



MUFG Lux Management Company S.A.

Conflict of interest policy



**Compliance
Version 3.1**

Table of Contents

1.	Legal & regulatory requirements	3
1.1	Conflicts of interests policy	3
1.2	Criteria for the identification of conflicts of interests	3
1.3	Independence in conflicts management	4
1.4	Management of activities giving rise to detrimental conflicts of interests	4
1.5	Disclosure of conflict of interest	5
1.6	Disclosure of conflict of interest in case of acquisition of control	6
1.7	Rules in relation to the redemption of investments	6
1.8	Rules in relation to the governing bodies of MUFGLM	6
1.9	Rules in relation to the conducting officers of MUFGLM	7
1.10	Rules in relation to the staff of MUFGLM	7
1.11	Rules in relation to the management information of MUFGLM	7
1.12	Rules in relation to the compliance and internal audit functions	8
1.13	Rules in relation to the risk management function	9
1.14	Rules in relation to personal transactions	10
1.15	Rules in relation to inducements	12
1.16	Rules in relation to voting rights	12
1.17	Rules in relation to remuneration policy	13
1.18	Rules in relation to the delegation of functions	13
1.19	Rules in relation to the valuation function	15
1.20	Rules in relation to the depositary function	15
2.	Related actions to fulfil legal & regulatory requirements	17
3.	Record of conflicts of interests	32

*This policy sets out the legal & regulatory requirements, as well as the related actions, which MUFG Lux Management Company S.A. (below "MUFGLM") complies with in order to meet its obligations, in the area of conflicts of interests, as Management Company authorised under Chapter 15 of the Law of 17 December 2010 relating to undertakings for collective investment (the "2010 Law") and as Alternative Investment Fund Manager ("AIFM") authorised under the Law of 12 July 2013 on Alternative Investment Fund Managers (the "**AIFM Law**"). MUFGLM is authorised to manage undertakings for collective investment ("UCITS") subject to Part I of the 2010 Law and other types of funds which qualify as alternative investment funds ("AIF") and also specialised investment funds ("SIF") as regulated by the Law of 13 February 2007 relating to specialised investment fund (the "SIF Law").*

1. Legal & regulatory requirements

1.1 Conflicts of interests policy

MUFGLM establishes, implements, maintains and applies an effective conflicts of interest policy. This policy is set out in writing and is appropriate to the size and organisation of MUFGLM and the nature, scale and complexity of its business.

Where MUFGLM is a member of a group, the policy also takes into account any circumstances of which MUFGLM is or should be aware which may give rise to a conflict of interest arising as a result of the structure and business activities of other members of the group.

The conflicts of interest policy established includes the following:

- (a) with reference to the activities of collective portfolio management carried out by or on behalf of MUFGLM, including activities carried out by a delegate, sub-delegate, external valuer or counterparty, identification of 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 or their investors, taking also into account the relationships with other members of the group;
- (b) procedures to be followed and measures to be adopted in order to prevent, manage and monitor such conflicts.

[Section I.5.2.6 CSSF Circular 12/546]
Article 31 AIFMD L.2]

At the moment of its authorisation, MUFGLM confirms that the written procedures regarding conflicts of interest have been put in place. These procedures are regularly updated so as to adapt them to the evolution of MUFGLM's activity.

[Section I.5.2.6 CSSF Circular 12/546]

1.2 Criteria for the identification of conflicts of interests

For the purpose of identifying the types of conflicts of interest that arise in the course of providing services and activities and whose existence may damage the interests of a fund, MUFGLM takes into account, by way of minimum criteria, the question of whether a person, or a person directly or indirectly linked to MUFGLM by way of control, is in any of the following situations, whether as a result of providing collective portfolio management or otherwise:

- a) MUFGLM or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the fund or its investors;
- b) MUFGLM or that person has an interest in the outcome of a service or an activity provided to the fund or its investors or to a client or of a transaction carried out on behalf of the fund or a client, which is distinct from the fund's interest in that outcome;
- c) MUFGLM or that person has a financial or other incentive to favour:
 - the interest of a fund of a different type, a client or group of clients or another fund over the interest of the fund;
 - the interest of one investor over the interest of another investor or group of investors in the same fund;

- d) MUFGLM or that person carries out the same activities for the fund as for one or several funds or clients which are or are not of the same type;
- e) MUFGLM or that person receives or will receive from a person other than the fund or its investors an inducement in relation to the collective portfolio management activities provided to the fund, in the form of monies, goods or services, other than the standard commission or fee for that service.

[Article 21 CSSF Regulation 10-04]

[Article 30 AIFMD L.2]

MUFGLM takes all reasonable steps to identify conflicts of interest that arise in the course of managing funds between:

- a) MUFGLM, including its conducting officers, employees or any person directly or indirectly linked to MUFGLM by control, and the fund managed by MUFGLM or the investors in that fund;
- b) the fund or of the investors in that fund, and another fund or the investors in that fund;
- c) the fund or the investors in that fund, and another client of MUFGLM;
- d) the fund or the investors in that fund, and a fund of a different type managed by MUFGLM M or the investors in that fund; or
- e) two clients of MUFGLM.

[Article 19 CSSF Regulation 10-04]

[Article 14 AIFMD L.1]

1.3 Independence in conflicts management

The procedures and measures established for the prevention of management of conflicts of interests are designed to ensure that relevant persons engaged in different business activities involving a conflict of interest carry on those activities at a level of independence appropriate to the size and activities of MUFGLM and of the group to which it belongs, and to the materiality of the risk of damage to the interests of the funds or their investors.

These procedures and measures include the following where necessary and appropriate for MUFGLM to ensure the requisite degree of independence:

- a) effective procedures to prevent or control the exchange of information between relevant persons engaged in activities of collective portfolio management or other authorized activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more funds or their investors;
- b) the separate supervision of relevant persons whose principal functions involve carrying out activities of collective portfolio management on behalf of, or providing services to, clients or investors whose interests may conflict, or where these clients represent different interests that may conflict with the interests of the funds or the interests of MUFGLM;
- c) the removal of any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- d) measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out collective portfolio management activities;
- e) measures to prevent or control the simultaneous or sequential involvement of a relevant person in several distinct collective portfolio management activities or other authorized activities where such involvement may impair the proper management of conflicts of interest.

If the adoption or the implementation of one or more of those measures and procedures does not ensure the requisite degree of independence, MUFGLM adopts such alternative or additional measures and procedures as are necessary and appropriate for that purpose.

[Article 21 CSSF Regulation 10-04]

[Article 33 AIFMD L.2]

1.4 Management of activities giving rise to detrimental conflicts of interests

MUFGLM keeps at its registered office and regularly updates a record of the types of activities carried out by or on behalf of MUFGLM in which a conflict of interest entailing a material risk of damage to the interests of one or more funds or their investors or other clients has arisen, or, in the case of an ongoing activity, may arise.

The conducting officers of MUFGLM receive on a frequent basis, and at least annually, written reports on activities referred to in the paragraph above.

[Article 22 CSSF Regulation 10-04]
[Section I.5.2.6 CSSF Circular 12/546]
[Article 35 AIFMD L.2]

Where MUFGLM on behalf of a fund uses the services of a prime broker, the terms are set out in a written contract. In particular any possibility of transfer and reuse of the fund's assets are provided for in that contract and complies with the fund rules or instruments of incorporation. The contract provides that the depositary be informed of the contract.

MUFGLM exercises due skill, care and diligence in the selection and appointment of prime brokers with whom a contract is to be concluded.

[Article 14 AIFMD L.1]

1.5 Disclosure of conflict of interest

MUFGLM segregates, 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. Where MUFGLM assesses whether its operating conditions may involve any other material conflicts of interest, it discloses them to the investors of the funds.

[Article 14 AIFMD L.1]

Where the organisational or administrative arrangements made by MUFGLM to identify, prevent, manage and monitor conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risk of damage to the interests of the fund or of its investors are prevented, the conducting officers are promptly informed so as to be able to take any measure necessary (decision or action) to ensure that MUFGLM always acts in the best interests of the fund and its investors.

[Article 22 CSSF Regulation 10-04]
[Section 5.2.6 CSSF Circular 12/546]
[Article 34 AIFMD L.2]

MUFGLM clearly discloses the general nature or sources of conflicts of interest to the investors of the situations referred to in the two paragraphs above by means of any appropriate durable medium or by means of a website and provide the reasons for its decision, before undertaking business on their behalf, and develop appropriate policies and procedures.

[Article 22 CSSF Regulation 10-04]
[Section 5.2.6 CSSF Circular 12/546]
[Article 14 AIFMD L.1]
[Article 36 AIFMD L.2]

Where information is disclosed by means of a website and is not addressed personally to the investor, the following conditions are satisfied:

- a) the investor has been notified of the address of the website, and the place on the website where the information may be accessed, and has consented to the provision of the information by such means;
- b) the information is up to date;
- c) the information is accessible continuously by means of that website for such period of time as the investor may reasonably need to inspect it.

[Article 36 AIFMD L.2]

MUFGLM, for each of the EU funds that it manages and for each of the funds that it markets in the Union, makes available to investors, in accordance with the fund rules or instruments of incorporation, the following information before they invest in the fund, as well as any material changes thereof:

- a description of any delegated management function by MUFGLM and of any safekeeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations;
- the identity of the prime broker and a description of any material arrangements of the fund with its prime brokers and the way the conflicts of interest in relation thereto are managed and the provision in the contract with the depositary on the possibility of transfer and reuse of fund assets, and information about any transfer of liability to the prime broker that may exist;

[Article 23 AIFMD L.1]

1.6 Disclosure of conflict of interest in case of acquisition of control

1. When an AIF acquires, individually or jointly, control of a non-listed company or an issuer, MUFGLM managing such AIF makes the information referred to in paragraph 2 of this section available to:

- a) the company concerned;
- b) the shareholders of the company of which the identities and addresses are available to MUFGLM or can be made available by the company or through a register to which MUFGLM has or can obtain access; and
- c) the CSSF.

EU member states may also require that the information referred to in paragraph 2 is also made available to the competent authorities of the non-listed company which the Member States may designate to that effect.

2. MUFGLM makes available:

- a) the identity of the AIFMs which either individually or in agreement with other AIFMs manage the AIFs that have acquired control;
- b) the policy for preventing and managing conflicts of interest, in particular between MUFGLM, the AIF and the company, including information about the specific safeguards established to ensure that any agreement between MUFGLM and/or the AIF and the company is concluded at arm's length; and
- c) the policy for external and internal communication relating to the company in particular as regards employees.

3. In its notification to the company, MUFGLM requests the board of directors of the company to inform the employees' representatives or, where there are none, the employees themselves, without undue delay of the information referred to in paragraph 1. MUFGLM uses its best efforts to ensure that the employees' representatives or, where there are none, the employees themselves, are duly informed by the board of directors.

[Article 28 AIFMD L.1]

1.7 Rules in relation to the redemption of investments

When it manages an open-ended AIF, MUFGLM identifies, manages and monitors conflicts of interest arising between investors wishing to redeem their investments and investors wishing to maintain their investments in the AIF, and any conflicts between MUFGLM's incentive to invest in illiquid assets and the AIF's redemption policy.

[Article 32 AIFMD L.2]

1.8 Rules in relation to the governing bodies of MUFGLM

In the case where the depositary bank has a direct or indirect qualifying holding in MUFGLM, identifies the conflicts of interest which could result from this holding and has to strive to avoid them in accordance with the procedures provided for in the conflicts of interest policy of MUFGLM.

[Section I.2. CSSF Circular 12/546]

Furthermore, every member of the board of directors of MUFGLM dedicates the required time and attention to his duties. Consequently, he ensures that he limits the number of other professional engagements, in particular mandates held in other companies, to the extent necessary in order to perform his tasks correctly.

Insofar as MUFGLM has solid governance arrangements, its shareholder or its shareholders take this principle into account when composing the board of directors of MUFGLM. Thus, for example, when a bank is a shareholder of MUFGLM and when this bank assumes the function of depositary bank of one or more funds managed by MUFGLM, it is ensured that the board of directors of MUFGLM is not predominantly composed of representatives of the business line "depositary bank". In addition, in the case of a SICAV having appointed MUFGLM, it is recommended that the board of directors of the two entities is not predominantly composed of the same people.

[Section I.4. CSSF Circular 12/546]

1.9 Rules in relation to the conducting officers of MUFGLM

Each conducting officer is assigned specific areas of responsibility with regard to the functions included in the collective portfolio management activity, including risk management. This split of tasks is organized so as to avoid conflicts of interest. Thus, the functions of risk-taking and the independent control of these same risks are not assigned to the same conducting officer (i.e. the performance and/or control of the risk management function and the portfolio management function is not carried out by the same conducting officer, for example).

The conducting officers are not necessarily required to be employees of MUFGLM that they manage, provided that an agreement exists that precisely defines their rights and duties and, as the case may be, to whom they are reporting (i.e. the board of directors of MUFGLM, any organizational unit existing at group level to which MUFGLM belongs and with which a functional link exists, etc.).

It is also not excluded that the persons in question manage the business of several management companies, on the condition that the exercise of multiple functions does not and is not likely to prevent the relevant persons from discharging any one particular function soundly, honestly and professionally. Thus, the conducting officers are supported in their daily work by enough qualified staff working in Luxembourg.

This does not exclude the possibility for the conducting officers, on the basis of a service agreement, to use the expertise and/or existing technical means at the level of other organizational/operational units in existence within the group to which MUFGLM belongs and/or at the level of a third party having the capacities, quality and authorizations required to provide the requested support in a reliable and professional way.

The principle of independence of MUFGLM from the depositary prevents a conducting officer from being employed by the depositary of a fund which MUFGLM manages.

[Section I.4. CSSF Circular 12/546]

1.10 Rules in relation to the staff of MUFGLM

In principle, the staff is employed by MUFGLM. By exception, the entire or only part of the staff may be either on secondment or made available by an undertaking belonging to the same group or by a non-affiliated company. In this case, the contract governing this secondment or this availability stipulates rules concerning the management of conflicts of interest between the staff concerned and the entity. The staff thus made available or on secondment are reachable in Luxembourg during normal business hours.

The staff of MUFGLM may assume multiple functions. The exercise of multiple functions does not and is not likely to prevent the relevant persons from discharging any particular one of these functions soundly, honestly and professionally.

Long term absences or resignations of staff does not prevent, at end, the good functioning of MUFGLM.

[Section I.5.1.1. CSSF Circular 12/546]

1.11 Rules in relation to the management information of MUFGLM

MUFGLM maintains in an adequate and orderly manner records of its activities and its internal organisation. To this end, MUFGLM puts in place "management information" permitting the follow-up of its activity and that of its delegates.

The management information covers, amongst others, the incidents linked to the activity of collective management like situations giving rise to conflicts of interest.

Finally, it is ensured that this management information is available in Luxembourg and preferably kept in a central database accessible at any time in Luxembourg.

[Section I.5.2.1.2. CSSF Circular 12/546]

1.12 Rules in relation to the compliance and internal audit functions

The compliance and the internal audit functions of MUFGLM cannot be undertaken concurrently by the same physical person. Similarly, where the permanent compliance and internal audit functions have been delegated, the monitoring of these functions cannot be carried out by the same individual.

[Section I.5.2.3. CSSF Circular 12/546]

The compliance function is able to operate independently and in compliance with the separation of tasks in order to identify any risk of non-compliance of MUFGLM with the requirements imposed by laws and regulations applicable to management companies and AIFMs.

[Section I.5.2.3.1. CSSF Circular 12/546]
[Article 61 AIFMD L.2]

In order to enable the compliance function to perform its responsibilities properly and independently, MUFGLM ensures that:

- (a) the compliance function has the necessary authority, resources, expertise and access to all relevant information;
- (b) a compliance officer is appointed and is responsible for the compliance function and for reporting on a frequent basis, and at least annually, to the conducting officers on matters of compliance, indicating in particular whether appropriate remedial measures have been taken in the event of any deficiencies;
- (c) persons in the compliance function are not involved in the performance of services or activities they monitor;
- (d) the method of determining the remuneration of a compliance officer and other persons in the compliance function do not affect their objectivity and are not likely to do so.

However, MUFGLM is not be required to comply with points (c) or (d) of the paragraph above where it is able to demonstrate that in view of the nature, scale and complexity of its business, and the nature and range of its services and activities, that the requirement is not proportionate and that its compliance function continues to be effective.

[Article 11 CSSF Regulation 10-04]
[Article 61 AIFMD L.2]

MUFGLM may delegate the compliance function to a third party.

[Section I.5.2.3.1. CSSF Circular 12/546]
[Article 60 d) AIFMD L.2]

MUFGLM may invoke that possibility via a specific prior derogation request based on an adequate justification.

[Section I.5.2.3.1. CSSF Circular 12/546]

The function of Compliance Officer cannot be exercised by a member of the board of directors of MUFGLM. It is possible for the Compliance Officer to provide legal services to MUFGLM.

[Section I.5.2.3.1. CSSF Circular 12/546]

The internal audit function (if any) operates independently and in compliance with the separation of tasks in order to identify any risk of non-compliance of MUFGLM with the requirements imposed by applicable laws and regulations.

[Article 62 AIFMD L.2]
[Section I.5.2.3.2. CSSF Circular 12/546]

In case the internal audit function is delegated to an external expert specialised in internal audit, this external expert may be the internal auditor of the group to which MUFGLM belongs.

In any event, the external expert appointed is independent from the approved statutory auditor of MUFGLM or from the approved audit firm as well as from the group which the approved statutory auditor belongs to.

The function of internal auditor cannot be exercised by a member of the board of directors of MUFGLM.

[Section I.5.2.3.2. CSSF Circular 12/546]

1.13 Rules in relation to the risk management function

The risk management function is hierarchically and functionally independent from operating units, including from the functions of portfolio management.

However, the CSSF may allow MUFGLM to derogate from this obligation of independence where this derogation is appropriate and proportionate in view of the nature, scale and complexity of MUFGLM's activities, and the structure of the funds under collective management.

In this case, and in any event, MUFGLM is able to demonstrate that specific safeguards against conflicts of interest allow for the independent performance of risk management activities and that the risk management process satisfies UCITS IV & AIFMD requirements and is consistently effective.

[Section I.5.2.4.1. CSSF Circular 12/546]
[Article 15 AIFMD L.1]

The risk management function is considered as functionally and hierarchically separated from the operating units, including the portfolio management function, only where all the following conditions are satisfied:

- a) persons engaged in the performance of the risk management function are not supervised by those responsible for the performance of the operating units, including the portfolio management function, of MUFGLM;
- b) persons engaged in the performance of the risk management function are not engaged in the performance of activities within the operating units, including the portfolio management function;
- c) persons engaged in the performance of the risk management function are compensated in accordance with the achievement of the objectives linked to that function, independently of the performance of the operating units, including the portfolio management function;
- d) the remuneration of senior officers in the risk management function is directly overseen by the remuneration committee, where such a committee has been established.

The functional and hierarchical separation of the risk management function is ensured throughout the whole hierarchical structure of MUFGLM, up to its governing body. It is reviewed by the governing body and, where it exists, the supervisory function of MUFGLM.

The CSSF reviews the way in which MUFGLM has applied the above mentioned requirements.

[Article 42 AIFMD L.2]

The safeguards against conflicts of interest ensure, at least, that:

- a) decisions taken by the risk management function are based on reliable data, which are subject to an appropriate degree of control by the risk management function;
- b) the remuneration of those engaged in the performance of the risk management function reflects the achievement of the objectives linked to the risk management function, independently of the performance of the business areas in which they are engaged;
- c) the risk management function is subject to an appropriate independent review to ensure that decisions are being arrived at independently;

- d) the risk management function is represented in the governing body or the supervisory function, where it has been established, at least with the same authority as the portfolio management function;
- e) any conflicting duties are properly segregated.

Where proportionate, taking into account the nature, scale and complexity of MUFGLM, the safeguards referred to in paragraph above also ensure that:

- a) the performance of the risk management function is reviewed regularly by the internal audit function, or, if the latter has not been established, by an external party appointed by the governing body;
- b) where a risk committee has been established, it is appropriately resourced and its non-independent members do not have undue influence over the performance of the risk management function.

The governing body of MUFGLM and, where it exists, the supervisory function establishes the safeguards against conflicts of interest laid down in the two paragraphs above, regularly reviews their effectiveness and takes timely remedial action to address any deficiencies.

[Article 43 AIFMD L.2]

In light of the foregoing, MUFGLM appoints therefore, in principle, from among its staff a person who is responsible for the risk management function, who performs his mandate under the direct responsibility of the conducting officer of MUFGLM responsible for the risk management function.

By virtue of the principle of proportionality, one of the conducting officers of MUFGLM may also be directly appointed as the person responsible for the risk management function.

Without prejudice to the operational model chosen, the conducting officer responsible or directly in charge of the risk management function may not, at the same time, be the conducting officer responsible for portfolio management, even if this function is delegated to a third party.

The risk management function may not be combined with the internal audit function of MUFGLM. By contrast, it is permissible to combine the compliance function with the risk management function.

The risk management function cannot be exercised by a member of the board of directors of MUFGLM.

[Section I.5.2.4.1. CSSF Circular 12/546 applicable to Chapter 15]

1.14 Rules in relation to personal transactions

1. MUFGLM establishes, implements and maintains adequate arrangements aimed at preventing certain activities in the case of any relevant person who is involved in activities that may give rise to a conflict of interest, or who has access to inside information, or who has access to inside information within the meaning of Article 1, paragraph (1) of the Law of 9 May 2006 on market abuse or to other confidential information relating to funds or transactions with or for funds by virtue of an activity carried out by him on behalf of MUFGLM:

- a) entering into a personal transaction which fulfils at least one of the following criteria:
 - i) the Law of 9 May 2006, as amended, on market abuse prohibits this person from entering into that personal transaction;
 - ii) it involves the misuse or improper disclosure of confidential information;
 - iii) it conflicts or is likely to conflict with an obligation of MUFGLM under the Law of 17 December 2010 concerning undertakings for collective investment or under the Law of 13 July 2007 on markets in financial instruments;
- b) advising or procuring, other than in the proper course of his employment or contract for services, any other person to enter into a transaction in financial instruments or other assets which, if a personal transaction of the relevant person, would be covered by this paragraph, point a) or Article 28, paragraph (2), points a) or b) of the Grand-Ducal Regulation of 13 July 2007 relating to organisational requirements and rules of conduct in the financial sector, or would otherwise constitute a misuse of information relating to pending orders;

- c) disclosing, other than in the normal course of his employment or contract for services and without prejudice to Article 9, sub-paragraph one of the Law of 9 May 2006 on market abuse, any information or opinion to any other person if the relevant person knows, or reasonably ought to know, that as a result of that disclosure that other person will or would be likely to take either of the following steps:
 - i) to enter into a transaction in financial instruments or other assets which, where a personal transaction of the relevant person would be covered by this paragraph, point a) or by Article 28, paragraph (2), points a) or b) of the Grand-Ducal Regulation of 13 July 2007 relating to organisational requirements and rules of conduct in the financial sector, or would otherwise constitute a misuse of information relating to pending orders;
 - ii) to advise or procure another person to enter into such a transaction.

2. The arrangements required under paragraph (1) are in particular designed to ensure that:

- a) each relevant person covered by paragraph (1) is aware of the restrictions on personal transactions, and of the measures established by the Management Company in connection with personal transactions and disclosure, in accordance with paragraph (1);
- b) MUFGLM is informed promptly of any personal transaction entered into by a relevant person, either by notification of that transaction or by other procedures enabling MUFGLM to identify such transactions;
- c) a record is kept of the personal transaction notified to MUFGLM or identified by it, including any authorisation or prohibition in connection with such a transaction.

For the purposes of point b) of the first sub-paragraph, where certain activities are performed by third parties, MUFGLM ensures that the entity performing the activity maintains a record of personal transactions entered into by any relevant person and provides that information to MUFGLM promptly on request.

3. Paragraphs (1) and (2) do not apply to the following kinds of personal transactions:

- a) personal transactions effected under a discretionary portfolio management service where there is no prior communication in connection with the transaction between the portfolio conducting officer and the relevant person or other person for whose account the transaction is executed;
- b) personal transactions in units in collective undertakings that are subject to supervision under the law of a Member State which requires an equivalent level of risk spreading in their assets, where the relevant person and any other person for whose account the transactions are effected are not involved in the management of that undertaking.

4. For the purposes of paragraphs (1), (2) and (3), "personal transaction" has the same meaning as in Article 11 of the Grand-Ducal Regulation of 13 July 2007 relating to organisational requirements and rules of conduct in the financial sector.

4. For the purpose of (1), (2) and (3), a personal transaction means a trade in a financial instrument or other asset effected by or on behalf of a relevant person, where at least one of the following criteria is met:

- a) the person referred to is acting outside the scope of the activities he carries out in that capacity;
- b) the trade is carried out for the account of any of the following persons:
 - a relevant person;
 - any person with whom the relevant person has a family relationship or with whom the relevant person has close links;
 - a person whose relationship with the relevant person is such that the relevant person has a direct or indirect material interest in the outcome of the trade, other than a fee or commission for the execution of the trade.

[Article 14 CSSF Regulation 10-04]
[Article 63 AIFMD L.2]

MUFGLM has put in place a written procedure regarding personal transactions. This procedure may be based on the one established in this respect at the level of the group to which MUFGLM belongs. It is regularly updated.

[Section I.5.2.5. CSSF Circular 12/546]

1.15 Rules in relation to inducements

MUFGLM is not regarded as acting honestly, fairly and professionally in accordance with the best interests of the funds it manages or the investors in these funds if, in relation to the activities performed when carrying out its functions, it pays or is paid any fee or commission, or provides or is provided with any non-monetary benefit, other than the following:

- a) a fee, commission or non-monetary benefit paid or provided to or by the fund or a person on behalf of the fund;
- b) a fee, commission or non-monetary benefit paid or provided to or by a third party or a person acting on behalf of a third party, where the following conditions are satisfied:
 - i) the existence, nature and amount of the fee, commission or benefit, or, where the amount cannot be ascertained, the method of calculating that amount is clearly disclosed to the fund in a manner that is comprehensive, accurate and understandable, prior to the provision of the relevant service;
 - ii) the payment of the fee or commission, or the provision of the non-monetary benefit is designed to enhance the quality of the relevant service and not impair compliance with MUFGLM's duty to act in the best interests of the fund it manages or the investors in the fund;
- c) proper fees which enable or are necessary for the provision of the relevant service, including custody costs, settlement and exchange fees, regulatory levies or legal fees, and which, by their nature, cannot give rise to conflicts with MUFGLM's duties to act honestly, fairly and professionally in accordance with the best interests of the fund it manages or the investors in the fund.

MUFGLM, for the purposes of point b) i) above, may disclose the essential terms of the arrangements relating to the fee, commission or non-monetary benefit in summary form, provided that MUFGLM undertakes to disclose further details at the request of the investor of the fund it manages and provided that it honours that undertaking.

[Article 32 CSSF Regulation 10-04]
[Article 24 AIFMD L.2]

1.16 Rules in relation to voting rights

MUFGLM develops adequate and effective strategies for determining when and how voting rights attached to instruments held in the managed portfolios are to be exercised, to the exclusive benefit of the fund concerned and its investors.

The strategy determines measures and procedures for:

- a) monitoring relevant corporate events and relevant corporate actions;
- b) ensuring that the exercise of voting rights is in accordance with the investment objectives and policy of the relevant fund;
- c) preventing or managing any conflicts of interest arising from the exercise of voting rights.

A summary description of the above mentioned strategies is made available to investors.

Details of the actions taken on the basis of those strategies, is made available to the investors free of charge and on their request.

[Article 37 AIFMD L.2]
[Article 23 CSSF Regulation 10-04]

An investment company that has designated MUFGLM but has not specifically mandated MUFGLM to exercise the voting rights attached to the instruments held in its portfolio, develops its own strategy for the exercise of voting rights.

It is also acceptable for MUFGLM, when establishing its own strategy for exercising voting rights, to refer either to the strategies established in this regard by the group to which it belongs or to recognized international standards.

A brief description of this strategy is made available to investors free of charge, at the office of the management company.

The strategy for the exercise of voting rights attached to the instruments held in the portfolios of the funds is regularly updated.

[Section I.5.2.6.2. CSSF Circular 12/546]

1.17 Rules in relation to remuneration policy

So as to promote sound and effective risk management, MUFGLM implements a remuneration policy in conformity with CSSF Circular 10/437.

[CSSF Circular 10/437]

MUFGLM has remuneration policies and practices for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of MUFGLM or of the funds its manages, that are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the funds they manage.

MUFGLM determines the remuneration policies and practices in accordance with Annex II of the AIFMD.

[Article 13 AIFMD L.1]

MUFGLM provides general information relating to the financial and non-financial criteria of the remuneration policies and practices for relevant categories of staff to enable investors to assess the incentives created. In accordance with the principles set out in Annex II of the AIFMD, MUFGLM discloses at least the information necessary to provide an understanding of the risk profile of the fund and the measures it adopts to avoid or manage conflicts of interest.

[Article 107 AIFMD L.2]

1.18 Rules in relation to the delegation of functions

In the case where MUFGLM partly or wholly delegates one or several functions included in the collective management, it verifies that the delegates have taken suitable measures so as to comply with the requirements in the area of conflicts of interest set out in the present conflicts of interest policy. The abovementioned requirement also applies to partial delegation of one or several functions.

It monitors also effectively the compliance with these requirements by the third party.

[Section I.5.2.9 CSSF Circular 12/546]

The monitoring of delegated activities to a third party cannot itself be delegated under any circumstances.

[Section I.7.1. CSSF Circular 12/546]

No delegation of portfolio management or risk management is conferred on:

- a) the depositary or a delegate of the depositary; or
- b) any other entity whose interests may conflict with those of MUFGLM or the investors of the fund, unless such entity has functionally and hierarchically separated the performance of its portfolio management or risk management tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the fund.

[Article 110 (1) e Law of 2010]

[Article 20 AIFMD L.1]

This does not prohibit the delegation of the portfolio management function to a company belonging to the same group as the depositary. In this event, the CSSF will only authorise the delegation if it has proof that measures protecting the interests of MUFGLM and the unitholders have been put in place.

[Section I.7.2.1. CSSF Circular 12/546]

No sub-delegation of portfolio management or risk management is conferred on:

- (a) the depositary or a delegate of the depositary; or
- (b) any other entity whose interests may conflict with those of MUFGLM or the investors of the fund, unless such entity has functionally and hierarchically separated the performance of its portfolio management or risk management tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the fund.

The relevant delegate reviews the services provided by each sub-delegate on an ongoing basis.

Where the sub-delegate further delegates any of the functions delegated to it, the conditions set out above apply *mutatis mutandis*.

[Article 110 (1) e Law of 2010]
[Section I.7.2.1. CSSF Circular 12/546]
[Article 20 AIFMD L.1]

The criteria to assess whether a delegation conflicts with the interests of MUFGLM or the investor in the fund includes at least:

- a) where MUFGLM and the delegate are members of the same group or have any other contractual relationship, the extent to which the delegate controls MUFGLM or has the ability to influence its actions;
- b) where the delegate and an investor in the relevant fund are members of the same group or have any other contractual relationship, the extent to which this investor controls the delegate or has the ability to influence its actions;
- c) the likelihood that the delegate makes a financial gain, or avoids a financial loss, at the expense of the fund or the investors in the fund;
- d) the likelihood that the delegate has an interest in the outcome of a service or an activity provided to MUFGLM or the fund;
- e) the likelihood that the delegate has a financial or other incentive to favour the interest of another client over the interests of the fund or the investors in the fund;
- f) the likelihood that the delegate receives or will receive from a person other than MUFGLM an inducement in relation to the collective portfolio management activities provided to MUFGLM and the funds it manages in the form of monies, goods or services other than the standard commission or fee for that service.

The portfolio or risk management function may be considered to be functionally and hierarchically separated from other potentially conflicting tasks only where the following conditions are satisfied:

- a) persons engaged in portfolio management tasks are not engaged in the performance of potentially conflicting tasks such as controlling tasks;
- b) persons engaged in risk management tasks are not engaged in the performance of potentially conflicting tasks such as operating tasks;
- c) persons engaged in risk management functions are not supervised by those responsible for the performance of operating tasks;
- d) the separation is ensured throughout the whole hierarchical structure of the delegate up to its governing body and is reviewed by the governing body and, where it exists, the supervisory function of the delegate.

Potential conflicts of interest are deemed properly identified, managed, monitored and disclosed to the investors of the fund only if:

- a) MUFGLM ensures that the delegate takes all reasonable steps to identify, manage and monitor potential conflicts of interest that may arise between itself and MUFGLM, the fund or the investors in the AIF. MUFGLM ensures that the delegate has conflicts of interests procedures in place;
- b) MUFGLM ensures that the delegate discloses potential conflicts of interest as well as the procedures and measures to be adopted by it in order to manage such conflicts of interest to MUFGLM which discloses them to the fund and the investors in the fund in accordance with the rules on the disclosure of conflicts of interests.

[Article 36 AIFMD L.2]

1.19 Rules in relation to the valuation function

MUFGLM ensures that the valuation function is either performed by:

- a) an external valuer, being a legal or natural person independent from the fund, MUFGLM and any other persons with close links to the fund or MUFGLM; or
- b) MUFGLM itself, provided that the valuation task is functionally independent from the portfolio management and the remuneration policy and other measures ensure that conflicts of interest are mitigated and that undue influence upon the employees is prevented.

The depositary appointed for a fund is not appointed as external valuer of that fund, unless it has functionally and hierarchically separated the performance of its depositary functions from its tasks as external valuer and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the fund.

Where an external valuer performs the valuation function, MUFGLM demonstrates that:

- a) the external valuer is subject to mandatory professional registration recognised by law or to legal or regulatory provisions or rules of professional conduct;
- b) the external valuer can provide sufficient professional guarantees to be able to perform effectively the relevant valuation function; and
- c) the appointment of the external valuer complies with the AIFMD delegation requirements.

The appointed external valuer does not delegate the valuation function to a third party.

MUFGLM notifies the appointment of the external valuer to the CSSF which may require that another external valuer be appointed instead, where the AIFMD requirements for the appointment of an external valuer are not met.

The valuation is performed impartially and with all due skill, care and diligence.

Where the valuation function is not performed by an independent external valuer, the CSSF may require MUFGLM to have its valuation procedures and/or valuations verified by an external valuer or, where appropriate, by an auditor.

MUFGLM is responsible for the proper valuation of the fund's assets, the calculation of the net asset value and the publication of that net asset value. MUFGLM's liability towards the fund and its investors is, therefore, not affected by the fact that MUFGLM has appointed an external valuer.

Notwithstanding the paragraph above and irrespective of any contractual arrangements providing otherwise, the external valuer is liable to MUFGLM for any losses suffered by MUFGLM as a result of the external valuer's negligence or intentional failure to perform its tasks.

[Article 19 AIFMD L.1]

1.20 Rules in relation to the depositary function

In order to avoid conflicts of interest between the depositary, MUFGLM and/or the fund and/or its investors:

- a) MUFGLM does not act as depositary;
- b) a prime broker acting as counterparty to a fund does not act as depositary for that AIF, unless it has functionally and hierarchically separated the performance of its depositary functions from its tasks as prime broker and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the AIF. Delegation by the depositary to such prime broker of its custody tasks is allowed if the relevant AIFMD conditions (i.e. Article 21 § 11) are met.

In the context of their respective roles, MUFGLM and the depositary act honestly, fairly, professionally, independently and in the interest of the fund and the investors of the fund.

The depositary shall not carry out activities with regard to the fund or MUFGLM on behalf of the fund that may create conflicts of interest between the fund, the investors in the fund, MUFGLM and itself, unless the depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the fund.

The assets entrusted to the depositary of the fund for safekeeping are not reused by the depositary without the prior consent of the fund or MUFGLM acting on behalf of the fund.

[Article 21 AIFMD L.1]
[Article 25 Directive 2009/65/CE modified by Directive 2014/91/UE]

2. Related actions to fulfil legal & regulatory requirements

Reference of requirement	Tasks	Person responsible	Frequency /Date
1.1	<p><u>Establish, implement, maintain and apply an effective conflicts of interest policy</u></p> <p>The compliance officer of MUFGLM has established the present conflicts of interest policy for MUFGLM, which has been validated by the conducting officer in charge of the compliance function within MUFGLM on October 17th, 2013, and which entered into force after its approval by the board of directors of MUFGLM on October 17th, 2013.</p> <p>Once approved, the conflicts of interests policy of MUFGLM was implemented by the compliance officer through the performance of tasks set out in the paragraphs below.</p> <p>The conflicts of interests policy of MUFGLM is reviewed on an annual basis by the compliance officer in Quarter 1 of each year. It is then validated by the conducting officer in charge of the compliance function and then approved by the board of directors of MUFGLM for entering into force.</p>	<p>Compliance officer Conducting officer in charge of the compliance function Board of Directors</p> <p>Compliance officer</p> <p>Compliance officer Conducting officer in charge of the compliance function Board of Directors</p>	<p>December 17th 2013</p> <p>December 17th 2013</p> <p>Annually</p>
1.2	<p><u>Identify conflicts of interests that arise in the course of providing services and activities and whose existence may damage the interests of a fund</u></p> <p>The compliance officer maintains a record of the types of situations which may give rise to a conflict of interests. These conflicts of interests are mainly identified by the compliance officer through controls on and/or discussions with service providers, employees and clients (in particular before entering into any new relationship).</p>	<p>Compliance officer</p>	<p>on-going</p>
1.3	<p><u>Implement procedures and measures for conflicts management with the requisite degree of independence</u></p> <p>Within the group to which MUFGLM belongs to, the procedures and measures, which have been implemented for conflicts management, are the following:</p>		

	<p>- Compliance policy of Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. (the “Bank” or “MIBL”) which applies to MUFGLM where MUFGLM’s policies and procedures do not provide specific provisions. The scope of application of the Bank’s compliance policy to MUFGLM is appended to the rules of conduct of MUFGLM.</p>	Compliance officer	on-going
1.4	<p><u>Keep at its registered office and regularly update a record of the types of situation which may give rise to a conflict of interest</u></p> <p>The compliance officer of MUFGLM maintains at the registered office of MUFGLM a record of the types of situations which may give rise to a conflict of interests. The record takes the form of a sheet document with details on the above mentioned situations. Paper copies are also made (each time the record is amended) and archived. This record is updated on an on-going basis. The current record of conflicts of interest of MUFGLM is attached in section 3 of this document.</p>	Compliance officer	on-going
1.4	<p><u>Ensure that the conducting officers of MUFGLM receive on a frequent basis, and at least annually, written reports on activities mentioned above</u></p> <p>The compliance officer issues in Quarter 1 of each year a report on conflicts of interests to the attention of the conducting officers of MUFGLM. This report consists of the record of conflicts of interests for the past year and sets out the actions undertaken to avoid or manage the identified conflicts of interests, as well as their occurrence in the future.</p>	Compliance officer	annually
1.4	<p><u>Where a prime broker is used, ensure that a written contract is concluded, 1) which governs the transfer and reuse of the fund’s assets, 2) which complies with the constitutive documents of the fund, 3) and which provides that the depositary is informed of the contract</u></p> <p>Each time a prime broker is used, MIBL Legal ensures that an appropriate agreement is executed taking into account the 3 points mentioned above. Regarding the 3rd point, the depositary is either informed of the agreement concluded with the prime broker or a party to this agreement.</p>	Conducting officer in charge of portfolio management MIBL Legal	on-going
1.4	<p><u>Exercise due skill, care and diligence in the selection and appointment of prime brokers</u></p> <p>The selection and appointment of prime brokers is subject to the delegation of functions policy. Please refer to this policy for further details.</p>	N/A	N/A

1.5	<u>Segregate, within the operating environment of MUFGLM, tasks and responsibilities which may be regarded as incompatible with each other or which may potentially generate systematic conflicts of interest.</u>	Conducting officers	on-going
	MUFGLM segregates, 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 as it is further developed under sections 1.8, 1.9, 1.10, 1.12, 1.13, 1.18 and 1.19 and the related paragraphs below.		
1.5	<u>Where the operating conditions of MUFGLM may involve any other material conflicts of interest, disclose them to the investors of the funds</u>	Compliance officer & Conducting officers	on-going
	In case its operating conditions involve any other material conflicts of interests, MUFGLM discloses them to investors in accordance with the disclosure rules set out under section 1.5 (i.e. content, means of communication, etc.). The identification of any other material conflicts of interests is made by the compliance officer. The decision to disclose these conflicts of interests is made by the conducting officers of MUFGLM.		
1.5	<u>Inform the conducting officers of MUFGLM where organisational or administrative arrangements are insufficient to identify, prevent, manage and monitor conflicts of interests</u>	Compliance officer	on-going
	The compliance officer of MUFGLM is in charge of informing both conducting officers of MUFGLM where organisational or administrative arrangements are insufficient. This information is made as soon as possible by the compliance officer in person to the conducting officers or by any communication mean available in order to join the conducting officers in the best delays (e.g. telephone, e-mail, fax or sms/text). This information once made is documented and archived under electronic and paper formats.		
1.5	<u>Take any necessary decision to ensure MUFGLM acts in the best interests of the fund & unitholders where organisational or administrative arrangements are insufficient</u>	Conducting officers	on-going
	The conducting officers and the compliance officer meet promptly to take any necessary decision in order to prevent or manage any conflict of interests, where organizational or administrative arrangements are insufficient.		
	The minutes of this meeting are recorded and archived by the compliance officer under electronic and paper formats.	Compliance officer	on-going
	The conducting officers report then immediately to the board of directors of the fund (in case of a SICAV) or to the board of MUFGLM (in case of a FCP) where organizational or administrative arrangements are	Conducting officers	on-going

	insufficient, and also inform the directors of the proposed decision to resolve the issue for endorsement.		
	The compliance officer documents and archives this reporting from the conducting officers to the relevant board of directors.	Compliance officer	on-going
1.5	<u>Disclose to investors situations where organizational or administrative arrangements were insufficient and what decision was undertaken</u>		
	The board of MUFGLM (in case of a FCP) or the board of directors of the fund (in case of a SICAV) instructs the relevant transfer agent to send a notice or letter to the concerned investors where organizational or administrative arrangements were insufficient and what decision was undertaken.	Board of directors	on-going
1.5	<u>When making any disclosure to investors in relation to conflicts of interests, comply with disclosure rules as set out under section 1.5 (i.e. content, means of communication, etc.)</u>		
	When making disclosure to investors in relation to conflicts of interests, the compliance officer of MUFGLM ensures that disclosure rules as set out under section 1.5 are complied with. If the decision to disclose belongs to the conducting officers of MUFGLM, the way to disclose conflicts of interests is subject to the review and approval of the compliance officer of MUFGLM.	Compliance officer	on-going
1.5	<u>Make available to investors before they invest in a EU fund managed by MUFGLM or a fund marketed by MUFGLM in the Union the information required under section 1.5 regarding the delegated functions by MUFGLM or the depositary and regarding the use of a prime broker</u>		
	The compliance officer ensures that the MIBL Legal discloses the required information in the prospectus of the fund.	Compliance officer MIBL Legal	on-going on-going
1.6	<u>Disclose conflicts of interests in case of acquisition of control of a non-listed company by an AIF in accordance with section 1.6</u>		
	In case of acquisition of control of a non-listed company by an AIF, the compliance officer of MUFGLM is informed by the relevant investment manager of the fund concerned (in accordance with the provisions of the relevant investment management agreement) and ensures that the related disclosures are made by MUFGLM with the support of the relevant investment manager (in accordance with the provisions of the relevant investment management agreement) and MIBL Legal (if need be).	Investment manager(s) Compliance officer MIBL Legal	on-going on-going on-going

1.7	<u>When MUFGLM manages an open-ended AIF, identify, manage and monitor conflict of interests between investors wishing to redeem their investments and investors wishing to maintain their investments in the AIF, and any conflicts between MUFGLM's incentive to invest in illiquid assets and the AIF's redemption policy</u>	Central administration of the fund Compliance officer	on-going on-going
1.8	<u>Identify whether the depositary bank of a fund has a qualifying holding in MUFGLM</u> MUFGLM is held at 100% by the depositary bank of the funds under collective management of MUFGLM.	N/A	N/A
1.8	<u>Identify in the case above the conflicts of interests which could result from this holding</u> The conflicts of interest which could result from this holding are identified in the register of conflicts of interest of MUFGLM.	Compliance officer	on-going
1.8	<u>Implement procedures and measures for managing the conflicts of interests which could result from this holding</u> The conflicts of interest which could result from this holding will be disclosed on a best effort basis in the next prospectuses of the funds. Furthermore, the board of directors of MUFGLM is composed of people who are not employed by the depositary bank and who do not fulfil executive functions within the depositary bank. In case of a decision of the board of directors of MUFGLM which could raise a conflict of interest in relation to the depositary bank, the directors who are in a conflict situation will abstain from voting at the meeting of the board of directors of MUFGLM.	Compliance officer MIBL Legal N/A Relevant director(s)	on-going on-going N/A on-going
1.8	<u>Ensure that each director of MUFGLM dedicates the required time and attention to his duties</u> This relies on the personal liability of each director. This was also made at the time of approval of MUFGLM as ManCo.	Each director	on-going

1.8	<u>Ensure that the shareholders of MUFGLM take into account the above principle into account when composing the board of directors of MUFGLM</u>	General meeting of shareholders	on-going
	<p>When a new director is appointed, the general meeting of shareholders pays attention to :</p> <ul style="list-style-type: none"> - the amount of time per [week or month or year] the director will spend to perform his duties correctly; - the number of other professional engagements the new director will ensure in parallel to his new mandate. <p>On the basis of these elements, the shareholders of MUFGLM accept or decline the appointment of the new director.</p> <p>This was also made at the time of approval of MUFGLM as ManCo.</p>		
1.8	<u>Ensure that the board of directors of MUFGLM is not predominantly composed of representatives of the business line “depository bank”</u>	General meeting of shareholders	on-going
	<p>The board of directors of MUFGLM cannot be composed in majority of representatives of the business line “depository bank”. When a new director is appointed, the general meeting of shareholders pays attention to whether current directors of MUFGLM are representatives of the business line “depository bank” and whether a potential new director is also a representative of this business. On the basis of this information, the shareholders of MUFGLM accept or decline the appointment of the new director.</p> <p>This was also made at the time of approval of MUFGLM as ManCo.</p>		
1.8	<u>Ensure that the board of directors of MUFGLM and the board of directors of the fund (in case of SICAV) is not predominantly composed of the same people</u>	General meeting of shareholders	on-going
	<p>The board of directors of MUFGLM and the board of directors of the fund cannot be composed in majority of the same people. When the board of directors of MUFGLM is composed or when the board of directors of a fund (in case of a SICAV) – to be under collective management of MUFGLM – is composed, the general meeting of shareholders of MUFGLM pays attention to whether the directors in the two boards of directors will not be composed predominantly of the same people. On the basis of this information, the relevant shareholders accept or decline the appointment of any new director.</p> <p>This was also made at the time of approval of MUFGLM as ManCo.</p>		

1.9	<u>Organise split of tasks and responsibilities between the conducting officers to avoid conflicts of interests</u>		
	This will be also made each time a new conducting officer is appointed.	Board of directors	ab initio
1.9	<u>Ensure that the functions of risk-taking and independent control of the same risks are not assigned to the same conducting officer</u>		
	This will be also made each time a new conducting officer is appointed.	Board of directors	ab initio
1.9	<u>Ensure that an agreement exists for each conducting officer specifying their rights and duties and to whom they are reporting</u>		
	An employment agreement is concluded between each conducting officer and MUFGLM and a job description is drawn up, which specify the rights and duties of conducting officers and to whom they are reporting.	Board of directors Conducting officer(s)	ab initio
1.9	<u>In case the conducting officers manage several management companies, evidence that the exercise of multiple functions does not prevent them from discharging their duties soundly, honestly and professionally</u>		
	In case the conducting officers manage several management companies, they evidence (e.g. timesheet or system of badge showing time spent within MUFGLM) and report annually to the board of directors of MUFGLM the amount of time they dedicate to the management of each ManCo they conduct. This is formalized in the minutes of the board of directors of MUFGLM.	Conducting officer(s)	annually
1.9	<u>Ensure that each conducting officer is not employed by the depositary bank of a fund which MUFGLM manages</u>		
	The conducting officers of MUFGLM cannot be employed by the depositary bank of a fund which MUFGLM manages.	N/A	N/A
1.10	<u>In case of staff not employed by MUFGLM, ensure that the contract governing the work relationship complies with related requirements</u>		
	MIBL HR keeps and records the agreement governing the work relationship and ensures that this agreement stipulates rules concerning the management of conflicts of interests.	MIBL HR	ab initio
1.10	<u>In case of staff assuming multiple functions, ensure the exercise of multiple functions does prevent the relevant persons from discharging their duties soundly, honestly and professionally</u>		

	In case of staff assuming multiple functions, appraisals of relevant staff will cover each function specifically.	Conducting officers	annually
1.10	<u>Ensure that long term absences or resignations of staff does not prevent, at end, the good functioning of MUFGLM</u>		
	The conducting officers in their day-to-day job ensure the good functioning of MUFGLM.	Conducting officers	daily
1.11	<u>Ensure the management information of MUFGLM covers situations giving rise to conflicts of interests</u>		
	The conflicts of interests are included in the management information, which is introduced to the weekly executive committee.	Conducting officers Compliance officer	weekly
1.11	<u>Ensure that this management information is available in Luxembourg and kept in a central database accessible at any time</u>		
	The management information is kept and recorded in Luxembourg by the compliance officer on a specific driver (G:\ExecutiveCommittee\ExcoMeeting\[Date]), which is accessible at any time by the two conducting officers of MUFGLM.	Compliance officer	on-going
1.12	<u>Ensure that the compliance and internal audit functions are not undertaken by the same physical person</u>		
	The organization chart of MUFGLM confirms that. This will be also made each time a new compliance officer or new internal auditor is appointed.	Conducting officers	ab initio
1.12	<u>In case where the permanent compliance and internal audit functions have been delegated, ensure that the monitoring of these functions cannot be carried out by the same individual</u>		
	The organization chart of MUFGLM confirms that. This will be also made each time these functions are delegated to new entities.	Conducting officers	ab initio
1.12	<u>Ensure that the compliance function is able to operate independently and in compliance with the separation of tasks (i.e. necessary authority, resources, expertise, access to all relevant information; no involvement in the performance of services of activities monitored; remuneration of the compliance function; etc.)</u>		
	The compliance function of MUFGLM is ensured by the registered compliance. As shown by its position in the organization chart and the persons to whom it shall report, the compliance function is able to operate	Conducting officers & Compliance	on-going

	independently and in compliance with the separation of tasks.	function	
1.12	<u>In case of delegation of the compliance function, ensure that prior CSSF authorisation is obtained</u>		
	The compliance function is not delegated.	N/A	N/A
1.12	<u>Ensure that the function of compliance officer is not exercised by a director of MUFGLM</u>		
	The function of compliance officer is not currently exercised by a director of MUFGLM.	N/A	N/A
1.12	<u>Ensure that the internal audit function (if any) is able to operate independently and in compliance with the separation of tasks</u>		
	The internal audit function of MUFGLM is ensured by the Chief Internal Auditor of MIBL Bank. As shown by its position in the organization chart and the persons to whom it shall report, the internal audit function is able to operate independently and in compliance with the separation of tasks.	Conducting officers & internal audit function	on-going
1.12	<u>Ensure that, in case of delegation of the internal audit function (if any), the external expert is independent from the approved statutory auditor of MUFGLM or from the approved audit firm as well as from the group which the approved statutory auditor belongs to</u>		
	It is also made each time a new approved statutory auditor of MUFGLM is appointed. This is a responsibility of the board of directors of MUFGLM, which is entitled to delegate the internal audit function.	Board of directors	ab initio
1.12	<u>Ensure the function of internal auditor (if any) is not exercised by a director of MUFGLM</u>		
	The function of internal auditor is currently exercised by the Chief Internal Auditor of MIBL Bank, which person is not a director of MUFGLM. When the internal auditor is appointed, the conducting officer in charge of the internal audit function checks that basis requirement.	Conducting officer in charge of the internal audit function	ab initio
1.13	<u>Ensure that the risk management function is hierarchically and functionally independent from operating units (i.e. no supervision of the risk management function by the persons responsible of operating units, no engagement of the risk management function in the performance of activities of operating units, compensation independent from the performance of operating units, remuneration of senior officers overseen by the remuneration committee, review of the whole hierarchical structure by the governing body)</u>		
	The risk management function of MUFGLM is ensured by the conducting officer in charge of risk	Conducting officers	on-going

	management. As shown by its position in the organisational chart of MUFGLM, its compensation package as decided by the board of directors of MUFGLM, and by the fact that investment management is delegated to third parties under the responsibility of the other conducting officer, the risk management function is able to operate independently and in compliance with the separation of tasks.	& risk management function	
1.13	<u>In case the above requirement is inappropriate and proportionate to the nature, scale and complexity of MUFGLM's activities and of the funds its manages, request CSSF for derogation and be able to demonstrate to CSSF, in any event, that appropriate measures of protection have been taken against conflicts of interests (i.e. decisions based on reliable data, remuneration independent from the performance of operating units, independent review of the risk management function, representation of the risk management function in the governing body with the same authority as the portfolio management function, risk committee - if any - is appropriately resourced and its non-independent members do not have undue influence)</u>		
	N/A	N/A	N/A
1.13	<u>Appoint among the staff of MUFGLM the person responsible for the risk management function, being understood that one of the conducting officers of MUFGLM may also be directly appointed the person responsible for the risk management function, by virtue of the principle of proportionality</u>		
	The person responsible for the risk management function is appointed by the board of directors of MUFGLM considering that he is also a conducting officer (in accordance with the principle of proportionality).	Board of directors	ab initio
1.13	<u>Ensure that the conducting officer responsible or directly in charge of the risk management function is not at the same time, the conducting officer responsible for portfolio management</u>		
	This will also be made each time a new conducting officer is appointed and tasks are allocated.	Board of directors	ab initio
1.13	<u>Ensure that the risk management function is not combined with the internal audit function of MUFGLM</u>		
	As shown by the organizational chart of MUFGLM, the risk management function is not combined with the internal audit function of MUFGLM. The review of the whole hierarchical structure is made when necessary by the board of directors of MUFGLM, which ensures the separation of tasks within MUFGLM is complied with. To this end, the compliance officer and/or the conducting officers of MUFGLM report to the board of directors when the whole hierarchical structure of MUFGLM needs to be reviewed.	Board of directors with the assistance of the compliance officer & conducting officers	When necessary

1.14	<u>Establish, implement and maintain a written policy regarding personal transactions (in order to prevent any relevant person from entering into personal transactions which may give rise to a conflict of interests)</u>	N/A	N/A
	As regards personal transactions, MUFGLM applies the personal account dealing rules as set out in the compliance policy of the Bank. The scope of application of the Bank's compliance policy to MUFGLM is set out in Part 3 of the rules of conduct of MUFGLM. For further information on the personal account dealing rules applied within MUFGLM, please refer to Part 3 of the rules of conduct of MUFGLM.		
1.14	<u>Keep, record and maintain at the registered office of MUFGLM a list of all personal transactions notified to or identified by MUFGLM, including any authorization or prohibition in connection with such a transaction</u>	N/A	N/A
	As regards personal transactions, MUFGLM applies the personal account dealing rules as set out in the compliance policy of the Bank. The scope of application of the Bank's compliance policy to MUFGLM is set out in Part 3 of the rules of conduct of MUFGLM. For further information on the personal account dealing rules applied within MUFGLM, please refer to Part 3 of the rules of conduct of MUFGLM.		
1.15	<u>Identify whether MUFGLM pays or is paid any fee or commission, or provides or is provided with any non-monetary benefit, other than those mentioned under section 1.14, and forbid these inducements</u>	N/A	N/A
	Please refer to the rules of conduct of MUFGLM.		
1.15	<u>In case of a fee, commission or non-monetary benefit paid or provided to or by a third party or a person acting on behalf of a third party, ensure:</u> <ul style="list-style-type: none"> - <u>the existence, nature and amount of the fee, commission or benefit, or, where the amount cannot be ascertained, the method of calculating that amount is clearly disclosed to the fund in a manner that is comprehensive, accurate and understandable, prior to the provision of the relevant service;</u> - <u>the payment of the fee or commission, or the provision of the non-monetary benefit is designed to enhance the quality of the relevant service and not impair compliance with MUFGLM's duty to act in the best interests of the fund</u> 	N/A	N/A
	Please refer to the rules of conduct of MUFGLM.		
1.15	<u>In the case above, when the essential terms of the arrangements are disclosed in summary form, undertake to provide further details at the request of the unitholder and honour that undertaking</u>	N/A	N/A
	Please refer to the rules of conduct of MUFGLM.		

1.16	<u>Ensure that the strategy to exercise the voting rights attached to instruments held in the portfolio of a fund (if any) includes procedures or measures in order to prevent or manage any conflict of interests resulting from the exercise of voting rights</u>		
	Please refer to the voting rights policy of MUFGLM.	N/A	N/A
1.17	<u>Ensure that a remuneration policy is in place within MUFGLM which is in line with CSSF Circular 10/437 and AIFMD requirements</u>		
	Please refer to the remuneration policy of MUFGLM.	N/A	N/A
1.18	<u>Verify that the delegates of MUFGLM have taken suitable measures so as to comply with the requirements set out in the present conflicts of interests policy</u>		
	MUFGLM has implemented a delegation of functions policy. The verification that the delegates of MUFGLM have taken suitable measures so as to comply with the conflicts of interests policy is made in the framework of that procedure.	Conducting officers	on-going
1.18	<u>Monitor the compliance with the above requirements by the delegates of MUFGLM</u>		
	MUFGLM has implemented a delegation of functions policy. The verification that the delegates of MUFGLM have taken suitable measures so as to comply with the conflicts of interests policy is made in the framework of that procedure.	Conducting officers	on-going
1.18	<u>Ensure that the portfolio management function and the risk management function are not delegated or sub-delegated (this is also applicable to any further sub-delegation) to the depositary bank or its delegate, or to any other entity whose interests may conflict with those of MUFGLM or the investors of the funds under collective management, unless such entity has functionally and hierarchically separated the performance of its portfolio management or risk management tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the fund</u>		
	This requirement is also covered in the delegation of functions policy, which has been implemented by MUFGLM.	Conducting officers	on-going
1.18	<u>In case the portfolio management function is delegated to a company belonging to the same group as the depositary, request CSSF prior authorisation and be able to demonstrate to CSSF that measures protecting the interests of MUFGLM and the investors have been put in place</u>		

	<p>This was made at the time of approval of MUFGLM as ManCo of UCITS and as AIFM</p> <p>This requirement is also covered in the procedure on the delegation of functions and the related monitoring, which has been implemented by MUFGLM.</p>	Conducting officers	on-going
1.19	<p><u>Ensure that the valuation function is either performed by 1) an external valuer, being a legal or natural person independent from the fund, MUFGLM and any other persons with close links to the fund or MUFGLM; or by 2) MUFGLM itself, provided that the valuation task is functionally independent from the portfolio management and the remuneration policy and other measures ensure that conflicts of interest are mitigated and that undue influence upon the employees is prevented.</u></p> <p>The valuation function is performed by MIBL and in case of specific assets by different external valuers, depending on the fund which is considered.</p> <p>The valuation function of MIBL consists of people specifically dedicated to this task, who do not perform any other function within MIBL and who are subject to the remuneration policy of MIBL. This valuation function is also monitored on an on-going basis by the conducting officer of supervising the valuation function (who is not himself in charge of monitoring the investment management function).</p> <p>The other external valuers are legal persons independent from the fund, MUFGLM and any other persons with close links to the fund or MUFGLM. The selection and appointment of external valuers for the funds under collective management of MUFGLM takes this requirement into account as part of the initial due diligence and when the independence of external valuers is jeopardised, either the potential external valuer is not appointed or measures are set up to mitigate conflicts of interests or prevent undue influence upon relevant persons.</p>	Conducting officer in charge of the valuation function	ab initio & on-going
1.19	<p><u>Ensure that the depositary appointed for a fund is not appointed as external valuer of that fund, unless it has functionally and hierarchically separated the performance of its depositary functions from its tasks as external valuer and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the fund.</u></p> <p>MUFGLM ensures beforehand in the selection and appointment process that the depositary and external valuer functions are functionally and hierarchically separated. This is explained in the AIFM application file to be submitted to the CSSF.</p>	Conducting officers Compliance officer	ab initio & on-going
1.19	<p><u>Where an external valuer performs the valuation function, demonstrate that 1) the external valuer is subject to mandatory professional registration recognised by law or to legal or regulatory provisions or rules of professional conduct; 2) the external valuer can provide sufficient professional guarantees to be able to</u></p>		

perform effectively the relevant valuation function; and 3) the appointment of the external valuer complies with the AIFMD delegation requirements.

This is part of the initial due diligence made by MUFGLM.

This is also part of the on-going due diligence made by the compliance officer of MUFGLM.

ManCo

ManCo

ab initio

on-going

1.19 Ensure that the appointed external valuer does not delegate the valuation function to a third party.

This is part of the initial due diligence made by MUFGLM.

This is also part of the on-going due diligence made by the compliance officer of MUFGLM.

ManCo

ManCo

ab initio

on-going

This is prohibited in the relevant delegation agreement set up by MIBL Legal in relation to the valuation function.

MIBL Legal

upon set up
of the
relevant
delegation
agreement

1.19 Notify the appointment of the external valuer to the CSSF

This is made by MIBL Legal under the responsibility of the conducting officers of MUFGLM once the external valuer of a fund is selected and appointed.

MIBL Legal
Conducting officers

ab initio

1.19 Ensure that the valuation is performed impartially and with all due skill, care and diligence

This is part of the initial due diligence made by MUFGLM.

This is also part of the on-going due diligence made by MUFGLM.

ManCo

ManCo

ab initio

on-going

1.20 Ensure that MUFGLM does not act as depositary

MUFGLM never acts as depositary and is not authorised to do so. The compliance officer, the conducting officers and the board of directors MUFGLM are all responsible for the compliance with this requirement.

Board of directors
Conducting officers
Compliance officer

on-going

1.20 Ensure that a prime broker acting as counterparty to a fund does not act as depositary for that fund, unless it has functionally and hierarchically separated the performance of its depositary functions from its tasks as prime broker and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the fund

<p>This is part of the initial due diligence made by MUFGLM. This is also part of the on-going due diligence made by the compliance officer of MUFGLM.</p> <p>This is also provided in the prime brokerage agreement set up by MIBL Legal.</p>	<p>ManCo ManCo</p> <p>MIBL Legal</p>	<p>ab initio on-going</p> <p>upon set up of the prime brokerage agreement</p>
<p><u>In case of delegation by the depositary to such prime broker of its custody tasks, ensure the relevant AIFMD conditions (i.e. Article 21 § 11) are met</u></p> <p>In such a case the conducting officers of MUFGLM asks the depositary of the relevant fund to demonstrate that the delegation of its custody tasks to such prime brokers is compliant with the relevant AIFMD conditions.</p>	<p>Conducting officers</p>	<p>upon occurrence</p>
<p><u>Ensure that MUFGLM acts honestly, fairly, professionally, independently (notably from the depositary) and in the interest of the fund and the investors of the fund</u></p> <p>Please refer for this purpose to the other provisions of this conflict of interest policy and to the rules of conduct of MUFGLM.</p>	<p>N/A</p>	<p>N/A</p>
<p><u>Ensure that the depositary does not carry out activities with regard to the fund or MUFGLM on behalf of the fund that may create conflicts of interest between the fund, the investors in the fund, MUFGLM and itself, unless the depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the fund</u></p> <p>The compliance officer of MUFGLM asks on on-going basis the depositary of the fund to provide it with its conflicts of interest policy and the record of its conflicts of interests (at least an extract showing conflicts of interests between the fund, the investors in the fund, MUFGLM and the depositary) to check that it as functionally and hierarchically separated the performance of its conflicting tasks and to check that conflicts of interest are properly identified, managed and monitored and disclosed by the depositary to the investors of the fund before the depositary carries out conflicting tasks, In case, the controls of these checks reveal any deficiencies, it reports them as soon as possible to the conducting officers to remedy these deficiencies.</p>	<p>Depository Compliance officer Conducting officers</p>	<p>annually</p>

1.20

Ensure that the assets entrusted to the depositary of the fund for safekeeping are not reused by the depositary without the prior consent of the fund or MUFGLM acting on behalf of the fund.

MIBL Legal under the responsibility of the conducting officers of MUFGLM ensures that the depositary agreements provide that the assets entrusted to the depositary of the fund for safekeeping are not reused by the depositary without the prior consent of the fund or MUFGLM acting on behalf of the fund, and that in case the depositary breaches this rule from which there results a loss of assets for the fund (or MUFGLM acting on behalf of the fund) or its investors it will indemnify the fund (or MUFGLM acting on behalf of the fund) or its investors up to the amount of that loss, notwithstanding any other compensation that may be asked by the fund (or MUFGLM acting on behalf of the fund) or the investors in accordance with applicable laws and regulations.

MIBL Legal
Conducting officers

Upon set up
of the
depositary
agreements

3. Record of conflicts of interests

	Potential conflict	Conflict management measures
1	Appointment of a service provider that is related company to MUFGLM, to provide services to a fund under collective management.	Investors are invited to subscribe to this fund specifically to avail of the expertise of the service provider. Service provider fees are set at market levels and disclosed in the fund's prospectus.
2	The service provider might use its access to the assets of a fund under collective management of MUFGLM to its own benefit.	An independent depositary bank controls access to the fund's assets in the interests of unitholders.
3	The service provider might manipulate the valuation of a fund under collective management of MUFGLM to increase fees/embellish performance.	Fund pricing is carried out by the central administration of the fund independently of the investment manager following rules set in the prospectus and the fund is also independently audited.
4	The investment manager of a fund under collective management of MUFGLM may use fund's trades to the benefit of other, higher fee paying clients.	MUFGLM on behalf of the fund has agreed best execution and trade allocation policies with the investment manager to ensure trades are executed at the best prices reasonably obtainable and that the fund is treated fairly in allocating investment trades and opportunities.

5	Errors by delegates of MUFGLM may be overlooked to avoid paying compensations to investors.	Errors are reported to the board of directors of MUFGLM, which includes independent directors, and to the depositary bank, which investigate errors and agree on corrective actions.
6	A delegate of MUFGLM may receive commissions for placing fund's business with a third party or may overpay for third party services.	<p>Any research services or other soft commissions received by the investment manager are disclosed in the fund's financial statements and are used to provide services to the fund.</p> <p>None of the other delegates of MUFGLM may receive any fees for directing fund's business.</p> <p>Fees to third parties are based on negotiated or market rates and fee arrangements are disclosed in the fund's prospectus, and fund operating expenses are approved by the board of directors of MUFGLM, monitored by the depositary bank of the fund and settled by the central administration of the fund. The actual amount of fees paid and other operating expenses are disclosed in the fund's financial statements.</p>
7	The interests of two or more funds under collective management of MUFGLM may conflict or be in competition.	MUFGLM will make sure that the investment manager and other delegates of MUFGLM have sufficient resources to be able to services each fund as required without affecting services levels for the others.
8	Portfolio management staff may be able to exert influence over back office/processing staff or compliance, or may themselves be subject to influence by someone not involved in the portfolio management process.	<p>The delegation of valuation, trade processing and settlement to the central administration and depositary bank prevents a portfolio manager exercising undue influence over the operation of the funds under collective management of MUFGLM.</p> <p>The remuneration of all of the people involved is set independently of the portfolio management process and the revenues it generates and is not dependent on its success.</p> <p>MUFGLM makes sure that the investment manager also employs a compliance officer who monitors investment compliance within the investment manager in this area.</p>

This conflicts of interests policy enters into force as of December 17th, 2013 and is annually reviewed.

It is reviewed by the compliance officer, and validated by the conducting officer in charge of the compliance function, on an annual basis.

It is then approved by the board of directors of MUFGLM for entering into force.