

## Conflicts of Interest Policy

### Document history

| Version | Date          | Description                                                                     | Author                       | Owner                    | Approval           |
|---------|---------------|---------------------------------------------------------------------------------|------------------------------|--------------------------|--------------------|
| 5       | February 2024 | Entire revision of the policy / Update of the register of conflicts of interest | Principal Compliance Officer | Chief Compliance Officer | Board of Directors |
| 6       | February 2025 | Annual review – no significant changes                                          | Principal Compliance Officer | Chief Compliance Officer | Board of Directors |

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## 1. Introduction

### 1.1. BLI - Banque de Luxembourg Investments

BLI - Banque de Luxembourg Investments ("**BLI**") is a public limited company incorporated under the laws of Luxembourg and wholly owned by Banque de Luxembourg, Luxembourg ("**BDL**"), itself part of the French financial group Crédit Mutuel Alliance Fédérale ("**CM AF**").

BLI is authorized as a management company in accordance with the provisions of Chapter 15 of the Luxembourg law of December 17, 2010 relating to undertakings for collective investment as amended (the "**UCITS Law**") and as an alternative investment fund manager in accordance with the provisions of the Luxembourg law of July 12, 2013 relating to alternative investment fund managers as amended (the "**AIFM Law**").

In addition to its authorizations to manage collective investment schemes under the UCITS Law and/or the AIFM Law, BLI is also authorized to provide discretionary portfolio management and investment advisory services within the meaning of the aforementioned law.

Within the framework of its approvals and authorizations under the UCITS Law and the AIFM Law, BLI offers its services to investment funds (whether initiated by BDL, by other entities of the CM AF group or by third-party entities) as well as to institutional or professional clients other than investment funds.

For the majority of the investment funds initiated by BDL or other entities of the CM AF group, BLI performs the portfolio management. For the majority of investment funds initiated by third-party entities, BLI delegates the portfolio management to duly authorized entities proposed by the investment funds or their initiators.

The marketing activity (if any) of the investment funds for which BLI acts as management company or alternative investment fund manager is, depending on the investment funds, performed by BDL and/or by other entities of the CM AF group and/or by duly authorized third-party entities.

The central administration of investment funds for which BLI acts as management company or manager of alternative investment fund manager is delegated to duly authorized service providers established in the respective country of establishment of the investment funds.

### 1.2. Purpose and approval of this Policy

BLI recognizes the importance of maintaining the highest standards of integrity, transparency and ethical conduct in its business activities.

The policy (the "**Policy**") establishes procedures and guidelines in compliance with applicable laws and regulations listed in **Appendix 1** of the Policy, to identify, prevent, manage and disclose as required appropriately, any potential and actual conflicts of interest that may arise during and in connection with BLI's conduct of its business and, in particular vis-à-vis of the interests of BLI's clients.

This Policy and its implementation take into account the size and organization of BLI as well as the nature, scale and complexity of its business activities.

This Policy

- has been approved by the Board;
- has been communicated and applies to the Directors and to the Employees;
- is made available to the public on BLI's website.

## 2. Definitions

For the purpose of this Policy, each of the terms listed below in bold characters on the left will have the meaning mentioned opposite them on the right.

| <b>Term</b>                       | <b>Definition</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Appendix</b>                   | An appendix to this Policy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Board</b>                      | The board of directors of BLI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Client</b>                     | A Fund or another client to which BLI provides services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Code of Conduct and Ethics</b> | The code of conduct and ethics adopted by BLI's shareholder and BLI and to which the Directors and Employees are required to adhere                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>COI</b>                        | A conflict of interest, meaning a situation in which the interests of BLI or of a Director or of an Employee could influence or alter such person's judgment, decision or action and negatively affect the legitimate interests of one or more Clients                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Director</b>                   | A member of the Board                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Employee</b>                   | A person under a permanent or temporary employee contract with BLI as employer, including the ExCo Members                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>ExCo</b>                       | BLI's executive committee                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>ExCo Member</b>                | A member of the ExCo                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Fund</b>                       | An investment fund for which BLI acts as management company under the UCITS Law or as alternative investment fund manager under the AIFM Law                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Related Party</b>              | <p>Any of the following persons:</p> <ul style="list-style-type: none"> <li>- BLI</li> <li>- the Directors</li> <li>- the Employees</li> <li>- the delegates and other service providers of BLI</li> <li>- an entity of the CM AF group or a director or employee of such entity</li> </ul> <p>The term Related Party also includes</p> <ul style="list-style-type: none"> <li>- in respect of a Director, any entity in which the Director is a shareholder, a director or a senior manager;</li> <li>- in respect of an Employee, any entity in which the Employee is a shareholder, a director or a senior manager.</li> </ul> |

### 3. Identification and prevention of COI

#### 3.1. Identification of COI

In general, a COI arises in situations where BLI, a Director or an Employee has an interest or may have an interest (whether a financial or non-financial interest, including interests relating to sustainability factors or sustainability risks) to

- prioritize its interests over the legitimate interests of one or more Clients;
- prioritize the interests of another Related Party over the legitimate interests of one or more Clients;
- prioritize the interests of one or more Clients over the legitimate interests of one or more other Clients;
- prioritize the interests of one or more investors in a Fund over the legitimate interests of other investors in the Fund.

A COI may in particular arise where BLI, a Director or an Employee

- is likely to make a financial gain or avoid a financial loss at the expense of a Client;
- has an interest in the result of a service provided to a Client or of a transaction carried out on behalf of a Client, which is distinct from the Client's legitimate interest in the result of the service or transaction;
- has a financial or other incentive to favor the interests of a Client or Related Party over the interests other Clients;
- carries out the same or has a significant interest in the same business activities as a Client;
- receives or will receive any benefit (whether financial or non-financial, other than an acceptable minor non-monetary benefit) from a person other than a Client in connection with a service provided to the Client, other than commissions or fees normally charged for such service.

In the performance of their duties in the context of BLI's business activities, Directors and Employees shall refer to the above when assessing whether they are in a situation of COI or not. In case of doubt, Directors and Employees shall consult BLI's compliance function.

#### 3.2. Prevention of COI

BLI has put in place and maintains an organization and internal procedures (including the Code of Conduct and Ethics and the outsourcing procedure on the delegates and other service providers of BLI) that are designed to prevent COI and adequately manage COI that have occurred or may occur in BLI's business activities.

##### 3.2.1. Prevention of COI related to BLI's business activities

###### 3.2.1.1. Segregation of duties and responsibilities

Duties and responsibilities are allocated among Employees so as to ensure an adequate segregation between lines of defence:

- 1<sup>st</sup> line of defence, corresponding to the functions that, *inter alia*, perform daily operation activities and that define, implement and execute internal control in their activities;
- 2<sup>nd</sup> line of defence, corresponding to the risk management and compliance functions that, *inter alia*, define and implement the risk and compliance monitoring plans and controls and report on their activities to the ExCo and the Board;

- 3<sup>rd</sup> line of defence corresponding to the internal audit, that, *inter alia*, review and assess the performance of the activities of the 1<sup>st</sup> and 2<sup>nd</sup> lines of defence.

#### 3.2.1.2. Confidentiality

Directors and Employees are required to respect the confidentiality of the information and documentation they receive or they have access to in the exercise of their functions, whether such information and documentation relate to Clients or other Related Parties.

Directors and Employees shall have IT accesses to such information and documentation only as required to perform their functions within BLI.

Directors and Employees may only share such information and documentation on a strict “need-to-know” basis, in the legitimate interests of the concerned Client or Related Party or if required by applicable laws and regulations and always in accordance with applicable laws and regulations and internal policies, including internal policies governing the processing of personal data.

#### 3.2.1.3. Inducements

In the course of its business activities, BLI may be offered to or may receive inducements in relation to a service provided to Clients. Any material inducement received shall be transferred to the concerned Clients.

BLI does not pay inducements other than distribution fees paid to entities that are part of the distribution scheme set-up by or for the benefit of the Funds.

#### 3.2.1.4. Voting rights policy

Neither BLI, nor its shareholder, nor the CM AF group are listed on a stock exchange and BLI does not perform proprietary trading on securities and does not hold financial instruments on its book, except that BLI may hold units in Funds that exclusively serve as underlying asset of the variable remuneration deferred over time. It may also exceptionally happen that BLI holds shares of funds managed in order for example to support the launch of such classes. This situation would represent a very limited proportion of the assets of the concerned fund.

For the Funds for which BLI performs the day-to-day management of the investment portfolio, BLI has selected a recognized proxy advisor and has also subscribed to the proxy advisor’s sustainability proxy voting policy that is geared to the frameworks set by recognized global governing bodies (such as OECD, UNGC, ILO, EU, ...) promoting sustainable business practices advocating for stewardship of environment, fair labour practices, non-discrimination and the protection of human rights. BLI reviews the proxy advisor’s proxy voting policy and its updates at least annually in order to confirm that it is still aligned with applicable laws and regulations, BLI’s investment philosophy and commitment to socially responsible investing as well as Funds’ legitimate interests.

As part of the exercise of voting rights, BLI refrains from exercising voting rights attached to financial instruments held by the Funds if BLI has a personal interest in the result of the vote.

#### 3.2.1.5. Independent financial research

BLI uses independent financial research from brokers. In order to avoid COI, BLI has put in place a research payment account which is funded by those Clients that have specifically approved a financial research budget and by BLI, out of its own funds, for the remainder.

#### 3.2.1.6. Handling of complaints

BLI has adopted a complaints handling policy, which is guided by a concern for objectivity and the search for truth.

Impartiality is a critical element of a fair complaints handling process. Impartiality requires that the complaints handling officer addresses a complaint with an open mind and without any pre-existing intentions concerning the outcome.

### **3.2.1.7. Relationship with other entities of the CM AF group**

When providing services to a Client, BLI may be exposed to COI when carrying out transactions or entering into services arrangements with other entities of the CM AF group that have not been appointed by the Client or where the Client did not direct or instruct BLI to transact or enter into a services arrangement with such entities.

BLI has adopted a business acceptance policy and implemented appropriate due diligence processes that apply to BLI's delegates and other business partners. No simplified or specific processes are applied by BLI to other entities of the CM AF group. BLI shall ensure that the terms and conditions governing the transactions carried out with such entities and the services arrangements with such entities are at-arms-length and do not negatively affect Clients' legitimate interests.

### **3.2.1.8. Independence in relation to the depositary functions for Funds**

In accordance with applicable laws and regulations,

- no member of the Board is a member of the board of directors or an employee of the depositary of the Funds; and
- no member of the board of directors or employee of the depositary of the Funds is a member of the Board;
- where a group link exists between BLI and the depositary, at least one-third of the members or two persons, whichever is the lesser, of the Board and on the board of directors of the depositary shall be independent.

In addition, in case of a Fund in a corporate form, the majority of directors of the Fund shall not be Directors or Employees.

In accordance with applicable laws and regulations, the choice of the entity to act as depositary of a Fund shall be justified. Where a link or a group link exists between BLI and the depositary, BLI shall put in place policies and procedures ensuring that all COI arising from that link are identified and reasonable measures are taken to avoid those COI. Where a COI cannot be avoided, BLI and the depositary shall manage, monitor and disclose that COI to the concerned Funds and its investors.

## **3.2.2. Prevention of personal COI**

### **3.2.2.1. Rules of conduct vis-à-vis of Clients**

Employees must:

- perform their duties in accordance with applicable legal and regulatory provisions, internal policies and procedures and the Code of Conduct and Ethics;
- perform their duties in the legitimate interests of the Clients;
- respect the principle of equal treatment among Clients that are in the same situation;
- not disclose to a Client confidential information about another Client that is available to them in the course of their professional activities with BLI;
- not use for their own account confidential information about a Client that is available to them in the course of their professional activities with BLI.

### **3.2.2.2. Remuneration principles**

BLI's remuneration principles are designed so as to avoid COI that may negatively affect Clients' legitimate interests.

BLI's remuneration principles are designed so as to promote sound and efficient management and not encourage risk taking that would be incompatible with the defined risk profiles of the Clients (including with regard to sustainability risks).

### **3.2.2.3. External mandates and corporate offices**

Some Employees may hold mandates for associations (sports associations, charities, ...) or corporate offices. Particular attention will be paid to possible COI in the exercise of an external mandate or corporate office.

Employees are required to declare to BLI's compliance function any external mandate and corporate office they may hold outside BLI and to notify BLI's compliance function of any change in this regard.

Employees must also inform BLI's compliance function of any political or judicial office they hold, any public responsibilities they exercise for their country, including for a company or public body, or for a public international organisation, as well as any public office held by a member of their close family or another person closely associated with them.

Any other mandate is not authorised by BLI. All mandates - whether exercised in a personal capacity or on behalf of BLI - must be submitted to BLI's compliance function.

An Employee who wishes to pursue a professional activity outside BLI must inform BLI's compliance function in advance, which will assess whether this activity is compatible with the Employee's function within BLI.

Employees who hold an external mandate or corporate office or engage in an activity outside BLI shall refrain, except with the express agreement of BLI's compliance function or of the ExCo, from representing BLI or acting on its behalf in connection with such mandate, corporate office or activity. They shall also strictly observe the rules of confidentiality relating to their own activities within BLI and prevent any situation in which they could find themselves in a COI situation.

The exercise by an Employee of an external mandate, corporate office or activity outside BLI of whatever nature (whether remunerated or not) must not in any way affect the Employee's professional activity within BLI.

### **3.2.2.4. Gifts and benefits**

The Code of Conduct and Ethics prohibits Employees from offering or accepting, either personally or in the performance of their duties, or from passing on to a third party, advantages in any form whatsoever which, by deviating from normal commercial practices, are intended to obtain an undue advantage or to encourage reprehensible behavior.

In general, Employees are prohibited from offering or accepting for themselves or persons related to them:

- gifts, invitations or benefits whose value differs from normal practice;
- gifts in the form of cash, financial instruments or any other form of securities;
- invitations for strictly personal entertainment outside the professional context.

### **3.2.2.5. Personal transactions**

The Code of Conduct and Ethics prohibits Employees from carrying out or arranging for the carrying out, directly or indirectly, of a personal transaction in a financial instrument if, in the



performance of their duties, they are placed in a situation of COI or are in possession of confidential or privileged information.

In case of doubt, Employees are requested to consult the Compliance function before carrying out the transaction.

In addition and in accordance with applicable laws and regulations, BLI monitors the personal transactions of sensitive Employees and keeps record of transactions by sensitive Employees.

"Sensitive" Employees are those who, by virtue of their function, activity or membership of an internal committee, are particularly likely to hold privileged or confidential information, or to find themselves in a situation of COI.

The rules on personal transactions vary based on the extent to which Employees are likely to hold privileged or confidential information, or to find themselves in a situation of COI.

#### *3.2.2.6. Specific considerations regarding ExCo Members and members of internal decision-making committees*

ExCo Members and members of internal decision-making committees must abstain from voting on any matters where they have a personal COI, other than matters that relate to ordinary business of BLI entered into under normal conditions.

#### *3.2.2.7. Specific considerations regarding Directors*

Each year, each Director is requested, by means of a self-assessment form to be completed, to provide BLI's compliance function with his/her list of external mandates, corporate offices and activities outside BLI. BLI's compliance function assesses the continued compatibility of such mandates, corporate offices and activities outside BLI with the office held by a Director with BLI.

Where a potential or actual COI situation is detected, the COI situation is recorded in the Register of COI and BLI ensures that appropriate measures are taken to mitigate the impact of the COI.

Without prejudice to the provisions of article 441-7 of the Luxembourg law of 10 August 2015 on commercial companies (as such provisions may be replaced, re-enacted, extended or amended from time to time), Directors must abstain from voting on any matters where they have a personal COI, other than matters that relate to ordinary business of BLI entered into under normal conditions.

## **4. Management of COI**

If, despite all prevention measures, a situation arises that results in a potential COI for an Employee, the Employee must notify its direct line manager and BLI's compliance function.

Upon receipt of the notification, BLI's compliance function analyses the situation, assesses whether or not it should be qualified as a situation generating or likely to generate a COI and decides, together with the ExCo, on the appropriate measures to be adopted.

BLI's compliance function shall record the COI situation in the Register of COI.

BLI's compliance function and the ExCo then define and implement actions to avoid or limit the occurrence and/or impact of the identified COI in the future, in particular by adjusting procedures and/or controls.

#### 4.1. Register of COI

BLI's compliance function maintains and updates when required the Register of COI that records (i) the types situations that have triggered or that may trigger a material COI and (ii) the measures in place to mitigate or manage such COI in the legitimate interests of the Clients (the "**Register of COI**").

The Register of COI is available in **Appendix 2** of the Policy.

The information in the Register of COI and the supportive documents are retained for a period of at least five years.

#### 4.2. Disclosure

In the event that measures to prevent or manage a COI are not sufficient to ensure, with reasonable confidence, that the risk of damage to a Client's legitimate interests can be avoided, BLI shall inform the Client of the situation.

This information shall be made on a durable medium and must be sufficiently clear and detailed so that the Client is in a position to take an informed decision.

The disclosure of a COI to the Client should however only be used as a measure of last resort where the organizational and administrative arrangements established are not sufficient to ensure that the risk of damage to the legitimate interests of the Client are prevented.

#### 4.3. Declining to act

Where BLI concludes that a COI is unable to be properly managed to avoid the risk of damage to a Client's legitimate interests, BLI may decide to decline to act for the Client.

### 5. Governance

The Board is responsible, *inter alia*, for

- defining the guiding principles on the prevention and management of COI;
- approving this Policy and reviewing the Register of COI;
- reviewing COI that have been escalated to it by the ExCo or BLI's compliance function;
- ensuring that COI at the level of the Board (e.g., COI linked to external mandates) are appropriately identified, assessed, prevented, mitigated and, where necessary, managed in order to avoid adverse influence on the performance of the Board members' duties and responsibilities.

The ExCo is responsible, *inter alia*, for

- the definition and implementation of this Policy;
- the periodic review and assessment of the effectiveness of this Policy;
- ensuring that the allocation of responsibilities within the ExCo has been made so as to avoid situations of COI (e.g., by avoiding to allocate functions that are incompatible);
- taking appropriate measures to address any deficiencies;
- escalating to the Board COI that, in the reasonable opinion of the ExCo, cannot be properly managed to avoid the risk of damage to a Client's legitimate interests.

BLI's compliance function is responsible, *inter alia*, for

- reviewing and updating of the COI Policy when needed;
- maintaining and updating the Register of COI when needed;

- monitoring and assessing the organizational measures put in place to prevent COI;
- providing the Employees with advice on how to efficiently mitigate COI;
- reporting to the ExCo and the Board on the COI;
- cooperating with the regulator(s), internal audit, external audit and other relevant stakeholders on the COI.

1<sup>st</sup> lines of defence, corresponding to the functions that, *inter alia*, perform daily operation activities and that define, implement and execute internal control in their activities, are responsible, *inter alia*, for

- preventing potential COI by complying with the organisational controls and measures in place;
- identifying, assessing and notifying potential COI to the relevant bodies (at first instance BLI's compliance function);
- managing COI in accordance with this Policy and, as the case may be, with the guidelines set by BLI's compliance function and/or the ExCo;
- consulting BLI's compliance function in order to take appropriate measures to mitigate and manage potential or actual COI.

## 6. Review and update

This Policy and the Register of COI are reviewed on a regular basis in particular in order to

- take into consideration a legal or regulatory changes;
- take into consideration changes to BLI's activities, organization, procedures and processes.

Any updated Policy must be approved by the Board and will be made available as specified in section 1.2.

## Appendix 1:

### Applicable key regulatory references

- Law of 5 April 1993 on the financial sector, as amended
- Law of 17 December 2010 concerning undertakings for collective investment
- Law of 12 July 2013 relating to alternative investment fund managers
- Law of 30 May 2018 on markets in financial instruments, as amended
- Delegated Commission Regulation (EU) n°231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council as regards exemptions, general operating conditions, depositaries, leverage, transparency and supervision
- Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive
- Law of 30 May 2018 on markets in financial instruments, as amended
- Grand-Ducal Regulation of 30 May 2018 with regard to safeguarding of financial instruments and funds belonging to clients, product governance, obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits
- CSSF 07/307 dated 31 July 2007 as amended by circulars CSSF 13/560, CSSF 13/568 and CSSF 14/585
- CSSF Regulation 10-04 on organizational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between the depositary and the management company
- CSSF Circular 18/698 concerning the authorization and organization of investment fund managers under Luxembourg law
- ESMA's Technical Advice to the Commission on the impact of the inducements and costs and charges disclosure requirements under MiFID II dated 31 Marc 2020 (ESMA35-43-2126)
- EMA Q&A on MIFID II and MIFIR investor protection and intermediaries topics dated 19 November 2021(ESMA35-43-349)