



SMBC NIKKO

SMBC Nikko Investment Fund Management
Company S.A.

Complaint Handling Procedure

PRESENTATION

From	Compliance Officer
Reviewed & approved by	Management Committee
Also Approved by	Board of Directors

Revision History

Establishment/ Revision date	Details
3 October 2014	First approval and implementation date
6 February 2015	First revision and approval
2 June 2017	Second revision and approval (IBSD Approval no. 201706-01 on 2 June 2017)

Scope

The Complaint Handling Procedure (the “Procedure”) has been designed by SMBC Nikko Investment Fund Management Company S.A. (hereafter referred to as “SNIF”) in order to:

- ensure that complaints of the Complainant (as defined below) of SNIF will be forwarded and adequately answered by the duly appointed central complaints handling officer (hereafter referred to as CCH Officer) of SNIF. At the date of the Procedure, the compliance officer of SNIF is appointed as CCH Officer.
- complying with the requirements set out in the Commission de Surveillance du Secteur Financier (the “CSSF”) Regulation Nr 16-07 effective 11th November 2016 relating to the out-of-court resolution of complaints (the “CSSF Regulation Nr 16-07”), as well as those set out in CSSF Circular 14/589 of June 27th, 2014 . This Regulation aims to update and to lay down in detail the framework within which the CSSF handles complaints and provides further clarifications on the obligations incumbent upon SNIF in connection with the internal handling of the complaints submitted to it.

Target Audience

The target audience of this Procedure is all employees of SNIF (the “Employee(s)”).

The Procedure is made available on the Website of SNIF [http://www.smbcnikko-lu.com/en/policies.html](http://www.smbcnikko.lu.com/en/policies.html) in line with art. 15 of the 16/07. .

Effective date

This Procedure is to be used with immediate effect and replaces all previously issued policies or procedures handling same matters.

SNIF shall publish:

- this Procedure in an easily accessible manner via its internal e-file network available to all Employees;
- the details of its Complaint Settlement Procedure in an easily accessible manner via its Website (Exhibit I).

Frequency of occurrence

Daily	Weekly	Monthly	Quarterly	Annually	Upon occurrence
					✓

Complaint Handling

1 Definition of a complaint

A complaint is defined as a complaint filed with SNIF to recognize a right or to redress a harm. Such complaint can be filed in writing with SNIF by any natural or legal person (the “Complainant”) to express dissatisfaction with an Employee, SNIF’s services and/or any of the delegated function, and requesting compensation. In case of claims, SNIF representatives informs the potential complainant about the possibility to officially fill in a complaint in writing according to the procedure described in this document.

2 Central Complaints Handling Officer

The CCH Officer is in charge of coordinating the handling of complaints addressed to SNIF on the basis of a complaints procedure.

As regards complaints against SNIF or the Employees, promptly after the complaint is received, the CCH Officer will submit a dedicated report on the complaint received to the Management Committee of SNIF (the “Management Committee”), including the information on their nature, background, financial, operational and reputational risks, the financial, contractual and regulatory impact, the achieved settlement, the mitigation actions undertaken and the next steps if applicable as well as a draft of answer to the Complainant.

As regards complaints against delegated agents of SNIF (being the central administration, the depositary, the distributors and/or the investment managers, and hereafter, the “Agent(s)”) received by SNIF (directly or through Agent), promptly after the complaint is received, the CCH Officer will submit a dedicated report on the complaint received (together with the report from the Agent) to the Management Committee. Such report will summarize the complaint and the remedial action the Agent has undertaken and confirm whether or not the complaint will have impact on SNIF (contractual or regulatory). In case the complaint may have an impact on SNIF, the CCH Officer will follow the same procedure as if the complaint was against SNIF or the Employees.

The CCH Officer will furthermore report any complaint received (against SNIF or the Agents) to the board of directors of SNIF (the “Board of Directors”) on a quarterly basis with a summary of the action made and answer provided to the Complainant.

There should be no communication, written or otherwise, with the complainant by employees without prior consultation with the CCH Officer.

In case of a phone call by the Complainant regarding the status of the complaint, the call should be directed to the CCH Officer. If the CCH Officer is not available, the call should be directed to any member of the Management Committee.

3 Procedure

3.1 Out-of-court Complaints

3.1.1 Complaint against SNIF or the Employees

Upon complaint receipt by an Employee, any complaint should be reported to the CCH Officer. The Employee should fill in a dedicated log and report all complaints received and should transfer the complaint with applicable accompanying information to the CCH Officer. In addition, the Employee to which the complaint is addressed should provide the CCH Officer with a small report stating if and how the complaint can be closed and suggests an answer to the Complainant complaining as provided in Exhibit II.

If a complaint has been directly received by the CCH Officer, he/she forwards the complaint to the concerned Employee, depending on the subject of the complaint.

The draft response, prepared by the concerned Employee is sent back to the CCH Officer for review and approval.

An acknowledgement of receipt is sent by the CCH Officer to the claimant within a period which will not exceed 10 business days after receipt of the complaint, unless the answer itself is provided to the complainant within this period..

SNIF provides an answer without undue delay and in any case, within a period which cannot exceed one month between the date of receipt of the complaint and the date at which the answer to the complainant was sent. Where an answer cannot be provided within this period, SNIF shall inform the complainant of the causes of the delay and indicate the date at which its examination is likely to be achieved

In order to ensure the complaints are exhaustively reported to the CCH Officer, on the 15th of each month, the Employees have to send an e-mail to the CCH Officer, summarizing all the complaints they have received during the last month.

On the 20th of each month, the CCH Officer performs a follow-up and compares the complaint for which he/she has received the details and the list sent by e-mail by the Employees on the 15th of the month.

The CCH Officer will then report to the Management Committee as per the procedure mentioned in section 2 here-above. The Management Committee reviews the draft of answer provided by the CCH Officer and confirms agreement to it or requires additional information. The CCH Officer finalises the answer to the Complainant and ensures that the letter is signed by a member of the Management Committee. Once the file is closed, the CCH Officer completes a complaint handling report to be kept with the CCH Officer.

The CCH Officer will provide a copy of the answer to the Board of Directors at the following quarterly Board of Directors meeting.

3.1.2 Complaints against SNIF's agent

Upon complaint receipt by an Employee (including the CCH Officer) against an Agent of SNIF or information from an Agent that a complaint against such Agent has been received, the complaint is to be reported to the CCH Officer. The CCH Officer should require the Agent to provide a report to summarize the complaint and the remedial action the Agent has undertaken and to confirm whether or not the complaint will have impact on SNIF (contractual or regulatory).

The CCH Officer will then report to the Management Committee as per the procedure mentioned in section 3 here-above. The CCH Officer follows the file with the agent and once the file is closed, completes a complaint handling report to be kept with the CCH Officer.

The CCH Officer will provide a summary of the complaint and remedial action to the Board of Directors at the following quarterly Board of Directors meeting.

3.1.3 Reporting of Complaints to SNBL, SNS, and the CSSF

The complaints shall be reported by the CCH Officer or any person designated by the Management Committee simultaneously to SMBC Nikko Bank (Luxembourg) S.A. ("SNBL") and SMBC Nikko Securities Inc. ("SNS") on a following timing, as per "Items to be Applied and Reported (by Overseas Offices)" and any other relevant policies of SNBL.

Contain and date of issue of report:

- Analysis on causes of complaint and measures for prevention: semi annually (at the end of the following month)
- Extraordinary complaints: on the day when such complaint is detected.

The CCH Officer is required to communicate to the CSSF, on an annual basis, a table including the number of complaints registered by SNIF, classified by type of complaints, as well as a summary report of the complaints and of the measures taken to handle them.

3.1.4 How to deal when it appears that the Complainant will not be satisfied with SNIF's answer?

When it appears that the Complainant will not be satisfied with SNIF's answer, the Employee shall ensure that the complaint file includes:

1. the complaint and further Complainant's communication;
2. a detailed and chronological statement of the facts underlying the complaint and the steps already taken by the Complainant and SNIF;
3. the answer to the complaint;
4. the information about whether the Complainant refers the matter to a court, an arbitrator or another alternative dispute resolution body in Luxembourg or abroad;
5. in the case where a person acts on behalf of a Complainant in accordance with Luxembourg regulation or on behalf of a legal person, a document showing that the person is legally entitled to act so.

The complete file has to be transferred to the CCH Officer who will submit it to the Management Committee.

Conclusions discussed at the Management Committee are provided to the Complainant with a full explanation of SNIF position as regards the complaint. In addition, SNIF will inform the Complainant about the existence of an out-of-court procedure

3.2 Out-of-court Complaint Handled with CSSF Involvement

3.2.1 Scope

Are to be concerned within this section, any request for the out-of-court resolution of complaints filed with the CSSF in accordance with the following provisions:

- Any request filed in accordance with Article 58 of the law of 5 April 1993 on the financial sector;
- any request filed in accordance with the first sub-paragraph of Article L.224-26(1) of the Consumer Code;
- any request filed in accordance with the second sub-paragraph of Article L.224-26(1) of the Consumer Code;
- any request filed in accordance with Article 106(1) of the law of 10 November 2009 on payment services;
- any request filed in accordance with Article 106(2) of the law of 10 November 2009 on payment services;
- any request filed in accordance with Article 133(3) of the law of 17 December 2010 relating to undertakings for collective investment;
- any request in accordance with Article 58(3) of the law of 13 July 2005 on institutions for occupational retirement provision in the form of pension savings companies with variable capital (SEPCAVs) and pension savings associations (ASSEPs).
- any request filed in accordance with Article 36(4) of the law of 23 July 2016 concerning the audit profession.

It is to be noted that a request shall not be admissible with the CSSF in the following cases:

- where the complaint has already been subject to a court order or resolved by arbitration in Luxembourg or abroad;
- where the complaint has been submitted to a Luxembourg or foreign court or arbitrator;
- where the complaint has been submitted to a Luxembourg or foreign alternative dispute resolution body other than the CSSF;
- where the complaint concerns the business policy of the professional;
- where the complaint concerns a product or service of a non-financial nature;
- where the request is frivolous or vexatious.
- where the complaint has not been previously submitted to the relevant professional in accordance with Article 5(1) of the CSSF regulation Nr 16-07;
- where the Complainant has not filed a request with the CSSF within one year after s/he filed a request with the professional;
- where the request handling would seriously impair the efficient functioning of the CSSF.

Consequently, it results from the previous paragraph that the scope as defined in this section covers cases where:

1. the processes foreseen under the section 3.1 have already been applied.
2. the Complainant has not received an answer or a satisfactory answer from that person within one month from the date at which the complaint was sent.

3.2.2 Process

3.2.2.1 Procedure to the CSSF– Main Steps

The CSSF regulation Nr 16-07 details the procedure to follow. The main steps are the following:

Where the Complainant did not receive any answer or a satisfactory answer within a period as mentioned in the section 3.2.1 above, s/he may file her/his request with the CSSF within one year after s/he filed her/his complaint with the professional. The request must be filed with the CSSF by email (to the address/number available on the CSSF website- <http://www.cssf.lu/>), or online on the CSSF website. In order to facilitate the filing of a request, the CSSF publishes a form on its website.

- The request shall be supported by a statement of the reasons on which it is based together with the following documents: a detailed and chronological statement of the facts underlying the complaint and the steps already taken by the Complainant;
- a copy of the prior complaint in writing from the complainant, referred to in paragraph (1), Article 5. of the CSSF Regulation Nr 13-02;
- a copy of the answer to the prior complaint or the confirmation by the Complainant that s/he did not receive an answer within one month from the date at which s/he sent his/her prior complaint;
- the statement of the Complainant that s/he did not refer the matter to a court, an arbitrator or another alternative dispute resolution body in Luxembourg or abroad;
- the agreement of the Complainant with the request handling conditions of the CSSF as body responsible for the out-of-court resolution of his/her complaint;
- the express authorisation of the Complainant so that the CSSF can transmit its request (including the attachments) as well as any future correspondence or information to the professional concerned by the request;
- in the case where a person acts on behalf of a Complainant in accordance with paragraph (8), Article 5. of the CSSF Regulation Nr 13-02 or on behalf of a legal person, a document showing that the person is legally entitled to act so;
- a copy of a valid ID document of the Complainant (natural person) or, where the Complainant is a legal person, of the natural person representing this legal person.

The CSSF may request the production of any other document or information, in any form whatsoever, it deems necessary to handle the request.

Where the CSSF receives a request that meets all the conditions referred to in section 3.2.1. and above, it transmits a copy thereof to SNIF, with the request to take position within a period up to one month from the date at which the file was sent. The CSSF informs the Complainant of such transmission.

As soon as the CSSF is in possession of all the documents or relevant information, it confirms to the Complainant and to SNIF in writing or by way of a durable medium that it has received the complete request and the date of receipt of the complete request.

In the case where the CSSF is unable to deal with the request, it provides the two parties within three weeks after the receipt of the complete request with a detailed explanation of the reasons why it does not accept to deal with the complaint. Within the same period of three weeks, the CSSF informs the parties if it accepts to treat the request.

3.2.2.2 Handling process with the CSSF request

During the CSSF review

The written request received from the CSSF will follow the usual process related to the correspondence received from the CSSF.

The CCH Officer will be in charge of ensuring that the CSSF request is handled appropriately as soon as possible and at the latest within one month from the date at which the letter was sent.

The Employee and the CCH Officer will work jointly to answer to all CSSF requests related to the concerned complaint.

The Management Committee will be associated to the drafting of answers addressed to the CSSF.

SNIF shall join copies of the documents which are useful for the examination of the CSSF request and will keep the original versions of these documents.

When the CSSF has taken position

Where the analysis of the file relating to the request is completed, the CSSF addresses a conclusion letter to the parties, including the statement of reasons for the position taken.

✘ Complainant request totally or partly justified according to the CSSF.

Where it concludes that the request is totally or partly justified, the CSSF asks the parties to contact each other to settle their dispute in view of the conclusions and to inform it of the follow-up.

The conclusions of the CSSF are not binding on the parties. They are free to accept or refuse to follow them. As a result, SNIF has the possibility to refer the matter before the courts.

In such a case, the complaint file will be handed over to the CCH Officer who will contact the external legal counsel to SNIF and will address detailed recommendation to the Management Committee on the best approach to deal with this complaint, i.e.

- to reach an agreement after the CSSF issued its conclusions; or
- to refer the matter before the court.

The Management Committee has to decide whether it agrees with a contractual agreement with the Complainant or whether it launches the procedure related to the resolution of complaints with a court.

The CCH Officer will act accordingly.

✘ Complainant's request which is not totally or partly justified according to the CSSF.

The CSSF does not take position as regards the Complainant's request. As an alternative position, the CSSF may inform that "the CSSF comes to the conclusion that the positions of the parties are irreconcilable or unverifiable, it informs the parties thereof in writing".

In such a case, the complaint file will be handed over to the CCH Officer who will follow the same procedure as above mentioned under previous sub-section but in this case, the CCH Officer is not requested to keep CSSF informed about the follow-up.

3.3 In-court Complaint

Application of the processes as detailed in section 3.1. above in addition to the application of processes related to in-court matter by the CCH Officer will be made.

4 Annual reporting

The Compliance Officer is required to communicate to the CSSF, on an annual basis, a table including:

1. the name of CCH Officer (= the Compliance Officer), initially and if there is any change
2. the number of complaints registered by the professional, classified by type of complaints, as well as
3. a summary report (the compliant synthetic report) of
 - a. the complaints; and
 - b. the measures taken to handle them.

List of annexes

Exhibit I - Details of SNIF's Complaint Settlement Procedure Accessible via SNIF's Website

Exhibit II - SNIF's Complaint Reporting Form

Details of SNIF’s Complaint Settlement Procedure

Accessible via SNIF’s Website

Quote

SNIF COMPLAINT HANDLING PROCEDURE

The procedure of SMBC Nikko Investment Fund Management S.A. (the “Company”) as regards handling of complaints is to facilitate the resolution of complaints against the Company without judicial proceedings.

The Company views complaints as an opportunity to learn and improve for the future, as well as a chance to put things right for the Complainant.

The Company’s procedure aims at:

- providing a fair complaints procedure, which is clear and easy to use for any person wishing to make a complaint;
- publicizing the details of the Company’s complaints procedure so that one know how to contact the Company to make a complaint;
- making sure that all complaints are investigated fairly; and
- making sure that all complaints are addressed professionally, competently and in a timely manner.

THE COMPLAINT HANDLING PROCESS

How to complain?

Anyone (the “Complainant”) wishing to address a complaint to the Company is invited to provide the Company’s contact person with the following information:

- ✓ Name;
- ✓ Name of the representative, if any;
- ✓ Address/Phone number/E-mail address;
- ✓ Detailed description of the facts underlying the complaint; and
- ✓ Any document supporting the content of the complaint.

Identity and contact details for first level complaints (1st instance)

Departments	Contact person details		
Business Coordination	Hiroko Murase-Cames	Hiroko.murase@smbcnikko-ifmc.com	+352 442 828 250

Complaint processes key features

Acknowledgement of receipt:

A written acknowledgement of receipt will be addressed to the Complainant within a period, which shall not exceed ten (10) Luxembourg business days after receipt of the complaint, unless the answer itself is provided to the Complainant within this period.

In the acknowledgement of receipt, the Complainant shall be informed of the name and contact details of the employee in charge of his/her file in the first instance.

Indicative timetable:

The Company will issue a reasoned answer within one (1) month from the date of receipt of the complaint depending on the nature and the complexity of the complaint.

The one (1) month-period starts running where the Company receives the complaint. The one (1) month-period may be extended in the case of complex files. In this event, the Company will inform the Complainant of the approximate necessary extension period.

Second instance complaint level

Where the Complainant did not obtain an answer or a satisfactory answer at the level at which s/he submitted his/her complaint in the first instance, the Complainant has the opportunity to raise the complaint up to the following persons:

	Contact person details		
Compliance Officer	Cecile Schneider	cecile.schneider@smbcnikko-ifmc.com	+352 442 828 290

	<i>Contact person details</i>		
Director	Hideyuki Takahashi	hideyuk.takahashi@smbcnikko-ifmc.com	+352 442 828 306

Procedure for out-of-court resolution of complaints before the CSSF

By the present disclosure, the Complainant is informed of the existence of an out-of-court complaint resolution procedure at the Commission de Surveillance du Secteur Financier (“CSSF”).

All the details regarding this out-of-court process can be easily obtained consulting the CSSF website using the following link: www.cssf.lu.

Laws, regulations and other texts and Circulars applicable to banks:

CSSF Regulation N°16-07 relating to the out-of-court resolution of complaints

Un-quote

SNIF's Complaint Reporting Form

COMPLAINT REPORTING FORM

*All complaints must be handled without delay.
Accordingly, this Form must be completed and sent by e-mail to the Compliance Officer on the day the complaint is received; a hard copy must also be handed over to this department. Where available, all relevant information should be retained pending the outcome of the complaint.*

COMPLAINT DETAILS

Date of the complaint:			
Method of transmission of the complaint:	<input type="checkbox"/> Letter	<input type="checkbox"/> Telephone	<input type="checkbox"/> Meeting
	<input type="checkbox"/> E-mail	<input type="checkbox"/> Fax	
name			
Nature of complaint			
CSSF Category	Choose an item.		
CSSF Sub-category			
Details of complaint: (if necessary, please continue on a separate sheet of paper and attach)			
If the complaint relates to a specific transaction, please complete the section below:			
Date of the transaction:			
Security name:			
Volume:		Price:	
Type of transaction:	<input type="checkbox"/> Buy	<input type="checkbox"/> Sell	

EMPLOYEE RECEIVING COMPLAINT:

Name:			
Department:			
Signature:			
Date:			
Information made to the Head of department :	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

FILE CLOSED – FOR COMPLIANCE SIGN-OFF ONLY

Compliance Officer:	
Signature:	
Date:	
File reference nr:	

