

Conflict of Interest Policy

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1. Purpose and Scope

The reference regulation is the following:

Law of 17 December 2010 concerning UCITS;

Law of 12 July 2013 concerning AIFM;

Delegated Regulation (EU) 231/2013;

CSSF Regulation 10-4;

CSSF Circular 07/307, as amended by Circulars CSSF 13/560, CSSF 13/568;

CSSF Circular 14/585; and

CSSF Circular 18/698

In application of the principles adopted by the Board of Directors, this policy applies to all employees, every member of the management team, all board members and professionals contracting with Adepa Asset Management S.A., the “Company”, all together the “Staff”.

It also applies to all the branches of the Company and any employee, officer or director of a company belonging to the ADEPA Group when rendering services to the Company, all together included in the “Company”.

The Company is managing UCITS and AIF fund structures, for the purpose of this document, both type of structures will be named “Funds”. The Company is required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to:

- Identify,
- Prevent,
- Manage, and
- Monitor

conflicts of interest in order to prevent them from adversely affecting the interests of the Funds and their investors and to ensure that the Funds it manages are treated fairly.

In accordance with Article 20 of CSSF Regulation 10-4 and Article 31 of Delegated Regulation (EU) 231/2013, the Company established, implemented and is maintaining an effective policy to manage conflicts of interest. This policy identifies, in relation to the collective portfolio management activities carried out by or on behalf of the Company, the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of the Funds whilst taking also into account the relationships with other members of the Group.

In this context, the Company shall segregate, within its own operating environment, tasks and responsibilities which may be regarded as incompatible with each other or which may potentially generate systematic conflicts of interest.

In accordance with Article 22(3) of CSSF Regulation 10-4 and Article 36 of Delegated Regulation (EU) 231/2013, the Company must inform investors of situations where the organisational or administrative arrangements it has made to manage conflicts of interest have not been sufficient to ensure, with reasonable certainty, that the risk of damage to the interests of the Fund or its

unit-holders will be avoided. Such information must be provided in a durable medium considered as appropriate. In addition, the Company must indicate to investors the reasons for its decision in relation to these arrangements.

Provision applicable to the Company acting as AIFM: The Company may provide the information referred to the above section by means of its corporate website under the conditions laid down in Article 36(2) of Delegated Regulation (EU) 231/2013.

The Company complies with all regulations applicable to its activities in order to promote the best interests of investors and market integrity, which enables it to comply with MIFID Law and the circulars and rules in place.

2. Identification

Identification of situations capable of creating a conflict of interest which could undermine the interests of Funds

In order to identify different types of conflict of interest, the Company shall take into account, at the very least, situations in which the Company, one of its employees or an individual associated with it, or any delegated entity, is involved and over which it has direct or indirect control.

The Company must take all reasonable steps to identify conflicts of interest that arise in the course of managing funds between:

- the Company, including its managers, employees or any person directly or indirectly linked to the Company by control, and the Funds or the investors in that Fund;
- the Fund or the investors in this Fund and another Fund or the investors in that other Fund;
- the Fund or the investors in this Fund and another client of the Company;
- two clients of the Company.

The different types of situations (non-exhaustive list) which could cause a conflict of interest are as follows:

- The possibility to achieve a financial gain or avoid a financial loss for the Company (including its managers and/or employees) at the expense of a Fund or investors.
- The Company receives a benefit with regard to portfolio collective management activities supplied to the Fund
- Receipt of commissions from Funds' underlying investments
- The interests of the Company (including its managers and employees) or of a delegated entity in providing a service to a Fund, not coinciding with the interests of the Fund of its investors
- The possibility that the Company (including its managers and employees) or a delegated entity would favour the interests of one Fund over another, for financial or other reasons
- The possibility that the Company or a delegated entity would obtain a benefit from a third party in relation to the services provided, other than the commission or fees normally charged for this service
- The introduction of shares of Funds managed by the Company into other Funds also managed by the Company, the same applies when the management of the Fund portfolio is delegated to an investment manager

- The nomination of Directors, members of management, or staff of the Company as members of the Board of Directors of Funds.

Notwithstanding the precautions taken to prevent these conflicts as listed in the next section, the Company establishes a **register (Appendix 1)** of potential conflicts identified and measures taken to avoid or limit the occurrence or impact.

3. Prevention and mitigation measures

The Company appropriately anticipates and manages conflicts of interest that could result from the different services offered by the Company to avoid them prejudicing the interests of its clients.

For this reason, the Company maintains and implements internal provisions on an administrative and organisational level that account for the different services and products proposed, a wide range of business models and applicable legal requirements.

In order to prevent conflicts of interest, the Company has adopted the following preventative steps:

- Use of outsourcing for the activities of depositary bank, and distribution constitutes a preventative step by circumnavigating direct actions by employees or increasing the level of supervision.
- The code of conduct and compliance with legal obligations put in place by the Company sets out and defines all the rules of good conduct applicable to everyone, enabling the prevention of potential conflicts of interest.
- Internal organisation measures aiming at controlling, managing or restricting in an appropriately measured way the flow of privileged information between different operational sectors within a specific division or service. The Company only supplies confidential information to third parties where required and authorised to do so by law or regulations and/or if this is provided for in the terms of the provision of the requested services.
- The implementation of partitions known as "Chinese walls" plays a particularly essential role as a tool to prevent conflicts of interest by avoiding insider offences and price manipulation. The implementation of these Chinese walls can result in the separation of premises, employees, hierarchical links, files and systems.
- Internal control, particularly those covering the personal transactions of staff, ensure this compliance and also aid the prevention of potential conflicts of interest.
- There is a separation between the interests of the Company and the private interests of its employees. Such conflicts may arise when an employee accepts a complementary activity with a client or when they undertake professional activity for commercial entities operating in the same market as that of the Company. As a kind of example, the Directors, managers or employees of the Company who sit on the Board of Directors of Funds do not receive any remuneration as Directors of those Funds.
- The management fees received from underlying funds by the Company are transferred in full to the Fund who made the investment. In case of small amounts to be repaid, the Company may decide not to reimburse the fund who made the investment.
- The Company does not offer, give, solicit or accept gifts or invitations that are considered to be a source of conflict of interest with regard to obligations towards investors.

- The removal of any direct link between the remuneration of those who are carrying out a given activity, and the remuneration or revenues generated of others carrying out a different activity, where a conflict of interest may appear with these activities.
- Steps aimed at preventing or limiting any undue influence on the manner in which another person is carrying out collective portfolio management activities.
- Steps aimed at preventing or limiting any simultaneous or consecutive involvement of a relevant person in separate distinct collective portfolio management activities, where such involvement could be harmful to a proper management of conflicts of interest.
- Delegate agreements are laying down the conflict of interest rules.
- During the due diligence process, the conflict of interest policy of any delegate is requested and reviewed.
- Awareness is raised at the level of the delegated investment managers with a yearly review.

The development and implementation of policies and procedures such as code of conduct and remuneration policies, procedures for best execution, management of clients' orders, search for investments, client complaints, execution of personal transactions, delegate monitoring, benefits received (inducements), gifts and invitations contribute to the prevention of conflict of interest.

4. Management/Keeping a record of conflicts of interest

All members of staff must inform the Compliance Officer if a conflict of interest, or potential conflict of interest, appears.

In accordance with Article 22(1) of CSSF Regulation 10-04 and Article 35 of Delegated Regulation (EU) 231/2013, the Company keeps and regularly updates a record (Register Appendix 2) of the types of activities undertaken by or on behalf of the Company in which a conflict of interest entailing a material risk of damage to the interests of one of more Funds or its investors has arisen or, in the case of an ongoing activity, may arise.

The Company's Board of Directors:

- Is the body responsible for approving the conflicts of interest policy as well as any changes to that policy
- Is also responsible for establishing extra or alternative steps, where the policy is not sufficient to prevent harm occurring to the interests of the funds managed

The Company's management:

- Guarantees the application of the policy
- Defines and applies the implementation procedures for updating the policy
- Defines and applies the procedure for keeping and managing the conflicts of interest register

The Company's Compliance Officer:

- Manages the conflicts of interest register
- Drafts the information to be sent to investors, based on instructions from the Board of Directors, if any, and arranges for it to be sent
- Drafts the reports concerning the monitoring of the application of the policy, for the Board of Directors

- Drafts the information concerning changes implemented in the conflicts of interest register for the Board of Directors

The procedures and steps put in place in order to manage conflicts of interest ensure that the relevant persons engaged in different activities likely to cause a conflict of interest, carry out those activities independently with regards to the size and activities of the Company and to the significance of the risk to the interests of clients.

Where conflicts of interest have been identified, the Company must take into consideration:

- The interests of the Company, the interests of investors and the Company's duties with regards to Funds
- The interests of two or more Funds managed by the Company

If despite the implementation of these procedures and steps, independence is still not ensured, the Company must adopt all extra or alternative steps and procedures that are necessary to achieve an appropriate level of independence.

5. Monitoring

Funds under scope of this monitoring section are the AIF and UCITS funds where the Company is acting respectively as AIFM or management company.

In order to ensure that the delegated entity applies an equivalent procedure, the Company shall implement all necessary provisions to verify that the delegates comply with by carrying out controls. In particular, the Company ensures that:

- The list of conflicts of interest is maintained at the level of each Fund and discussed at the level of each fund board meeting
- Every year, the Company sends a letter to the delegated investment manager and to the fund directors to remind their duties in term of conflict of interest and to receive a confirmation in return
- On a yearly basis, the consolidated list is reviewed at the level of the board meeting of the Company

6. Communication and information

In the management contract between each Fund and the Company a clause is included concerning the management of conflicts of interest. The funds who have signed a management contract with the Company receive a copy of the Conflicts of Interest Policy. In addition, any investor who so wishes, can request a copy of that policy in writing can request for it.

In accordance with Article 22(3) of CSSF Regulation 10-04 and Article 36 of Delegated Regulation (EU) 231/2013, the Company will inform investors of situations where the organisational or administrative arrangements it has made to manage conflicts of interest have not been sufficient to ensure, with reasonable certainty, that the risk of damage to the interests of the Fund or its unit-holders will be avoided. Such information will be provided in a durable medium considered as appropriate. In addition, the Company will indicate to investors the reasons for its decisions in relation to these arrangements.

In Case the Company is acting as AIFM, the Company may provide the information by means of its corporate website under the conditions laid down in Article 36(2) of Delegated Regulation (EU) 231/2013.

Appendix 1

Appendix 1_Register of potential Conflicts of Interest_

Appendix 2

Appendix 2_Conflicts of Interest_