CMF instructs Sartor AGF to suspend contributions to funds it manages due to relevant management deficiencies detected

The supervisory process discovered that a significant part of the resources of mutual and public investment funds managed by the company financed loans granted by parties linked to Sartor's directors and majority shareholders.

November 15, 2024 – The Board of the Financial Market Commission (CMF) resolved in extraordinary session No. 142, held today, to suspend contribution to mutual and public investment funds managed by Sartor Administradora General de Fondos S.A. (Sartor or SAGF) due to relevant deficiencies detected in their management. Furthermore, SAGF must abstain from making direct or indirect investments through the funds it manages on instruments, contracts, and assets issued by parties linked to its directors or shareholders.

Per **Exempt Resolution No. 10,614**, issued today, the Commission detected behaviors during the supervisory process that may constitute infractions to the regulation governing both SAGF and the funds it manages.

The CMF discovered that a significant part of the resources of mutual and public investment funds managed by Sartor financed loans granted by parties linked to the company's directors and majority shareholders. Such conflicts of interest may breach the provisions of Article 17 of the Single Fund Act, which sets forth that fund managers must exclusively work for the best interests of funds and their contributors.

Other relevant deficiencies discovered during the process reveal that SAGF did not report to the CMF an adequate risk analysis that considers the liquidity conditions of different underlying instruments in the portfolios of funds under its management. This is to comply with conditions for withdrawal payments. Additionally, there was no adequate management and assessment of credit risks and provisions related to the portfolios' various instruments.

The suspension decreed by the Commission for contributions to funds managed by SAGF becomes effective since the date of issuance of the Resolution, and for at least 30 calendar days, until the company successfully corrects the deficiencies detected.

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