios AMC/Helios Trustee and its employees shall:

- i. at all times maintain high standards of integrity in the conduct of their business;
- ii. ensure fair treatment of investors across various business and not to discriminate amongst them;
- iii. ensure that their personal interest does not, at any time conflict with their duty to their investors and investor's interest always takes primacy in their advice, investment decisions and transactions;
- iv. make appropriate disclosure to the investors of possible source or potential areas of conflict of interest which would impair its/his/her ability to render fair, objective and unbiased services;
- v. endeavour to reduce opportunities for conflict through prescriptive measures such as through information barriers to block or hinder the flow of information from one department/ unit to another, sharing of information on need-to-know basis etc.;
- vi. place appropriate restrictions on transactions in securities while handling a mandate of issuer or investor in respect of such security so as to avoid any conflict;
- vii. not to deal in securities while in possession of material non-published information;
- viii. not to communicate the material non-published information while dealing in securities on behalf of others;
- ix. not in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities;
- x. not to have an incentive structure that encourages sale of products not suiting the risk profile of the investors;
- xi. not to share information received from investors or pertaining to them, obtained as a result of their dealings, for personal interest or for interest of others.

## **E. POTENTIAL AREAS OF CONFLICT IDENTIFIED**

Helios AMC shall endeavour to identify the conflicts of interest that exist in its businesses and ensure that appropriate procedures / policies are adopted to minimize / avoid such conflicts. Some of the conflicts identified are stated below:

### **I. Conflicts principally resulting from the fact that Helios AMC / its employees may have own interest over the interest of the investors. To illustrate:**

- i. a director or employee of Helios AMC / its group company, is a director of, holds or deals in securities of, or is otherwise interested in any company whose securities are held or dealt in on behalf of the schemes of the Fund and/or other business activities being undertaken;
- ii. Helios AMC has other businesses like providing of Portfolio Management Services (PMS), asset management services to Alternative Investment Funds (AIF) which could lead to potential conflicts between investors under these varied businesses unless the manner of operations are

- clearly segregated in accordance with the stipulated regulations;
- iii. Employees of Helios AMC may invest in their own personal account in securities that are traded and / or held in the portfolio of the schemes of the Fund and/or under PMS and AIF;
  - iv. Allocation of deals / trades between various schemes by the fund manager could have a potential conflict if they are not in line with policies and procedures adopted by Helios AMC including offering document of specific mutual fund scheme / PMS/ AIF;
  - v. Gifts other than customary in nature, may on occasions be offered to / by employees of Helios AMC by / to investors, distributors or others who provide services to, or receive services from Helios AMC which may appear to be of material value;
  - vi. Preparation of marketing materials in view of business objective that at times may be construed as not in the best interest of investors.
  - vii. Any other potential conflicting areas as may arise/ identified from time to time.

**II. Conflicts principally resulting from the fact that Helios AMC is part of a group wherein the companies are engaged in various services in the financial sector.**

**III. Conflicts principally resulting at the level of employees**

The employees that provide services to the Fund may have, in addition to their responsibilities for the Fund, responsibilities for other business activities, projects and clients to the extent permissible under the extant regulations. Accordingly, they may have conflicts of interests in allocating management time and other resources amongst the Fund and such other business activities, companies, projects and clients. The employees may provide services to other entities/clients in financial services space and will not work exclusively for the Fund. The employees shall resolve any such conflict by allocating time (reasonably required in their best judgement) towards their obligations in respect of Fund and their other responsibilities towards other business activities, companies, projects and clients.

**IV. Conflicts principally resulting at the level of members of various governance bodies**

The members of the committee of the Helios AMC, in addition to their responsibilities for the Fund, will have responsibilities for other business activities, projects and clients. Accordingly, allocating management time and other resources among the Fund and such other business activities, funds, projects and clients can be a challenge which the members should responsibly address, in the best interest of the investors and the Organisation.

**V. Conflicts principally resulting at the level of Helios AMC in various roles as investment manager, portfolio manager and asset manager to an alternative investment fund**

The investment teams managing the Mutual Fund will be separate from the one managing / advising the alternate businesses. Because of different objectives or other factors, a particular investment may be sold by the Mutual Fund or Helios AMC at the same time such investment may be purchased by the alternate business depending on various factors.

However, appropriate conflict mitigation measures including “Chinese Walls” in decision making are expected to mitigate such risks.

**VI. Conflicts principally resulting at the level of various service providers vis-à-vis various activities**

Conflicts principally resulting from the fact that Helios AMC outsources or delegates certain functions (such as transfer agency, fund administration) to outside third-party providers who may seek to engage in other activity that could conflict with the AMC or its investors. The attorneys, accountants, professionals and other service providers who perform services for the Fund may, and in some cases do, also perform services for the other interested Parties.

## F. MANAGEMENT OF CONFLICTS

Helios AMC has adopted various measures to manage identified conflicts some of which are:

- i. The Employees shall comply with the code of conduct and policy on Dealing in Securities
- ii. As a matter of commitment to manage conflict Helios AMC employees will not be allowed to invest or trade in Equity or derivative markets directly unless the required permissions are obtained in accordance with the dealing policy for employees
- iii. Implementation of “Chinese Wall” between those areas which routinely have access to confidential information, considered "inside areas" from those areas providing support services, considered "public areas" e.g., investments (inside areas) and Operations / Sales / Marketing etc. (public areas).
- iv. Investment team will not allocate trades beyond 5% scheme wise trade value with each broker associated with the AMC/Sponsor as per regulation & adopt regulatory changes if any. In case of non-associate brokers, rationale for business in excess of 5% shall be recorded and notified to the Boards of AMC and the Trustee company. Further, Helios AMC does not have soft dollar arrangement with any of the empaneled brokers. The research reports provided by such brokers shall be used for the best interest of the investors for undertaking investments across various business activities.
- v. Employees are generally not permitted to take interest in any business if such activities result in dereliction of duty or in discrediting the organization’s image / reputation or abuse of organization’s resources.
- vi. Any marketing material is issued only post obtaining a prior approval from the Compliance team.
- vii. All third parties to whom any material activity is outsourced (for example the Registrar and Transfer Agent, Custodian and the Fund Accountant) are subject to a due diligence process as outlined in the Helios AMC’s outsourcing policy and the legal agreements in place with entities ensure that the conflict of interest in respect of such third parties is mitigated. Further, these entities are subject to a regular review by the respective functions.
- viii. Helios AMC will allow for employee(s) to recuse themselves from decision making in case the employee(s) having any actual/potential conflict of interest in the transaction/decision making process.
- ix. Reporting of all the transactions with group and associate companies along with adequate justification to the Board of directors and trustees if any.
- x. Empanelment of all the service providers, including Brokers and Distributors, shall be done on an arm’s length basis and shall be subject to internal review and approval process.
- xi. In case any activity is outsourced to Group/associate entity, Helios AMC shall put necessary systems in place to have an arm’s length distance with such Group/associate entity in terms of infrastructure, manpower, decision-making, record keeping, etc. for avoidance of potential conflict of interest. Also, necessary disclosure in this regard shall be made as part of the contractual agreement.
- xii. Helios AMC will make an effort to see that any transaction involving a potential conflict of interest will be undertaken on terms that are not less favorable to the Investors in the Fund which otherwise would have undertaken if the potential conflict had not existed in the first place.
- xiii. The Investment Managers of the respective business lines will ensure that the interest of all the investors is paramount and any personal interest, relationship or arrangement of the Investment Manager/the AMC and those of Interested Parties, do not work against the Investors’ interest.

Apart from the conflicts highlighted in this policy, there could be other conflicts which may arise/identified. Helios AMC shall put in place appropriate procedures and processes in place to manage such conflict of interests.

Helios AMC considers that the procedures and processes put in place are appropriate to its efforts to take reasonable care that, in relation to each identified conflict, Helios AMC acts independently to avoid material risk of damage to interests of its investors.

#### **G. REVIEW:**

The AMC shall review this policy once in two years or earlier, if required, in light of change in applicable law and/or for business reasons. The changes/developments shall be communicated to the relevant people as and when necessary, in accordance with the Regulations.

#### **H. EXCEPTIONS:**

In some circumstances, strict compliance with the policy may not be possible or would result in an outcome that is inconsistent with the purpose of the policy or other governing documents (including but not limited to legislation, constitution or trust deed or industry standard).

Any deviation from the policy should unanimously be approved by an internal forum of Chief Executive Officer (CEO), Function Head & Compliance Officer.

#### **I. GOVERNANCE:**

Helios AMC shall report compliance of this policy to its Board on a periodic basis.

In addition to the provisions of this policy, Helios AMC shall adhere to the provisions, if any, contained in relevant regulations/ circulars issued by SEBI from time to time regarding dealing with conflict of interest.