

PRINCIPLES OF CONFLICTS OF INTEREST

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DOCUMENT STATUS

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OWNERSHIP OF DOCUMENT

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APPROVAL AND REVIEW

INSERT ✓		APPROVAL DATE	NEXT REVIEW DATE
✓	The Board of DGFM Luxembourg (the "Board")	Q1 2021	Q1 2022

LEGISLATIVE/REGULATORY REQUIREMENT(S)

- Law of 17 December 2010 relating to undertakings for collective investment
- Law of 12 July 2013 on alternative investment fund managers
- Commission de Surveillance du Secteur Financier ("CSSF") Regulation No. 10-4 transposing Commission Directive 2010/43/EU of 1 July 2020 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organizational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company
- CSSF Circular 18/698

LEGAL ENTITIES APPLICABLE:

Davy Global Fund Management Luxembourg S.A. ("DGFM Luxembourg") and its subsidiaries.

DEPARTMENTS/ OPERATIONAL AREAS APPLICABLE:

All departments and operational areas at DGFM Luxembourg and its subsidiaries.

1.0 INTRODUCTION

Davy Luxembourg (understood as any Davy Group entity being domiciled in or conducting business activities in the Grand-Duchy of Luxembourg) is part of the Davy Group. These Principles have been designed specifically for Davy Luxembourg to meet Luxembourg regulatory and legal requirements. This document should be read in conjunction with the Davy Group Conflicts of Interest Policy.

It is a requirement for Davy Luxembourg to identify, prevent, record, and manage conflicts of interests (“Col”). Such Col may impair interests of Davy Luxembourg’s clients, the funds it manages, and its reputation. As Davy Luxembourg offers a wide range of financial services it is inevitable that a number of potential or actual conflicts exist. This means that from time to time Davy Luxembourg may have interests which conflict with our clients’ interests or with duties that we owe our clients. This includes conflicts arising between the interests of Davy Luxembourg, other entities within the Davy Group and employees on the one hand and the interest of our clients on the other and also conflicts between clients themselves.

To ensure that Davy Luxembourg’s organizational framework, complexity, scale and nature of business is acknowledged and appropriately handled relating to Col, we have drawn up this framework.

We appreciate that it may not be possible to avoid or eliminate all existing and any potential Col arising from our business activities and market practice. However, we clearly define, review and monitor very limited tolerance levels resulting in Col. Additionally, Davy Luxembourg applies policies and procedures designed to mitigate risk to ensure our clients’ and funds’ interests are not materially impaired and put first.

2.0 FRAMEWORK

These Principles have been designed to comply with the Col requirements as established in the Law of 17 December 2010 concerning Undertaking for Collective Investment in Transferable Securities (“UCITS”) and the Commission de Surveillance du Secteur Financier (“CSSF”) Regulation No. 10-4. The document was drafted by taking into account the Law of 12 July 2013 on alternative investment fund managers (“AIF”) and the CSSF Circular 18/698. All of them represent the applicable laws and regulations.

Davy Luxembourg is committed to treat its clients and funds with highest integrity and fairly. One of the results is to comply with all applicable laws and regulations and maintaining excellent client satisfaction.

To ensure an appropriate level of responsibility, our senior management including Conducting Officers, and department heads are held responsible for ensuring to have effective systems, controls and procedures in place to avoid, identify and if inevitable manage Col. To achieve this goal, we are committed to maintaining and operating effective administrative and organizational arrangement. This includes, where possible, to identify and manage Col resulting from business activity with other service providers and other Davy Group companies and certain structures in place related to other service providers and other Davy Group companies.

All Davy Luxembourg employees are obliged to act in the interest of our clients and disregard any personal or Davy Luxembourg’s material interest that could influence any dealings or advices to such client should they be aware of such Col. To ensure all our employees are able to identify and manage risks arising from Col, it is a duty for all to be aware and mindful of Col. This enables our employees to take reasonable steps to assist in identifying, managing and escalating Col to relevant functions, which notably includes Davy Luxembourg’s senior management and Compliance department.

3.0 MANAGEMENT OF ACTUAL AND POTENTIAL CONFLICTS OF INTEREST

These Principles consider Col that might arise during the normal course of business as a result of the interaction between Davy Luxembourg, its clients, funds and third parties.

Davy Luxembourg defines, inter alia, reporting lines and clear allocations of areas of responsibilities among the Conducting Officers, puts in place various committees such as for valuation, client acceptance and investments to ensure Davy Luxembourg has in place organizational and governance structure to prevent Col or in case a Col cannot be avoided, the identification and management of Col.

Davy Luxembourg has four Conducting Officers as of the date of this document. Having this number of Conducting Officers in place is intended to avoid a concentration of tasks and ensures a separation of duties and segregation of activities

Davy Luxembourg will take all reasonable steps to avoid Col in order to prevent, manage and monitor them, to prevent them from adversely affecting the interests of each Client, including funds under management and the unitholders / shareholders thereof and to ensure that each fund under management and the unitholders / shareholders thereof are fairly and consistently treated.

Where Davy Luxembourg is acting as Alternative Investment Funds Manager (“AIFM”), it will additionally take reasonable steps to identify Col that arise in the course of managing alternative investment funds (“AIFs”).

This includes Col between:

- A) the AIFM, including its managers, staff or any person directly or indirectly linked to the AIFM by control and on the other hand the AIF managed by the AIFM or the investors in that AIF;
- B) the person that is likely to make a financial gain, or avoid a financial loss, at the expense of the AIF;
- C) the person that has an interest in the results of a service or an activity provided to the AIF or of a transaction carried out on behalf of the AIF;
- D) the AIF or the investors in this AIF and another AIF or the investors in that other AIF;
- E) the client of the AIFM and another client of the AIFM, including where Davy Luxembourg acts as a UCITS investment fund manager;

Where Davy Luxembourg acts as a UCITS investment fund manager, it identifies the types of Col that arise or may arise in the course of providing services and activities and whose existence may damage the interests of the funds (including UCITS and AIFs). The minimum criteria assessed will be if Davy Luxembourg or a person directly or indirectly linked by way of control to its activities has the following situations underlying:

- A) such person is likely to make a financial gain, or avoid a financial loss, at the expense of the funds;
- B) the person that has an interest in the results of a service or an activity provided to the fund or of a transaction carried out on behalf of the fund;
- C) such person has a financial or other incentive to favour the interest of one client over another; and
- D) such person receives or may an inducement in relation to collective portfolio management activities provided to the fund other than the standard commission or fee for that service.

Where the Company on behalf of a fund directly appoints a prime broker, the terms shall be set out in a written contract. Davy Luxembourg will exercise due skill, care and diligence in the selection and appointment of any prime brokers with whom contracts have been concluded directly.

Davy Luxembourg’s processes relating to Col are designed to provide comfort that staff involved in activities that may incur potential or actual Col are completing their tasks at a level of independence whilst considering a principle of proportionality, including the nature and activities undertaken, and taking into consideration any materiality of the risk incurred to the interest of clients, funds and shareholders.

To manage any Col that do arise, controls and internal processes include, but are not limited to:

- A) The remuneration or other revenues generate of persons principally engaged in an activity with a direct linked to the activity from which the Col results will be removed and/or dealt with in line with Davy Luxembourg’s remuneration policy;
- B) staff will be prevented to participate, control the simultaneous or sequential participation in activities where their involvement may prejudice managing Col;
- C) prevent or limit inappropriate influence over activities undertaken that may prejudice managing Col;
- D) persons with a principle function to carry out portfolio management activities or providing services to clients and/or shareholder and having a potential Col will be supervised separately.

As a matter of principle Davy Luxembourg will ensure:

- A) To avoid any activity which may result in a Col so as to manage Col in the first instance wherever possible;
- B) due segregation of duties and responsibilities that may be considered as conflicting with each other or may potentially result in a Col;
- C) to maintain an up-to-date record of activities undertaken by it or on its behalf entailing a material risk of damaging the interests of its clients;
- D) to maintain appropriate internal reporting mechanisms to prevent an actual damage to its clients’

interests as identified;

E) that any material Col are disclosed to clients and where appropriate shareholders of its clients before undertaking business on their behalf;

F) informing its board of directors allow it taking any necessary decision to ensure that Davy Luxembourg acts in the best interests of its clients and where applicable client' shareholders where the organization or administrative arrangements made may be deemed insufficient and may risks to damage to the interests of its clients; and

G) that any disclosure of material conflicts is made available by way of a durable medium or through a website.

4.0 CONFLICTS OF INTEREST BETWEEN GROUP ENTITIES

Davy Luxembourg is part of the Davy Group. Each entity of the Davy Group operates independently in considering and addressing the appropriate interests of its clients. The independent operations are ensured by the local organizational and governance structures.

Such independent operation and distinct organizational and governance structure does not prevent:

A) services and products are offered by other group entities;

B) cross referrals are undertaken where this may be in the interest of clients;

C) coordination and managing relationships with common or shared clients where this does not intensify a Col that cannot be managed or mitigated appropriately.

5.0 CONFLICTS OF INTEREST IN THE CASE OF OUTSOURCED ACTIVITIES

Davy Luxembourg will review and oversee appropriate management of Col in the context of due diligence and oversight performed where activities are delegated to third parties.

6.0 CONFLICTS REGISTER

Davy Luxembourg will ensure that its assessment will be recorded in a Register including actual and potential instances of conflicts impacting Davy Luxembourg.

7.0 GOVERNANCE

Davy Luxembourg's will annually review its Conflicts Register and includes presenting it to the board of directors of the Company (the "Board"). Any issues identified will be escalated to the Board and where required on ad-hoc basis. Davy Luxembourg's Conducting Officers or Compliance department will inform the Board of any actual or potential Col on an ongoing and timely basis.

8.0 DISCLOSURE

DGFM Luxembourg discloses the Davy Group Conflicts of Interest Policy and those Principles on its website and will upload any new version made available at least on an annual basis . The Company ensures that the disclosure is clear and easily understandable and accessible.

The Davy Group Conflicts of Interest Policy and the Principles are also made available on the Intranet of the Company for all staff members of DGFM Luxembourg.

9.0 REVIEW AND IMPLEMENTATION OF THE POLICY

The board of directors of DGFM Luxembourg (the "Board") has adopted the Davy Group Conflicts of Interest Policy and these Principles. The Principles are reviewed at least on an annual basis and more often in case of changes to the applicable laws and regulations. Amendments of the Principles will only need to be approved by the Board in case of material changes or if determined by the Policy Owner.