
Conflicts of Interest

Policy

Version 4.0

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1. Introduction

MUFG Lux Management Company S.A. (hereafter "MUFGLM") conducts its business according to the principle that it must manage its conflicts of interests fairly, both between itself and its customers, and between one customer and another.

2. Regulatory framework

- Law of 5 April 1993 on the financial sector;
- Law of 12 July 2013 on alternative investment fund managers;
- Law of 17 December 2010 relating to undertakings for collective investment;
- Law of 30 May 2018 on markets in financial instruments;
- 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;
- Circular CSSF 14/585 on remuneration policies and practices;
- Circular CSSF 18/698 on authorisation and organisation of investment fund managers incorporated under Luxembourg law & specific provisions on the fight against money laundering and terrorist financing applicable to investment fund managers and entities carrying out the activity of registrar agent (hereafter "Circular 18/698").

3. Objective and responsibilities

This Conflicts of Interest Policy (hereafter the "Policy") aims to:

- identify the circumstances which constitute or may give rise to a conflict of interest;
- specify the procedure to be followed when a conflict of interest occurs or has been identified;
- specify the measures to be adopted in order to manage such conflicts.

The responsibility for the identification of conflicts of interest rests with all employees of MUFGLM.

4. Definition of a conflict of interest

A conflict of interest is a conflict that can arise in any area of business in which MUFGLM provides services and that adversely affects the interests of one or more customers.

A conflict of interest may arise between:

- a) MUFGLM and a customer.

Potential conflicts may exist between customer interests and interests of a particular business area. These types of conflicts include situations where MUFGLM may be unfairly advantaged at the expense of the customer.

- b) Employee or any person directly or indirectly linked to MUFGLM by control (hereafter “relevant person”) and a customer.

Potential conflicts may exist between the interests of an employee and the interests of a customer. In these situations employee’s interests may not be aligned with the best interests of a customer.

- c) One customer and another.

Potential conflict may exist between different customers or different types of customer. In these situations, one customer may receive preferential treatment which could negatively impact another customer.

5. Identifying conflicts of interest

For the purposes of identifying the conflicts of interest that could arise in the course of business, MUFGLM takes into account the situations (non-exhaustive list) where MUFGLM or a relevant person:

- a) is likely to make a financial gain, or avoid a financial loss, at the expense of the customer;
- b) has an interest in the outcome of a service provided to the customer or of a transaction carried out on behalf of the customer, which is distinct from the customer’s interest in that outcome;
- c) has a financial or other incentive to favour the interests of another customer or group of customers over the interests of the customer;
- d) carries on the same activities for the fund and for another customer which is not a fund;
- e) receives an inducement in the form of monies, goods or services, other than the standard commission or fee.

6. Managing/mitigating potential and actual conflicts of interest

As per point 375 of Circular 18/698, MUFGLM, in the first instance, must try to avoid conflicts of interest and, when they cannot be avoided, to identify, manage/mitigate and monitor and, where appropriate, disclose these conflicts of interest in order to prevent them from adversely affecting the interests of the funds managed by MUFGLM and their investors and to ensure that they are treated fairly.

In order to limit any such conflicts and to manage/mitigate any conflicts which do arise, appropriate controls and internal procedures have been put in place.

7. Avoidance of conflicts of interest

Where a conflict of interest cannot be managed by policies/procedures or in any other compliant way, MUFGLM may decide that one of the below actions is appropriate:

- to cease the activity altogether;
- to cease the activity for one particular customer or group of customers;
- not to commence the activity;
- not to commence the activity for one particular customer or group of customers.

8. Disclosure of the conflicts of interest

Where a conflict cannot be managed by policies and/or procedures and avoidance is not an option, disclosure must be considered. This must additionally be the case even though arrangements are in place for management in circumstances where those arrangements may not be sufficient to ensure prevention of "material damage" to the customer.

Disclosure must be made in writing and give sufficient detail, taking into account the nature of the customer, to enable that customer to take an informed decision with respect to the service in the context of which the conflict of interest arise.