
9 August 2021

Modern Slavery Statement

Keystone Asset Management Limited

ABN 58 612 443 008, Australian Financial Services Licence No. 491477

1. Introduction

Keystone Asset Management Limited (“Kam” or “the Company”) is committed to promoting and supporting a culture of corporate compliance and ethical behaviour. We endorse the implementation and promotion of ethical business practices to protect workers from being exploited and abused.

As a responsible corporate citizen the Company places considerable importance on environmental, social and governance issues which include a commitment to preventing slavery and human trafficking in its business activities and operations and ensuring that its supply chain is free from slavery and human trafficking, in line with the requirements of the Australian Modern Slavery Act 2018 (Act).

To this end, the Company has developed a framework aimed at defining the Company’s policies with regard to identifying and dealing with the risks of encountering modern slavery practices and maintaining responsible and transparent value chains.

KAM aims to create an awareness and consideration within the organisation of what constitutes industry good practice and to provide guidance to management and staff on the implications of the Act on KAM’s operations and on the role that KAM can play in tackling modern slavery.

The KAM Modern Slavery Statement is made on a voluntary basis and has not been submitted to the Australian Border Force.

Prepared by:	Version	Date adopted	Overview of Changes
Ilya Frolov	1.0	9 Aug 2021	Creation of Modern Slavery Statement

2. Our Business

KAM is a responsible entity and trustee regulated under an Australian Financial Service Licence operating in the funds management sector. The key business functions are managed from KAM's principal place of business, being Level 3, 424 St Kilda Road, Melbourne VIC. The Company currently manages one (1) unlisted registered managed investment scheme, with four (4) underlying classes.

The unlisted managed investment scheme classes provide investors predominantly with exposure to growth assets, such as listed Australian/International investments, real assets such as precious metals, commodities, real estate, land, equipment and natural resources, and alternative assets being those other fall outside the principal asset classes (equities, real property, fixed interest and cash) and can include exposure to hedge funds, managed futures, distressed assets, digital assets and private equity). Investors can also be exposed to more defensive assets such as fixed income, cash and cash equivalents were considered appropriate.

The primary strategy of the of the investment structure is to select fund managers specialised in each asset class, region, and sector. Investment funds managed by fund managers are selected to achieve the best path to outperformance through active and passive management. KAM, as the responsible entity has limited discretion over the investments of the funds within its mandate.

The registered products are open to investment by both wholesale and retail investors, whereas the unregistered products are only open to sophisticated investors and/or institutional investors.

3. Relevant Policies

KAM has a set of policies and procedures in place that govern the way the business operates. The Company is committed to ensuring that appropriate risk-based strategies are in place. These policies assist in preventing and mitigating the risk of modern slavery and human trafficking occurring in its business.

3.1 Code of Conduct Policy

The Code of Conduct outlines the principles and standards that Directors, employees and relevant contractors acting on behalf of the Company are required to abide by. All Directors and employees must comply with the legal framework governing their operations and must be conscious of the impact of their business on society and evaluate actions in a broader social context. Particular attention is paid to environment, questions of occupational health and safety, industrial relations, equal opportunity for employees, the impact of competition and consumer protection rules, and other legislative initiatives that arise from time to time.

3.2 Whistle-blowers Policy

The Company encourages all its Employees (includes any director, secretary, officer, employee, secondee or contractor including any employee of any contractor of a member of the Company) to raise any concerns related to the direct activities or the supply chains of the organisation.

Procedures are in place where Employees are able to report instances of reportable conduct where there are reasonable grounds to support such action, without fear of intimidation, disadvantage or reprisal.

3.3 Outsourcing Statement

KAM ensures that any outsourced services are provided by parties who have appropriate experience, provide adequate service standards and comply with regular reporting and are monitored. Due diligence processes are completed prior to the appointment of outsourced service providers and all material appointments of service providers are approved by the Board.

As part of the annual review process KAM will obtain confirmation from external service providers engaged by the Company that they have given due consideration to dealings within their organisation that may potentially involve modern slavery issues. A written certification will be received annually from each external service provider confirming this matter.

3.4 Anti-Money Laundering and Counter-Terrorism Program

KAM's AML-CTF program has been implemented to meet the obligations contained within the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (the Act) and accompanying AML/CTF Rules. Procedures are in place to detect and mitigate the risks of financial crime.

Any proceeds of crime arising from human trafficking would be managed under the AML-CTF Policy.

3.5 Risk Management Framework

KAM has an appropriate risk management framework in place which incorporates a Fraud and Corruption program. We undertake a comprehensive review of our internal and external business drivers (as well as our internal systems and procedures) and identify a range of potential fraud and corruption risk events that we believe have the potential to occur within our organisation.

3.6 Human Resources Manual

KAM has a commitment to equal opportunity employment and to prevent any harassment and discrimination in the workplace. The Company has procedures in place concerning employment screening and appropriate workplace behaviour. All staff are expected to abide by these policies and procedures. The Company is committed to full compliance with these provisions.

4. External Fund Manager & Investment Process Management

KAM engages with numerous external fund managers in relation to its fund operations. An external fund manager approval procedure is in place (as noted in External Fund Manager Selection and Monitoring Policy) to ensure that external fund managers are reputable and we expect all of our external fund managers to act in an ethical manner with integrity in relation to human rights issues.

In addition to this, the various managed funds operated by the Company may from time to time make investments in overseas jurisdictions which are considered to be at high risk of involvement in modern slavery practices. The nature of the investments made, particularly in the case of multi-asset funds, makes the process of tracing investment flows through various entities in which a fund may invest extremely difficult. The sections below provide some discussion as to the identification of risks, actions taken to address these risks, and the assessment of the effectiveness of these actions.

4.1 RISKS OF MODERN SLAVERY PRACTICES WITH EXTERNAL FUND MANAGERS AND INVESTMENT PROCESS

KAM is committed to ensuring that appropriate risk-based strategies are in place throughout our business, including consideration of the risk of modern slavery and human rights issues.

Due to the nature of multi-asset fund investing, the Company and the schemes it operates may be exposed to modern slavery practices via the following activities:

- the indirect and unintentional investment in industries which have the potential to be involved in modern slavery practices
- the indirect and unintentional investment in high-risk overseas jurisdictions which have the potential to be involved in modern slavery practices
- the investment in low-risk overseas jurisdictions which then source supplies from high risk jurisdictions

4.2 Due Diligence and Remediation Processes

Where we find evidence of issues of modern slavery arising when analysing prospective investments, we will implement appropriate actions to ensure that due diligence is conducted to the extent necessary to give KAM assurance that any exposure to modern slavery practices is limited as best as possible.

This may extend to the exercise of our agreements to either encourage investee entities to make fuller disclosure of their modern slavery exposure or to ensure compliance with modern slavery principles.

4.3 Due Diligence and Remediation Processes

The Company will conduct an annual review of this Statement to ensure that processes and risk management strategies are effective and are up to date in line with industry best practice.

The review process will include the following:

- updated due diligence, as a result of either KAM's own screening processes or from public information available on investee entities;
- details of any significant modern slavery risks that have been reported and identified, any action that has been taken to address them and progress to date; and
- any gaps or shortcomings identified in KAM's processes relating to the investigation of modern slavery practices, and actions taken to remedy these issues.

4.4 Consultation Process

The Company has consulted with and sought feedback on this Statement from all managers of KAM to ensure that KAMs modern slavery risks are appropriately identified, assessed, and addressed.

It is the intention of KAM to provide ongoing training on modern slavery issues and to keep management and staff up to date with any changes to the requirements of the Act.

5. Amendment of Statement

This Statement can only be amended with the approval of the Board.

6. Adoption of Statement and Board Review

The Board will review this Statement periodically. The Compliance Officer will communicate any amendments to employees as appropriate.
