

## **Procedure I – Complaints Handling Procedure**

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**November 2016**

## 1. Objective and purpose of the Complaints Handling Procedure

The Company seeks to maintain its good reputation and is also committed to maintaining its responsiveness toward its clients and the investors of the funds managed. The purpose of the Complaints Handling Procedure is to ensure that complaints are handled in a manner which is fair, objective and truth oriented.

The company has aligned its procedure with the current best practice and the relevant legal and regulatory requirements:

- **The Law of 17 December 2010** relating to undertakings for collective investment;
- **The CSSF Circular 12/546 as amended by Circular CSSF 15/633** relating to the authorisation and organisation of the Luxembourg management companies subject to Chapter 15 of the Law of 17 December 2010;
- **The CSSF Regulation 10-04** transposing Commission Directive 2010/43/EU of 1<sup>st</sup> July 2010 implementing directive 2009/65/EC of the European parliament and of the Council ; and
- **The CSSF regulation 16-07** relating to the out-of-court resolution complaints.

## 2. Definition of a complaint

A “complaint” is defined, for the purpose of this policy, as a written expression of dissatisfaction by an investor of the Fund which is directly addressed to the Fund or through a delegated party in relation to a service provided or withheld by the Fund or about the behavior of any employee or officer of the Fund. A complaint is not necessarily founded on valid arguments.

## 3. Guiding principles of effective complaints handling

- ***Visibility :***  
The Complaints Handling Policy is available on the Company website and also internally.
- ***Responsiveness :***  
All complaints shall be treated in a careful and prompt manner. The Company endeavors to resolve complaints within one (1) month after receiving the complaint.
- ***Easiness :***  
Complaints can be filed in the official language or one of the official languages of the complainant’s Member State. The complaint handling is free of charge. Each complainant is informed of the name and the contact details of the person in charge of his/her file and therefore may correspond directly with this person. The Company endeavors to communicate in a plain and easily comprehensible language.
- ***Objectivity :***  
Each complaint is addressed in an equitable, objective and unbiased manner. The company seeks to search the truth.

- ***Confidentiality :***

The Company shall ensure that the processing of personal data complies with the applicable rules on the personal data protection.

#### **4. Complaints handling responsible**

The Board of Directors of the Company has appointed one of the Conducting Person and Director of the Company, Mr. Martin Rausch, as “Responsible of the collection, centralization and treatment of all complaints filed by its Clients and investors”.

Mr. Martin Rausch will also be responsible for the implementation and the efficient operation of a structure as well as the internal procedure for complaint handling (the **Complaint Officer**).

Such appointment, as any further change, is and will be duly communicated to the Company’s supervisory authority (the **CSSF**).

#### **5. Terms of deposit and content of the request**

The complaint shall be addressed in writing by letter to:

**Pharus Management Lux SA**

16, avenue de la Gare  
L - 1610 Luxembourg

or through the Company website: <http://www.pharusmanco.com/en/contact/contact/> or  
<http://www.pharusmanco.com/it/contact/contact/>

Clients will also have the possibility to lodge their complaints directly with financial intermediaries, such as local distributors and/or paying agent of the relevant country of distribution, who will escalate the complaint to the Company.

The following information shall be provided to ensure a prompt handling of the complaint:

- Identity and contact details of the complainant;
- Reason of the complaint; and
- Where necessary, copies of any documentation supporting the complaint.

#### **6. Complaints Handling Procedure**

The Complaints Handling Procedure is separated in several phases:

- Complaint reception
- Acknowledgement of receipt
- Registration and information
- Investigation
- Answer to the complainant
- Reconsideration of the complaint at a second level
- Existence of the out-of-court complaint resolution at the CSSF.

#### ***a. Complaint reception***

The *Reporting and Control Officer* of the Company is in charge of the collection and management of the Complaints Handling (the **Responsible for the Complaint Handlings or RCH**).

Therefore, all written complaints, which are not directly address to the RCH but generally addressed to the Company or through an intermediary or a delegated party (in connection to services provided on behalf of the Company), should immediately be transmitted by the RCH which will instruct the complaint.

#### ***b. Acknowledgement of receipt***

The RCH shall send an acknowledgment of receipt within ten (10) days after the receipt of the complaint unless the answer itself is provided to the complainant within this period.

The acknowledgment of receipt should inform the complainant of:

- the name and contact detail of the person in charge of his/her file; and
- the timescale to respond to the complaint.

A copy of this complaint procedure must be enclosed with the acknowledgment of receipt.

#### ***c. Registration and information***

If the complaint can be resolved to the client's satisfaction within 24 hours of first being received, the RCH shall inform the Complaint Officer and will record the request in the Complaints Register briefly outlining the nature of the complaint and the action/outcome agreed with the investor. No further record of the complaint needs to be kept.

However, if the complaint is non-routine, of a serious nature or cannot be solved within twenty-four (24) hours or has come through the CSSF, the RCH shall immediately inform the Complaint Officer and the Conducting Persons. The RCH shall keep them informed of the steps of the complaint handing and of any difficulties it has experienced.

#### ***d. Investigation***

Once received, the RCH arranges to investigate without delay the complaint and shall collect from the employees, intermediaries or delegated parties all data and information that are necessary for the examination of the request.

#### ***e. Answer to the complainant***

The RCH shall formulate the response and submit the letter to the Complaint Officer for review before sending the answer to the complainant. The RCH shall answer to the complainant by writing within one (1) month of receiving the complaint.

If the complaint cannot be resolved within one (1) month, the Complainant will be informed by the RCH of (i) the reasons why the issue remains unresolved, (ii) the steps to be taken to resolve the matter as well as (iii) an indication of the date at which the examination of the complaint will be achieved and at the latest within two (2) months.

***f. Escalation of the complaint at a second level***

Where the complainant did not obtain an answer or a satisfactory answer at the level of the RCH he/she will have the opportunity to transmit its complaint directly to the attention of the Complaint Officer Mr. Martin Rausch.

The Complaint Officer immediately informs the Board of Directors and the Conducting Persons of the rising of the complaint and keeps them updated of the complaints handling on a regular basis.

The same principles as for the complaint handling at the first level shall apply:

- sending an acknowledgment of receipt within ten (10) days after the receipt of the complaint unless the answer itself is provided to the complainant within this period;
- indication of the timescale to respond to the complaint; and
- sending the answer within one month or explaining the steps undertaken and the reasons of the delay.

***g. Existence of the out-of-court complaint resolution at the CSSF***

Where the complainant did not receive an answer or a satisfactory answer, he may file a request with the CSSF within one year after he filed a complaint with the professional.

The request must be filed with the CSSF in writing, by post or by fax to the CSSF or by email or online on the CSSF website.

The CSSF acts in its capacity as dispute resolution body. The CSSF's intervention shall be subject to the principles of impartiality, independence, transparency, expertise, effectiveness and fairness. The reasoned conclusions of the CSSF are not binding on the parties. The conclusions of the CSSF may notably be based on legal provisions or on equity considerations.

A request shall not be admissible in the following cases:

- the complaint has been previously or is currently being examined by another alternative dispute resolution body, arbitrator, arbitration tribunal or a court, in Luxembourg or abroad;
- the complaint concerns the business policy of the professional;
- the complaint concerns a non-financial product or service;
- the request is unreasonable, frivolous or vexatious;
- the complaint has not been previously submitted to the relevant professional in accordance with Article 5(1) of this regulation;
- the complainant has not filed a request with the CSSF within one year after s/he filed a request with the professional;
- the request handling would seriously impair the efficient functioning of the CSSF.

Where the complaint handling at the level of the Complaint Officer did not result in a satisfactory answer for the complainant, the Company shall in writing:

- provide the complainant with a full explanation of his/her position as regards the complaint;

- inform the complainant of the existence of the out-of-court complaint resolution procedure before the CSSF aiming at facilitating the resolution of complaints without judicial proceedings;
- provide the complainant a copy of the CSSF regulation 16-07 relating to the out-of-court resolution complaints or the reference to the CSSF website; and
- indicate to the complainant the different means to contact the CSSF to file a request.

## **7. Complaints monitoring and reporting**

Each complaint received should be recorded promptly in the Complaints Register and send to the CSSF on a yearly basis together with the list of third parties authorized to handle investor's complaints (if any).

The register shall include the number of complaints registered by the Company classified by the type of complaints, as well as a summary report of the complaints and the measures taken to handle them.

Both of the complaints file and the Complaints Register shall be kept at the Company premises for five (5) years after the complaint was dealt in full.

Complaints shall be assessed by the Company on on-going basis to enable the identification of systemic or recurring problems:

- by analyzing the causes of the individual complaints in order to identify the root causes common to certain types of complaints;
- by considering whether these root causes may also affect other processes or products; including those to which the complaints do not relate directly; and
- by considering what actions it may need to take to address these problem.

## **8. Communication and information to the CSSF**

In case a complaint has been filed with the CSSF and the supervisory authority has requested the Company to take position on the facts or opinions presented by the complainant or to provide information or documents, the Company undertakes to make its best effort to communicate to the CSSF the requested information or documents within the requisite time-period.

Where the CSSF concludes that the complaint is totally or partially justified and asks the Company and the Complainant to settle their dispute, the Company shall undertake to find with the complainant a common ground to put an end to the complaint.

## **9. Communication and assistance from the delegates/intermediaries**

The Company will contractually enforce the requirement that all appointed delegates/financial intermediaries put in place a free collection point of complaints and escalate them in timely and systematic manner to the Company and assist the Company until the final resolution of the complaint.

## 10. Company liability

In case the complaint leads to a liability of the Board of Directors, the Conducting Persons and the Complaint Officer will jointly inform the Board of Directors.

The Complaint Officer, Conducting Persons and eventually the Delegated Party (if involved) coordinate the provision of a refund estimation which will be then approved by the Board of Directors.

Once received the estimation calculation, the Board of Directors resolves in relation to the complaint and the conditions of the refund (if any) to the Complainant.

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