



<b>Auteur:</b> Compliance fonction	<b>CONFLICT OF INTEREST POLICY</b>	<b>N°0400-02</b>
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## 1. Regulation

- **CSSF Circular 18/698**, of 23 August 2018, section 5.5.7, regarding authorisation and organisation of Luxembourg investment fund managers.
- **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 organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.
- **Commission Delegated Regulation (EU) 231/2013** of 19 December 2012 “Conflict of Interest”, Articles 30 to 36.
- **AIFM Law** of 12 July 2013 on Alternative Investment Fund Managers.
- **UCITS Law** of 17 December 2010 relating to undertakings for collective investment.
- **CSSF Regulation 10/04** transposing Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company.

In this policy, the abovementioned laws are collectively named the “**Regulation**”.

## 2. General guiding principles

In relation with managing conflicts of interest or potential conflicts of interests, the Company shall have regard to, and comply with its obligations to:

- Identify conflicts of interests;
- Manage conflicts of interests;
- Establish and maintain a conflicts of interests policy;
- Disclose any conflicts of interests;
- Keep record of any conflicts of interests.

All Associated Parties shall, on reasonable notice from the Board of the Company, provide to the Board all such information in relation to their management of conflicts of interest as it relates to the Company (including its conflicts policy and its records of conflicts of interest) as may be reasonably requested by the Board.

The Associated Parties shall notify all conflicts of interests or potential conflict of interests in writing as soon as reasonably practicable to the Company and shall detail all such conflicts of interest whenever they arise, to the Board of the Company.

In respect to each prospective investment regarding which there is a conflict of interest (or a potential conflict of interest) (the “**Conflicted Investment**”) the Conducting Persons shall:

- a. Not proceed with the Conflicted Investment until the Board has given its advice to the Company regarding whether it considers that the Conflicted Investment should proceed (based solely on the nature of the conflict and the manner in which the conflict has to date, and will subsequently, be managed by the Company) and, if so, whether any conditions should be attached to it (the “**Board Advice**”); and

- b. Take into account (and shall insure that the relevant Conducting Persons of the Company take into account) the Board Advice when determining whether and on what terms to complete the Conflicted Investment.

### **1.1. Possible causes for conflicts of interests**

Conflicts of interests may particularly arise from:

- Performance-related remuneration;
- Obtainment of information which is not open to public;
- Personal relationships of employees or the management or related persons;
- Granting of benefits and paying of remuneration by current or potential service providers;
- Relationships of the Company or Associated Parties or relationships of investment managers and advisors, or issuers of financing instruments;
- Various services offered by contractual partners;
- Private transactions in securities of Associated Parties;
- Involvement of Associated Parties in boards of directors or other advisory bodies;
- Risks arising from the non-respect of the depositary bank to comply with investor protection rules by the depositary bank.

### **1.2. Criteria for the identification of conflicts of interests**

For the purpose of identifying different conflicts of interest arising in the course of managing the business of the Company, the Associated Parties will take into account, by way of minimum criteria, the question of whether any Associated Party or a person directly or indirectly linked by way of control to the Company is in any of the following situations:

- That Associated Party or person is likely to make a financial gain, or avoid a financial loss, at the expense of the Company;
- That Associated Party or person has an interest in the outcome of a service or an activity provided to the Company or another client or of a transaction carried out on behalf of the Company or another client, which is distinct from the Company's interest in that outcome;
- That Associated Party or person has a financial or other incentive to favor the interest of another client or group of clients over the interests of the Company;
- That Associated Party or person carries on the same activities for the Company and for another client or clients which are not the Company;
- That Associated Party or person receives or will receive from an entity other than the Company an inducement in relation to collective portfolio management activities provided to the Company, in the form of monies, goods or services, other than the standard commission or fee for that service.
- That Associated Party or person has a personal relationship with a client or employee.

When identifying types of conflicts of interest, the Company will consider its interests, including those deriving from its belongings to a group or from the performance of services and activities and the interests of the investors.

## **2. Prevention of conflicts**

### **2.1.1. General**

When carrying out their service for the Company, the Board of the Company and/or the fund will identify where the interests of the Company (including related party interests) might conflict with the interests of the investors.

Organizational and administrative measures have been put in place, as mentioned in the point 3- implemented measures, in order to identify, prevent and effectively manage conflicts of interest that arise in the course of managing funds between:

- The UCITS or AIFM, including its managers, employees, delegates or any person directly or indirectly linked to the fund by his/her function or by control;
- The UCI/AIF or the investors in that UCI/AIF; AIFMs must segregate tasks and responsibilities which may be regarded as incompatible with each other or which may potentially generate systematic conflict of interest. The Company is required to assess whether the operating mode and functions may present potential or material conflict of interest, such conflicts must be disclosed to the clients and investors of the AIFs.

As a provider of discretionary investment services to its clients, Dynasty AM SA faces actual and potential conflicts of interests as a part of its day to day business undertakings.

The Directors and the Board will try to the maximum extent to avoid conflicts between their personal interests or the interests of any associated company or person, and their duties. Neither a Director nor an Associated Party must take improper advantage of the position as Board member and/or Associated Party to gain, directly or indirectly a personal advantage or an advantage for any associated person, which might cause detriment to the Company.

Each Director seek to avoid conflicts of interest wherever possible. Full and prior disclosure of any conflict, or potential conflict, must be made to the Board. Where an actual or potential conflict does arise, a Director should abstain from the debate and/or voting on the matter, and in the extreme case of continuing material conflict of interest, should resign from the Board. All Conflict of interest should be declared prior to the meeting and it should be noted in the minutes.

### **2.1.2. Exchange of Information**

Neither a Director nor an Associated Party is allowed to make improper use of information acquired as a Director and / or Associated Party or disclose them, or allows it to be disclosed.

Neither a Director nor an Associated Party must make improper use of information acquired by virtue of his positions. This prohibition applies irrespective whether or not the Director, the Associated Party or any third party would gain directly or indirectly a personal advantage. Neither a Director nor an Associated Party must disclose, or allow to be disclosed, confidential information received in the course of the exercise of his/her duties as a Director or Associated Party, unless that disclosure has been authorized by the Board of the Company or is required to be disclosed by law.

Neither a Director nor an Associated Party should disclose any information which is not publicly available and which would have a material effect on the UCITS' share / unit price and should not disclose such information to anyone who may be influenced to subscribe for, buy or sell shares / units or may advise others to do so. Such information includes, but is not limited to : forecasts, borrowings, impending litigation, and significant changes in operations, or applied investment techniques.

#### **2.1.3. Abuse of information**

A Director and / or Associated Party must not engage in any activity which could be construed as a insider trading or market manipulation, as defined by the applicable laws and legislations.

In coordination with the appointed Director in charge for the conflicts of interests handling, the Board should determine when securities or shares can be traded by a Director or an Associated Party, subject to legal or regulatory restrictions.

#### **2.1.4. Supervision of acting persons**

Persons, whose principal functions involve carrying out collective portfolio management activities on behalf of, or providing services to, clients or to investors whose interests may be conflicting in accordance with applicable standards and legislations shall declare all actual and potential conflict of interest that might arise in the due course of execution of his duties. Additional monitoring and control measures should be applied.

#### **2.1.5. Inappropriate influence**

To prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out collective portfolio management, four-eye-principle has been implemented following the investment management process.

#### **2.1.6. Simultaneous or sequential involvement**

To prevent or control the simultaneous or sequential involvement of a relevant person in separate collective portfolio management activities where such involvement may impair the proper management of conflict of interest, four-eye-principle has been implemented by the Company.

### **3. Implemented measures**

Furthermore, the following measures have been implemented in order to prevent irrelevant interests influencing portfolio management or execution of services in general:

- Implementation of a conflict of interest register including mitigation measures;
- Implementation of a compensation structure according to performance;
- Implementation of a complaint management;
- Commitment of all contractual partners to good conduct and compliance with all procedures in place;
- Presentation to the board of any situation presenting a potential conflict of interest, refusal of the

project or entering into a relationship when the situation seems damage its interests or the interest of its investors;

- Control of personal transaction of Associated Parties, by the compliance function, to the extent provided by law;
- Implementation of an inducement policy;
- Implementation of organizational procedures to preserve investors' and clients' interests in compliance with the respective investment and best execution policies.

#### **4. Record keeping of activities giving rise to detrimental conflicts of interest**

The Company keeps and regularly updates a record in which conflict of interest details entailing a material risk of damage to its interests or its investors has arisen, or in the case of an ongoing activity, may arise.

The Company will clearly disclose the general nature or sources of conflicts of interests to the investors before undertaking business on their behalf where organizational arrangements to identify, prevent, manage and monitor conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to investors' interests will be prevented.

#### **5. Monitoring and review of this policy**

Any non-disclosure or other breaches of this policy will be reported to the Board of the Company.

This policy will be reviewed on an annual basis and whenever a material change occurs that affects the Company's ability to continue to obtain the best possible practice. Any updates on this policy will be communicated in due time.

Subject to the CSSF's prior approval, the Company may outsource or delegate certain functions (such as valuation, pricing, transfer agency, fund administration) to outside third-party providers who may seek to engage in other activities that conflicts with the Company's activity or the activity of its clients.

On an annual basis, Dynasty AM S.A. seek to monitor their delegates in compliance with delegation policy.