



AURA
SOLUTION COMPANY LIMITED
CONFLICT OF INTEREST
DISCLOSURE STATEMENT

2022



CONTENTS

Introduction	2
Identifying, Preventing, recording and Managing Conflicts	3
Disclosure	3
Summary of Conflicts of Interest	4
Personal Transactions	4
Gifts and Entertainment	4
Inducements	4
Outside Business Interests	4
Order Execution, Aggregation and Allocation	4
Allocation of Investment Opportunities	5
Dealing with other Aura Group Entities	5
Remuneration	5
Proxy Voting and Shareholder Engagement	5
Monitoring	5
Further Information	5



INTRODUCTION

When acting for our clients, Aura Asset Management (“Aura AM”) must always act with the utmost integrity to act in our clients’ best interests, and put the interests of our clients ahead of those of our own and the Aura Group

We are required to:

1. take all appropriate steps to identify conflicts of interest between:
 - A. Us and one of more of our clients
 - B. An employee and one or more of our clients
 - C. Two or more of our clients
 - D. A third-party service provider and one of our clients.
2. maintain and operate effective organisational arrangements 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 our clients.
3. establish, implement and maintain an effective written conflicts of interest policy (“the Conflicts of Interest Policy”) which identifies those conflicts of interest which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more clients and the procedures which are followed to manage and mitigate such conflicts that cannot be prevented.
4. make full and fair disclosure to clients of all material facts about their business relationship with us, particularly regarding conflicts of interest

A conflict may arise where Aura AM and /or its employees

- are likely to make a financial gain or avoid a financial loss at the expense of the client;
- have 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;
- have a financial or other incentive to favour the interest of another client or group of clients over the interest of the client.
- carries on or has a significant interest in the same activities as the client.
- receives, or will receive, from a person other than the client, an inducement (other than an acceptable minor non-monetary benefit) in relation to the service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service

This document summarises the Aura AM Conflicts of Interest Policy and provides key information on how actual and potential conflicts of interest are identified, prevented or managed, documented and monitored within Aura AM.



IDENTIFYING, PREVENTING, RECORDING AND MANAGING CONFLICTS

All employees of Aura AM are required to identify any actual or potential conflicts of interest and report it to their line managers and to Compliance as soon as possible.

Aura AM maintains and regularly updates records of actual and potential conflicts of interest identified in its conflicts register. These conflicts are managed via our organisational arrangements, systems and controls, and governance framework, to prevent damage to the interests of clients. These include, but are not limited to:

1. the Aura AM governance structure, including the Aura AM Risk Committee which is responsible for the oversight of conflicts management.
2. putting in place written policies and procedures to manage conflicts including, a Code of Ethics, Order Execution Policy and Order Handling Procedures and Compliance Manual. These policies and procedures are subject to Aura AM's regular independent review and monitoring processes;
3. providing training to our staff on conflicts management;
4. appropriate segregation of duties and the implementation of information barriers, including Chinese walls within Aura AM, especially between long only accounts and total return accounts, and between Aura AM and other members of the Aura group;
5. separate supervision and reporting lines in relation to those business lines whose interests may conflict as well as reporting and challenge at control groups and other governance forums.
6. regular monitoring by our Compliance department and assessment by our Business Risk and Internal Audit departments

We consider these measures appropriate to prevent or manage the conflicts arising to avoid the material risk of damage to client interests.

DISCLOSURE

If Aura AM's organisational arrangements and all reasonable efforts taken to prevent or manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that the material risks of damage to the interests of a client will be prevented, Aura AM will clearly disclose the specific description of the nature and sources of the conflict to the client.

Such disclosure will be made prior to the conclusion of a contract, and in a durable medium to the client and include sufficient detail of the conflict and the steps undertaken to mitigate these risks, to enable the client to take an informed decision with respect to the service in the context of which the conflicts of interest arise.

As at the date of this statement, Aura AM does not have any conflicts where the measures in place do not sufficiently mitigate the conflict and the risk of harm to the client.

In an extreme case where we consider that the conflict of interest is too great and cannot be managed in any other way (including by disclosure), we may decline to act for the client.



SUMMARY OF CONFLICTS OF INTEREST

A summary of the principal conflicts that exist within Aura AM, and the steps taken to prevent or mitigate them are set out below.

Personal Transactions

All employees and connected parties are required to adhere to Aura AM's Code of Ethics. This is in place to ensure that any such dealing does not involve conflicts of interest or misuse of insider, proprietary or client confidential information, and that clients are not disadvantaged because of these dealings. All employees of Aura AM must report and pre-clear their personal transactions.

Gifts and Entertainment

Aura AM has a policy and procedures in place, including strict limits on the frequency and value, to ensure that gifts and entertainment given or received are justifiable in the circumstances and unlikely to influence the professional judgement of the persons concerned. A central record of gifts and entertainment is maintained by the Compliance Department.

Inducements

Aura AM is dedicated to providing honest, fair and professional services to its clients. For this reason Aura AM operates on the basic premise that no inducements (monetary and non-monetary benefits) are received in relation to the investment service and /or ancillary service, unless these qualify as an acceptable minor non-monetary benefit (i.e.: they are capable of enhancing the quality of service provided to a client and are of a scale and nature that they could not be judged to impair compliance with Aura AMs duty to act in the best interests of the client.)

Aura AM receives research from brokers and independent research providers for managing discretionary portfolios. Aura AM pays for the research it consumes in the following ways:

- All fixed income research is paid for out of its own funds
- Equity research for Long-only accounts managed by Aura AM Ltd are paid for out of its own funds
- Equity research for all other Aura AM entities, and for the Equity Total Return teams of Aura AM Ltd are paid for by the commissions generated through the trading of clients' accounts via a separate Commission Sharing Account or Research Payment Account.

Outside Business Interests

No Aura AM employee may engage in any additional outside business activities that may conflict with the interests of our clients or the Aura Group, including directorships or personal fiduciary appointments, without prior written approval from Compliance and the relevant Executive Committee member. Compliance maintain a register of all outside business interests and evaluate on an annual basis whether any conflicts arise.

Order Execution, Aggregation and Allocation

Aura AM has a Best Execution Policy and Order Handling Procedures which requires that when placing or executing client orders, we take all sufficient steps to ensure the best possible result is achieved for clients on a consistent basis.

Aura AM has a global trade allocation policy and procedure to ensure that all clients are treated fairly when we combine a transaction for one client with orders of other clients.



Regular monitoring is carried out by the Trading Desks and Compliance to ensure that our policies and procedures are followed, they remain effective, and that we continue to provide best execution and fair and equitable allocation for our clients.

Allocation of Investment Opportunities

For those Aura AM investment teams engaged in side-by-side management, the allocation of investment opportunities raises a potential conflict of interest because an investment manager could have an incentive to allocate the best investment opportunities to certain funds, for example those funds which pay a performance-based fee at the expense of those funds that pay a fixed management fee. The Aura AM Remuneration Policy ensures that no undue pressure or incentive is placed or provided to an investment manager to favour one fund over another. Additionally, monitoring is performed to check that different accounts managed by the same investment team are managed in a consistent and fair manner.

Dealing with other Aura Group Entities

Aura AM may execute some trades through its affiliates if permitted by its clients. These trades are subject to the requirements of Aura AM Best Execution Policy and Order Handling Procedures to ensure best execution for clients.

Remuneration

Aura AM has a Remuneration Policy in place that ensures that its employees are not only remunerated based on quantitative commercial criteria, but also on criteria that consider compliance with regulations, the fair treatment of clients and the quality of services provided to clients.

Proxy Voting and Shareholder Engagement

Conflicts of interest may arise where Aura AM exercises its active ownership responsibilities, including for example engaging with or voting against the management of an investee company who is also a client. Any conflict identified during the exercise of our active ownership responsibilities is escalated to senior management to ensure that we always act in our clients' best interests.

MONITORING

A periodic exercise is undertaken to identify actual or potential conflicts of interest within Aura AM, and these are recorded in the Aura AM conflicts of interest register which is maintained by the Compliance Department, and reviewed annually, or upon any material change.

The Aura AM Risk Committee is ultimately responsible for overseeing the identification and management of conflicts, and maintenance of the conflicts policy at Aura AM, which it periodically reviews.

The Compliance team undertake periodic monitoring of disclosed conflicts as part of the annual Compliance Monitoring programme.

FURTHER INFORMATION

If you would like further information on the above, please contact your usual contact or Compliance or write us on info@aura.co.th