

POLICY SAFEGUARDING OF CLIENT ASSETS

APPROVAL		REVIEW	
Owner	Date	Version	Review
Board of Directors	26/04/2018	1.0	1.0

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1. Introduction

Fidentiis Equities, S.V., S.A., (henceforth, “Fidentiis Equities”), in compliance with the provisions of the applicable rules and regulations, establishes through this policy (the POLICY), the principles and procedures for the safeguarding of client’s assets (cash) and for the selection of third parties used for brokerage (execution and settlement) on behalf of the client.

This POLICY is designed to comply with the objectives for client protection set out in the Markets in Financial Instruments Directives (MIFID). The POLICY adheres FIDENTIIS EQUITIES to Articles 16, 17, 19, 20, 30.1g and 32 of Commission Directive 2006/73/EC of 10 August 2006 regarding the safeguarding of client financial instruments and funds.

2. Application

All Board members, Directors and employees of the FIDENTIIS EQUITIES, or any entity under its control, are bound to comply with this POLICY and the rules for implementation.

3. Scope

Safeguarding of client financial instruments and funds is relevant to FIDENTIIS EQUITIES for the following activities:

- Transitory custody of client funds for brokerage activities related to intermediation, execution and settlement of transactions on behalf of the client.
- Transitory custody of client securities. All securities are credited to client accounts along with the settlement of the trade on a delivery versus payment basis. Therefore the following measures are not applied.
 - Controls on collateral held in lieu of client financial instruments and funds.
 - Controls on the change of ownership of client securities in our custody.
 - Controls on any rights issues associated with client securities in our custody.

4. Objectives

- Identify and protect client financial instruments and funds that are held in transitory custody by the subcustodian.
- Segregate and separate client financial instruments and funds from FIDENTIIS EQUITIES’ own instruments and funds.

- Safeguard client ownership rights.
- Prohibit proprietary use of client funds and minimize the risk of undue loss or impairment of client assets.

5. The Policy

5.1 General Principles

The general principles of this POLICY are:

- FIDENTIIS EQUITIES will establish sufficient and adequate measures to guarantee the selection and control of the Sub-custodian.
- FIDENTIIS EQUITIES and the Sub-custodian will contractually agree to comply with all applicable rules, regulations and laws.
- FIDENTIIS EQUITIES will maintain current records to correctly identify and assign client financial instruments and funds.
- FIDENTIIS EQUITIES and specifically its Board of Directors will implement measures to assure the safeguarding of client financial instruments and funds against loss from fraud, misappropriation or negligence.
- FIDENTIIS EQUITIES will inform all clients and potential clients of the principles of the custody policy, of the third parties contracted for custody and of the requirements made of said third parties.

5.2 Aspects Considered in Sub-custody

In compliance with MiFID and applicable rules and regulations, investment firms may place client financial instruments and funds in third parties.

FIDENTIIS EQUITIES uses Sub-custodians for clearing and custody of client trades in national and international markets.

When selecting Sub-custodians, FIDENTIIS EQUITIES will act with sufficient due diligence, considering the following criteria:

- Experience and prestige in the market.
- Assuring clients instruments and funds are placed in jurisdictions with specific rules and supervision of custody services, except in cases where the class of asset requires such placement or the client, expressly requires such placement in writing.

5.3 Custody of FIDENTIIS EQUITIES own Financial Instruments and Funds

FIDENTIIS EQUITIES will place its own financial instruments or funds in proprietary accounts in Credit Institutions selected by the Board of Directors.

FIDENTIIS EQUITIES will hold separate accounts, designated as Client Accounts that are ringfenced exclusively for execution and clearing of client transactions.

5.4 Custody and Administration of Client Financial Instruments and Funds

Client Financial instruments and Funds custodied by FIDENTIIS EQUITIES are placed in selected third parties.

FIDENTIIS EQUITIES maintains records of client financial instruments and funds that allows for identification and segregation in order to establish their position in each class of asset.

In the event of FIDENTIIS EQUITIES evaluating any risk of financial difficulty, insolvency or default of third parties, FIDENTIIS EQUITIES will request immediate transfer of client financial instruments or funds to an alternative approved third party.

If within three months the third party has not transferred the client financial instruments or funds, the Spanish National Securities Markets Commission (CNMV) will order a mandatory transfer to an alternative authorised third party.

5.5 Use of Client Financial Instruments

In compliance with Commission Directive 2006/73/EC (MiFID) Article 19, (1 & 2) FIDENTIIS EQUITIES will not enter into arrangements for securities financing transactions in respect of financial instruments held by them on behalf of a client or otherwise use such financial instruments for their own account or the account of another client of the firm.

6. Owner of the Policy

The Board of Fidentiis Equities is the owner of this POLICY and will approve it on the recommendation of the Compliance Function and in line with applicable laws, rules and regulations. Any modifications must be approved by the Board.

7. Internal Audit

Internal Audit, through programmed reviews, is responsible for giving assurance on continued compliance with this POLICY, for reviewing the effectiveness of mechanisms employed for the execution of orders and assuring that all departments are aware of their responsibilities under the POLICY.

8. Review and Publication

This POLICY will be reviewed annually, and be communicated and permanently available to all FIDENTIIS EQUITIES' employees through established channels.