

Complaints Handling Policy
of
Lyxor Funds Solutions S.A.

22, Boulevard Royal
L-2449 Luxembourg

Responsibilities:

Role	Function/ Dept	Name
Responsible for this Document	LFS Compliance	Martin Rausch
Overall Responsibility	LFS Compliance	
Functional Responsibility	LFS Compliance	
Approval of current version	LFS Board of Directors	CR of 14 October 2019
Next review	LFS Compliance	May 2020

1. General**1.1. Purpose**

Lyxor Fund Solutions S.A. (hereafter referred as the “Management Company ManCo or LFS”) 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 (“Procedure”) is to ensure that complaints are handled in a manner which is fair, objective and truth oriented.

The Complaints Handling Procedure (hereafter referred as “the Procedure”) has been drawn up by the Management Company to set out the framework for complaint handling (such as, but not limited to, customer and third-party claims) in order to serve the best interest of the staff members and to ensure efficient complaint management within the Management Company.

This Procedure aims to describe the main aspects of complaint handling within the Management Company and specify the terms and conditions applicable where the complaints are handled at the level of the ManCo and where the Commission de Surveillance du Secteur Financier (“CSSF”) is involved in the handling of a request for the out-of-court resolution of a complaint, respectively.

The adoption and regular update of the Procedure is crucial for guaranteeing an adequate and timely handling of complaints. Moreover, it allows the Management Company to properly evaluate any potential weak points in its policies, procedures, services and related risks.

1.2. Definition of ‘Complaint’ and of ‘Complainant’

For the avoidance of doubts, the terms “complainant” and “complaint” shall be understood as follows:

- “Complainant” refers to any natural or legal person who is presumed to be eligible to have a complaint considered by the Management Company and who has already lodged a complaint;
- “Complaint” is a statement of dissatisfaction addressed to the Management Company by a natural or legal person received whether oral or written, justified or not, from or on behalf of an eligible complainant, about the Funds` or the Management Company’s or its delegate’s provision of or failure to provide a financial service. A request for information, clarification or service is not a complaint.

It must be noted that simple requests for information or clarifications addressed to the Management Company are not considered as complaints and are therefore out of scope of this Procedure.

Complaints involve for example:

- Suitability of investment policy;
- Incorrect foreign exchange rates being used which led to a loss for the customer etc.;
- Poor levels of service;
- Dissatisfaction with company policy;
- Any other indication of dissatisfaction.

Guiding principles of effective complaints handling

- **Visibility:**

The Complaints Handling Policy is available on the Management Company`s website and also internally.

- **Responsiveness:**

All complaints shall be treated in a careful and prompt manner. The Management Company endeavours to resolve each complaint within one (1) month after receipt.

- **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 their file and therefore may correspond directly with this person. The ManCo endeavours to communicate in a plain and easily comprehensible language.

- **Objectivity:**

Each complaint is addressed in an equitable, objective and unbiased manner. The ManCo seeks to search the truth.

- **Confidentiality:**

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

1.3. Scope

This Procedure is applicable to all staff members of the Management Company as well as to the Managing Directors of the Management Company and members of the Board of Directors of the Management Company.

1.4. Regulatory Background

This Procedure has been drafted and implemented to comply with the provisions of the Law of 17 December 2010 relating to undertakings for collective investment; CSSF Regulation N° 16-07 relating to the out-of-court resolution of complaints (hereafter referred as “CSSF Regulation 16-07”), CSSF Circular 17/671 on details concerning CSSF Regulation N°16-07 of 26 October 2016 relating to the out-of-court resolution of complaints (hereafter referred to as “CSSF Circular 17/671”), the CSSF Circular 18/698 relating to authorisation and organisation of Luxembourg investment fund managers (hereafter referred to as “CSSF Circular 18/698”), the CSSF Circular 19/718 implementing the Joint guidelines on complaints-handling for the securities (ESMA) and banking (EBA) sectors and the CSSF Regulation 10-04 transposing Commission Directive 2010/43/EU of 1st July 2010 implementing directive 2009/65/EC of the European parliament and of the Council.

In that respect, Article 15 of CSSF Regulation 16-07 mentions that “each professional¹ shall have a complaint management policy that is defined, endorsed and implemented by the management of the professional. The complaint management policy shall be set out in a written document and shall be formalized in an internal complaint settlement procedure made available to all relevant staff. This procedure shall be efficient and transparent, in view of the reasonable and prompt complaint handling in full compliance with the provisions of this regulation. It shall reflect the concern for objectivity and search for truth. [...] The professional shall ensure that each complaint as well as each measure taken to handle it are properly registered [...]”.

Moreover Section 1 of CSSF Circular 17/671 indicates that “the professionals under the prudential supervision of the CSSF shall have a complaint management policy that is set out in a written document and formalized in an

¹ CSSF Regulation 16-07 Art. 1 (6): „professional“: any natural or legal person falling under the prudential supervision of the CSSF

internal complaint settlement procedure. This procedure shall be efficient and transparent, in view of the reasonable and prompt complaint handling. It shall include all aspects of complaint handling within the institution and specify the terms and conditions applicable where the complaints are handled at the level of the professional and where the CSSF is involved in the handling of a request for the out-of-court resolution of a complaint, respectively. [...] Each complaint shall, at all time, be properly handled and within a reasonable time, in view of the nature of the problem raised in the best interest of the complainants. No complaint shall remain unanswered by the professional [...].”

2. Roles and responsibilities

In accordance with the provisions of CSSF Regulation 16-07 and CSSF Circular 17/671, the Senior Management is in charge of implementing this Procedure and ensures its proper application within the Management Company.

It has entrusted **the Compliance Officer** with the task of handling, centralization and follow-up of complaints as further detailed below (hereafter referred as “the senior manager in charge of complaints”).

The senior manager in charge of complaints is responsible for informing the relevant staff of the existence of this Procedure, including any changes thereto, and remains the sole contact person vis-à-vis the CSSF. The senior manager in charge of complaints is furthermore responsible for analysing data relating to complaints handling in order to enable identification and treatment of any recurring or systemic problem, as well as any potential legal and operational risks.

The overall compliance with this Procedure is checked on a regular basis by the Compliance and Internal Audit functions of the ManCo.

3. Process description

3.1. Receipt of the Complaint

Clients’ complaints can be received via the following main channels by post, email, fax or telephone:

- ManCo;
- Investment Manager
- Transfer agent;
- Distributors;
- Depositary.

3.1.1. Complaints received by the ManCo

Any complaint shall be sent by regular mail to:

Lyxor Funds Solutions S.A.

Office: 22, Boulevard Royal, L-2449 Luxembourg

or by e-mail to:

lux.lyx-compliance@lyxor.com

The accompanying text close to the disclosure of the Complaints handling Procedure is disclosed under Annex 2 to this procedure.

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.

3.1.2. Complaints received by the investment manager

In case complaints are received by the appointed Investment Manager, the latter immediately communicates to the Compliance Officer of the Management Company all the relevant documentation and information received.

A log including all the received complaints shall be held by the Investment Manager and reported regularly to the Compliance Officer of the Management Company.

3.1.3. Complaints received by the transfer agent

In case complaints are received by the appointed transfer agent, the latter immediately communicates to the Compliance Officer of the Management Company all the relevant documentation and information received.

A log including all the received complaints shall be held by the transfer agent and reported regularly to the Compliance Officer of the Management Company.

3.1.4. Complaints received by distributors

In case complaints are received by the appointed distributor, the latter immediately communicates to the Compliance Officer of the Management Company all the relevant documentation and information received.

A log including all the received complaints shall be held by the distributor and reported regularly to the Compliance Officer of the Management Company.

3.1.5. Complaints received by the depositary bank

In case complaints are received by the appointed depositary bank, the latter immediately communicates to the Chief Compliance Officer all the relevant documentation and information received.

A log including all the received complaints shall be held by the depositary bank and reported regularly to the Compliance Officer of the Management Company.

3.2. Complaints handling and recordkeeping

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 addressed 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 to the RCH who 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 details of the person in charge of their 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 Compliance 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 Compliance Officer and the Conducting Persons. The RCH shall keep them informed of the steps of the complaint handling 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 Compliance 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 (within two (2) months at the latest

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 their will have the opportunity to transmit its complaint directly to the attention of the Compliance Officer of the Management Company.

The Compliance Officer immediately informs the Board of Directors and the General Managers of the Management Company 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, they may file a request with the CSSF within one year after they filed a complaint with the professional².

The request must be filed with the CSSF in writing, by regular mail 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 (1) year after they 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 Compliance Officer did not result in a satisfactory answer for the complainant, the Management Company shall in writing:

- provide the complainant with a full explanation of its 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.

4. 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). This document shall be delivered to the CSSF within five (5) months following the end of the financial year of the ManCo.

The register shall include the number of complaints registered by the Management 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 Management Company on on-going basis to enable the identification of systemic or recurring problems:

- by analysing 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;
- by considering what actions it may need to take to address these problems;
- by correcting, where reasonable to do so, such root causes.

4.1. Communication and information to the CSSF

The yearly communication sent to the CSSF shall include only information related to financial products and/or services.

The synthetic report for the CSSF is also not supposed to be a compilation of summaries on lodged complaints by customers but must present the main problems encountered by the professional and a summary of undertaken measures.

The table containing the number of registered complaints classified by type of complaint and the synthetic report must also include information on the complaints submitted to the professional's branches situated abroad.

In case a complaint has been filed with the CSSF and the supervisory authority has requested the Management Company to take position on the facts or opinions presented by the complainant or to provide information or documents, the Management 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 Management Company and the complainant to settle their dispute, the Management Company shall undertake to find with the complainant a common ground to put an end to the complaint.

4.2. Communication and assistance from the delegates / intermediaries

The Management 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 Management Company until the final resolution of the complaint.

5. Company liability

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

The Compliance 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.



Annex 1 “Register of Complaints”

COMPLAINTS REGISTER FOR 20xx

Internal reference number
Receipt of Compliant Date and time
Name of Complaining person
Where applicable Name of Distributor who has transferred compliant
Where applicable concerned Advsiors / Service Provider
Kind of Complaint
Reason of Compliant e.g. Product related of Service related
Pop up date of underlying topic related to Compliant E.g. Corres with Client / Solving of Compliant, others .
Period of Solving of Compliant
Description of main topic causing the compliant including documentation causing the mistake where applicable
Short description of Corres with Client Summary of closing the topic / statusDetails of compensation where applicable
Corrective measures of potential (substantial) problems
Comment

Annex 2: Accompanying text to the Complaints handling policy to be disclosed on the website of Lyxor Funds Solutions S.A.

The below details shall be published at the website of the Management Company concerning the out-of-court resolution of complaints, including the role of the CSSF:

Complaints Handling Policy

Lyxor Funds Solutions S.A. has implemented procedures for managing customer complaints which complies with the requirements of CSSF Regulation 16-07 relating to the out-of-court resolution of complaints.

- “Complainant” refers to any natural or legal person having filed a complaint with the Management Company;
- “Complaint” is an expression of dissatisfaction received whether oral or written, justified or not, from or on behalf of an eligible Complainant, about the Funds` or the Management Company’s or its delegates provision of or failure to provide a financial service. A request for information, clarification or service is not a complaint.

It must be noted that simple requests for information or clarifications addressed to the Management Company are not considered as complaints and are therefore out of scope of this Policy.

In this context, any complaint must be sent for complaints concerning the funds or management company to:

Compliance Officer of

Lyxor Funds Solutions S.A.

Office: 22 Boulevard Royal, L-2449 Luxembourg

or by e-mail to

lux.lyx-compliance@lyxor.com

The Management Company will treat your complaint as follows:

- An acknowledgement letter will be sent to you within ten (10) business days as of the receipt of the complaint if the complaint cannot be closed before this timeline.
- An update letter will be sent to you one (1) month and every four weeks thereafter to inform you of the progress of your complaint.
- A final letter will be sent to you to inform you on the outcome of our investigation and the actions taken to resolve the complaint.

The Management Company informs its customers of the existence of the out-of-court dispute settlement procedure with the Commission de Surveillance du Secteur Financier (“the CSSF”), the Luxembourg financial services regulator.

Where a customer did not receive a response or satisfactory response within one month of a complaint being submitted to the Management Company, the customer can refer their complaint to the CSSF within one (1) year of the date of filing with the Management Company. In the event of submitting a complaint to the CSSF it shall be submitted in English, Luxembourgish, German, or French by the following means:

- By regular mail (no registered letter required) addressed to the Commission de Surveillance du Secteur Financier, 283, route d’Arlon, L-2991 Luxembourg or
- By fax at +352 26 25 12601 or
- By email at reclamation@cssf.lu. or
- By filing the form online on the CSSF website <http://www.cssf.lu/en/consumer/complaints>