

**Mitsubishi UFJ  
Investor Services & Banking  
(Luxembourg) S.A.**



**Conflicts of Interest Management**  
POLICY



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## Section I. PURPOSE

Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. (hereafter “MUFG” or “the Bank”) and its branch Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A., Dublin Branch (hereafter “MUFG Dublin Branch”), are committed to conducting its business with the highest ethical standards and complying fully with its legal and regulatory obligations. As a result of the wide range of financial services provided, the Bank may face both actual and perceived conflicts of interest.

The Bank’s Policy is to take all reasonable steps to maintain and operate effective organizational and administrative arrangements to identify, prevent, manage and monitor relevant conflicts which may arise or have arisen in the normal course of its business activities and operations, either on a one/off basis or on a more recurring basis, and which entails a material risk of damage to the interests of the clients. The Authorized Management of the Bank is responsible for ensuring that the systems, controls and procedures are adequate to manage conflicts of interest. The Compliance department of the Bank assists in the management of actual and potential conflicts of interest.

Each employee is required to comply with the guidelines set out below and to bring to the attention of the Compliance department and the Head(s) of the relevant business unit any circumstances he or she may be aware that give rise to conflicts of interest. Employees may use the form included in **Appendix II** of the Policy or via any other form (e-mail, telephone or in person) provided that all details in relation with the conflict are recorded.

This Policy seeks to address, in broad terms, the material types of conflicts of interest that are relevant to the Bank, its clients and any other relevant person involved in the business activities of the Bank (such as employees). This Policy also aims to meet the Bank’s regulatory obligations pursuant to the requirements of CSSF Circular 12/552 as amended, the MiFID II Regulation in order to act honestly, fairly and professionally in the best interests of its clients and to put client’s interests ahead of its own and the UCITS/AIFMD provisions to ensure that the UCI depositary act honestly, fairly, professionally, independently and solely in the interest of the UCI and the unit-holders / share-holders

The overall objective of this Policy is to set out guidelines for identifying existing or potential conflicts of interest, the procedures, and restrictions on the activities of the Bank, its directors, and employees aimed at minimizing the risks of conflicts arising and minimizing the damage to the interests of the Bank’s clients where the conflicts are unavoidable.

Accordingly, the Bank will:

- Identify situations where conflicts of interest may arise or have arisen, entailing a material risk of damage to the client’s interests by reference to the specific services and activities carried out by the Bank;
- Establish appropriate procedures, mechanisms and systems to manage and monitor those conflicts;
- Maintain procedures and systems designed to prevent actual damage to the

- client's interests through any identified conflicts;
- Maintain records of such conflict of interest (including potential conflicts of interest); and
- Communicate main arrangements and rules to the Bank's employees and related branches and subsidiaries, if any.

It has to be noted that the Bank is not providing the following services to its clients:

- Investment research and advice;
- Discretionary Portfolio Management/Collective Portfolio Management activities;
- Corporate finance activities, including underwriting or selling when offering securities, or advising on mergers and acquisitions.

## Section II. OWNERSHIP: CREATION / PERIODIC REVIEW / AMENDMENT

This Policy is created, owned and maintained by the Compliance Department for use across the Bank and its branch.

Any amendment to this Policy shall be approved by the Executive Committee and by the Board of Directors.

## Section III. DEFINITION

A conflict of interest may involve a situation where, within the course of the Bank's activities, the interests of the Bank and/or its clients (e.g. Funds/Investors of such Funds, Management Companies), or employees or any other **Relevant Person** compete directly or indirectly. Some of these conflicts may arise because the Bank is involved in a broad range of business activities with different clients. Other may arise because of the specific circumstances of particular business activities.

A particular activity or situation may be found to involve a conflict of interest even though it does not result in any financial loss to the Bank or its clients or any gain to the Bank or an employee, and irrespective of the motivations of the employee involved.

For the purposes of the Policy, "**Relevant Person**" means any of the following:

- A director, partner or equivalent, manager or appointed representative (or where applicable, tied agent) of the Bank;
- A director, partner or equivalent, or manager of any appointed representative (or where applicable, tied agent) of the Bank;
- An employee of the Bank or of an appointed representative (or where applicable, a tied agent) of the Bank, as well as any other natural person, whose services are placed at the disposal and under the control of the Bank or a tied agent of the Bank and who is involved in the provision by the Bank of regulated activities;
- A natural person who is directly involved in the provision of services to the Bank

or to its appointed representative (or where applicable, tied agent) under an outsourcing arrangement for the purpose of the provisions by the Bank of investment services and activities.

A conflict may arise between any of the following (but not limited to):

- The Bank and the client;
- Two clients of the Bank;
- Investors in the same fund;
- An employee and the client;
- Two employees of the Bank;
- One or more employees and the Bank;
- A service provider and the Bank.

A conflict of interest may arise in any area of the Bank's business activities, for instance when providing to its clients a service, which may benefit to the Bank (or another client for whom the Bank is acting) whilst potentially and materially damaging another client where the Bank owes a duty to the client.

Conflicts of interest situations may also appear between the Bank and service providers when the services may be agreed in terms that may benefit to the Bank or a "Relevant Person".

Additionally, the Bank should comply with specific requirements relating to conflicts of interest involving Related Parties that will be described in the following sections. As per defined on Circular CSSF 12/552, transactions with Related Parties "include all types of transactions. This includes both on-balance sheet and off-balance sheet credit exposures and claims, but also dealings such as service contracts, asset purchases and sales, construction contracts, lease agreements, derivative transactions, borrowings, and write-offs. It encompasses transactions with parties that would become Related Parties as a result of the transaction, or where it is determined at the time of the transaction, that the contracting party will become a Related Party".

The conflicts mentioned in this Policy are examples of conflicts of interest and do not constitute an exhaustive list. The Bank's staff must consider all activities carried out in order to identify and escalate any conflicts that may arise.

In addition, when assessing the existence of conflicts of interest, MIBL should identify actual or potential conflicts of interest in accordance with the institution's conflicts of interest Policy and assess their materiality. At least the following situations that could create actual or potential conflicts of interests should be considered:

- a. economic interests (e.g., shares, other ownership rights and memberships, holdings and other economic interests in commercial customers, intellectual property rights, loans granted by the institution to a company owned by members of the management body);
- b. personal or professional relationships with the owners of qualifying holdings in the

institution;

- c. personal or professional relationships with staff of the institution or entities included within the scope of prudential consolidation (e.g., close family relationships);
- d. other employments and previous employments within the recent past (e.g. five years);
- e. personal or professional relationships with relevant external stakeholders, (e.g. being associated with material suppliers, consultancies or other service providers);
- f. membership in a body or ownership of a body or entity with conflicting interests;
- g. political influence or political relationships

## Section IV. LEGAL AND REGULATORY FRAMEWORK

Main regulatory requirements applying to the Bank in relation to conflicts of interest are as follow:

### EU level

- Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers (“**AIFMD**”) of 8 June 2011;
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (**MiFID II**), amending Directive 2002/92/EC and Directive 2011/61/EU and repealing provisions of Directive 2004/39/EC;
- Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 (“**UCITS V**”) amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remunerations policies and sanctions;
- Commission Delegated Regulation (EU) 231/2013 supplementing Directive 2011/61/EU;
- Regulation (EU) No 600/2014 (**MiFIR**) of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012;
- Commission Delegated Regulation (EU) 2016/438 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries;
- Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU;
- Commission Directive 2010/43/EU of 1 July 2010 on 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.

### Luxembourg level

- Law of 5 April 1993 on the Luxembourg Financial Sector;
- Law of 13 July 2007 transposing Directive 2004/39/EC on markets in financial instruments;
- Law of 12 July 2013 on alternative investment fund managers transposing Directive 2011/61/EU;
- Law of 23 December 2016 on market abuse
- CSSF Circular 07/307 as amended;
- CSSF Circular 12/552 as amended;
- Circular CSSF 23/841 on the application of the Guidelines of the European Securities and Markets Authority (“ESMA”) on certain aspects of the MiFID II remuneration;
- CSSF Circular 16/644 applicable to credit institutions acting as UCITS depositary subject to part I of the Law of 17 December 2010 relating to undertakings for collective investment and to all UCITS;
- CSSF Regulation No 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 22/811 on UCI administrators
- CSSF Regulation N° 16-07 relating to out-of-court complaint resolution;
- Circular CSSF 17/671 as amended, on specifications regarding CSSF Regulation N° 16-07 of 26 October 2016 relating to out-of-court complaint resolution;
- Circular CSSF 18/698 on authorisation and organisation of investment fund managers incorporated under Luxembourg law and 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;
- Circular CSSF 18/697 on organisational arrangements applicable to fund depositaries which are not subject to Part I of the Law of 17 December 2010 relating to undertakings for collective investment, and, where appropriate, to their branches;
- Circular CSSF 19/718 on adoption of the Guidelines on complaints-handling for the securities (ESMA) and banking (EBA) sectors of 4 October 2018 (JC 2018 35);

## **Section V. SCOPE OF APPLICATION**

This Conflict of Interest Policy is applicable to all employees of the Bank, as well as employees of its branch, including the Authorized Management of the Bank and the Board of Directors and any other Relevant Person (refer to definition in section III).

## Section VI. IDENTIFICATION OF CONFLICTS OF INTEREST

The Policy on managing conflicts of interest shall identify the main sources of conflicts of interest the Bank is or may face.

### VI.1. Criteria for identification of conflicts of interest

In order to identify situations in which a conflict of interest may arise, the Bank shall take into account the interests of the clients as well as the duty of the Bank towards the clients.

In determining whether there is, or may be, a conflict of interest to which this Policy applies, the Bank considers whether there is a material risk of damage to the client or to the Bank's reputation, taking into account whether the Bank or a Relevant Person or a person directly or indirectly linked to the Bank:

- Is likely to make a financial gain, or avoid a financial loss at the expense of the client or service provider;
- Has an interest in the outcome of services provided or transactions carried out on behalf of the clients, which is distinct from the client's own interests;
- Has an interest in the agreement of the contract of services between the sub-contractor and the Bank;
- Has a financial or other incentive to favor the interest of another client or group of clients over the interest of the client;
- Carries out the same business as the client;
- Receives or will receive from a person other than a client an inducement in the form of monies, goods or services in relation to a service provided to the client or in relation to the contract established by the sub-contractor and the Bank. Other than the standard or commission or fee for that service.

In order to identify all possible types of conflict of interest arising from the combined provision of central administration/depositary and/or ancillary services and/or other activities, a list of the potential situations of conflict of interest which the Bank could face has been developed as a result of the activities and services provided.

#### **How can I recognize and manage potential conflicts of interest?**

- Think about how your actions could be perceived by others;
- Disclose activities up front, especially if you are unsure about potential conflict;
- Talk to your Head of Department or to the Compliance Department if you have any question.

### What types of relationships could cause a conflict of interest?

- A direct supervisory relationship with a family member or close friend;
- A working relationship where the employee may have the ability to favorably impact compensation, work conditions or promotions prospects of a close friend or family member;
- An outside activity, external directorship or work arrangement that interferes or competes with the Bank's business activities.

### What are some examples of conflicts of interest I may face as an employee of the Bank?

#### ▪ Managing dealings with the Bank

Employees might use products and services of the Bank under certain circumstances and internal rules, which could also benefit to their friends and family members. Employees of the Bank must make sure that all their personal, family and friends' dealings with the Bank are handled at arm's length, independent of their specific relationship with the Bank, by following relevant procedures for the business and activities carried out.

#### ▪ Managing working relationships with family and friends

It is possible for employees' relationships to have an effect on their work at the Bank. Employees must understand the actual or perceived effects that personal relationships can have in order to avoid situations that would reflect negatively on the Bank. There is no substitute for good judgment and common sense. If employees are in doubt about a relationship that may put the Bank in a conflict of interest, they should speak with their Head of department or with the Compliance department.

Loyalty can become conflicted if friends or family members work for a company that does or seeks to do business with the Bank as a Bank's client or supplier. This is especially likely to be a problem if it happens to those who are involved in the approval or selection process, contract negotiations or relationship management with the Bank's clients or suppliers. In such cases, employees must inform the Compliance department of the Bank.

#### ▪ Managing outside activities or work

Some employees may take on additional work or activities outside their work at the Bank. This may take the form of part-time work elsewhere, volunteer activity or a personal business run from home. No matter the type of work, these additional activities must not be with one of the Bank's competitors. They must also not interfere with the Bank's responsibilities towards its clients.

Employees must be aware of actual, potential or perceived conflicts of interest related to outside activities and must disclose and obtain approval for them from the Compliance department of the Bank.

▪ **Managing external directorships**

Some employees may choose to take on directorships or similar roles in other companies, organisations, clubs, associations or foundations. In that case, the role must not compromise the employee's ability to do his/her best work for the Bank and its clients. Employees must be careful to avoid actual, potential or perceived conflicts of interests and potential reputational issues. Roles and relationships must be identified and assessed to ensure full compliance with this Policy. Any directorship or similar relationship shall be notified to the Compliance department of the Bank.

▪ **Managing gifts and entertainments**

It is common to foster relationships by exchanging courtesies such as meals, gifts and entertainments. Employees must ensure that gifts and entertainments they accept are not intended or designed to influence their business judgment on behalf of the Bank and which may affect its clients. In addition, employees must never give gifts or entertainment intended to inappropriately influence someone else's business judgment. Employees must take extra caution when the intended recipient of a gift or entertainment is a public official.

Gift definition: a gift is anything of value given or received in relation to the Bank's business.

Entertainment: an entertainment includes any event the Bank hosts or attends for business-related-purpose. Common examples include meals, sporting events, and educational events. Entertainment should always be in good taste and consistent with usual business practice. Employees must avoid entertainment that is too lavish or expensive because it may also be seen as influencing our judgment.

## VI.2. List of potential conflicts of interest identified by the Bank

Please refer to Appendix I of this Policy presenting a (not exhaustive) list of potential conflicts of interest identified by the Bank. Note that the list of current conflicts of interest is logged in a separate register maintained by the Compliance Department outside of this Policy.

## **Section VII. APPROACH TO MANAGE CONFLICTS OF INTEREST**

It is preferable to prevent a conflict from happening than to solve the conflict. The Bank must ensure that the employees engaged in different clients and/or different business activities involving a risk of conflicts of interest carry out these activities, having a degree of independence which is appropriate to the materiality of the risk of damage to the interests of the clients.

The Bank has put appropriate measures and procedures in place to prevent conflicts of interest, which include the following:

### **VII.1. General principles**

Where the Bank has, or may have a conflict of interest, or material interest in relation to a transaction, or an interest that is, or may be in conflict with the interests of any of its clients, or clients with conflicting interests in relation to a transaction or a service provided by the Bank, it must not proceed to that transaction or must not provide that service to the client, unless it takes reasonable steps to ensure fair treatment for the client. Such reasonable steps may include:

- i) Disclosing the conflict, or interest to the client and/or how it would be managed, and/or obtaining their consent to proceed and disregarding the material interest/conflict of interest pursuant to the concerned service provided by the Bank and/or the planned transaction;
- ii) Declining to act for the client where it is inappropriate or impossible to manage the conflict/material interest;
- iii) Implementation of ad hoc specific information barrier or other additional information segregations methods following consideration of all the facts available;
- iv) Third/party evaluation; to ensure that transactions are fair and impartial (“arm length”), it is often prudent to get an independent advice for parties involved in a specific transaction.

Where, in the opinion of the Bank’s Authorized Management and Chief Compliance Officer, no other arrangements put in place by the Bank is sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a client would be prevented, the Bank will disclose the nature and/or the sources of the conflict of interest to the client (step i) above). Such disclosure will be made in writing and will include sufficient details to enable the client to make an informed decision about the services provided by the Bank, or about investing in the funds.

Whatever the situation, disclosure does not exempt the Bank from its duty to manage conflicts of interest in order to prevent abuse and to give protection to the client. Disclosure to clients is a measure of last resort that can be used only where the organizational and administrative arrangements established by the Bank to prevent or manage its conflicts are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the clients will be prevented. Over-reliance on

disclosure of conflicts of interest shall be considered as a deficiency on how conflicts are prevented and managed.

When disclosing a particular conflict of interest, disclosures shall meet the following conditions:

- Be made in a durable medium;
- Include a specific description of the conflict of interest;
- Explain the general nature and/or sources of conflicts of interest, as well as the risks to the client that arise as a result of the conflict and the steps undertaken to mitigate these risks; and
- Explain that the firm's organizational and administrative arrangements are not sufficient to protect the client.

#### **VII.2. Provisions on employee remuneration**

The Bank has in place a Remuneration Policy which is designed to reward employees in a manner which recognizes the long-term interests of clients and the firm and to discourage inappropriate behavior and that meets requirements of the CRD IV and MiFID II regulation.

In particular, the remuneration (fixed and variable) of the control functions will be ultimately overseen and approved by the Board of Directors in order to preserve the necessary degree of independence of those functions.

#### **VII.3. Employees' personal investments, directorships and outside positions**

Where employees are involved in social organizations or other commercial companies, or when an employee has a financial interest in other companies or initiatives, they must ensure that this involvement does not lead to any conflict of professional and private interests or to a compliance risk for the Bank.

Directorships of companies external to the Bank and other outside interests may create a potential conflict of interest and therefore are required to be disclosed to the Compliance department of the Bank and Authorized Management for assessment and approval.

#### **VII.4. Personal Account dealing**

Employees do not have the possibility to have a personal account dealing at the Bank level and are not allowed to trade by using the systems of the Bank. For further reference please refer to PAD internal Policy.

#### **VII.5. Inducement, gifts and entertainment**

The Bank will not accept, or offer a fee, commission or other non-monetary benefits that is likely to conflict with the Bank's duties to act in the best interest of its clients. The Bank

has a documented Gift and Entertainment Policy designed to prevent the offering or receipt of substantial value. The Policy takes into consideration both the value and frequency of gifts and entertainment that could give rise to actual or perceived conflicts of interest.

#### **VII.6. Confidential information and the “need to know” principle**

The Bank has effective procedures in place to protect confidential information entrusted to it and to control the flow of information within the Bank and related entities, such as its branch. Maintaining that trust requires the Bank to handle others’ confidential information carefully. The mishandling of information could hurt the Bank’s clients and other parties. In addition, acceptance of client confidential information creates a legal responsibility on the Bank’s side and mishandling it could have severe consequences (such as legal claims or penalties from data protection authorities).

For these reasons, the Bank has adopted a Personal Data Protection Policy specifying how non-public information obtained from a client or potential client shall be treated as confidential and shall not be shared outside the Bank, unless explicitly permitted by the terms of a confidentiality agreement.

Internally, the Bank operates on a “need to know” basis. Confidential information may be disclosed only to those persons who need it to serve the legitimate interests of the clients and who can be expected to keep it confidential.

#### **VII.7. Managing conflicts of interest involving Related Parties**

The transactions with Related Parties are subject to the Board of Directors’ approval where they have or may have a significant and negative impact on the risk profile of the Bank. The rule shall also apply where, in the absence of any significant impact on each individual transaction, the influence is significant for all transactions with Related Parties.

Any material change in the significant transactions carried out with Related Parties shall be brought to the attention of the Board of Directors as soon as possible. Material changes in significant transactions must be reported immediately to the supervisory body.

Transactions with Related Parties must be carried out objectively and, in the institution’s, best interest. The institution’s interest is not met if:

- The transaction is on less favourable terms than those offered to third parties (i.e., not at arm’s length).
- It impairs solvency, liquidity, or risk management.
- It exceeds the institution’s risk management and control capacity.
- It violates sound and prudent management principles.

Transactions with Related Parties must follow the same internal controls as other

institutional transactions.

## **Section VIII. MEASURES TO MONITOR CONFLICTS OF INTEREST**

### **VIII.1. Recordkeeping**

- List of potential conflicts of interests

The Bank maintains and regularly updates a record of the types of activities carried out by or on behalf of the Bank in which conflicts of interest entailing a material risk of damage to the interests of one or more clients may arise. The information contained within this register facilitates the effective identification and management of any potential conflicts of interest. Management must receive on a frequent basis and at least annually, written reports on those activities. Please refer to **Appendix I** of the Policy.

- List of current conflicts of interest

The Compliance Department maintains a separate register with the list of current conflicts of interest notified to it and which have arisen along with mitigating measures to prevent those conflicts.

Any conflict which arises will be logged in this register by the Compliance department based on its own analysis and will be promptly reported to the Authorized Management and the Board of Directors upon occurrence and via the quarterly compliance reporting to the attention of the Executive Committee and the Board of Directors.

### **VIII.1. Escalation and reporting**

Each employee detecting a situation entailing a material risk of damage must immediately report this situation to the Chief Compliance Officer and to the Authorized Management by using the form included in **Appendix II** of this Policy.

Where the Chief Compliance Officer and the Authorized Management note that the conflict of interest is acceptable in the frame of this Policy, they may formally authorize it.

### **VIII.2. Information to investors/clients**

When the internal measures adopted by MIBL for the identification, prevention, management and monitoring of conflicts of interest are not sufficient to reasonably guarantee the mitigation of risks for the interests of its client's, MIBL may inform in a direct way the investors/clients, ahead of any action taken on their behalf, about the general nature and the source of such conflicts of interest, and adequate mitigating measures will be developed in a timely manner.

It is worth mentioning that the register of potential COI is freely available on the internet website of the Bank in addition.

### **VIII.3. Ad-hoc monitoring**

The Compliance department monitors compliance with this Policy on a regular basis and as part of the Compliance Monitoring Plan of the Bank.

Based on the results of the monitoring, the Compliance department will provide recommendations to the Executive Committee and the Board of Directors on how to enhance this process. Material breaches will be reported to the Executive Committee and the Board of Directors.

## **Section IX. MEASURES IN CASE OF NON-COMPLIANCE WITH THIS POLICY**

All employees as well as the authorized management and members of the Board need to understand and comply with this Policy. In case of non-compliance, disciplinary action may be taken by the Bank against a director, officer or employee, including the termination of the employment contract.

## **Section X. ROLES AND RESPONSIBILITIES**

### **X.1. Responsibilities of the Board of Directors**

The Board of Directors is responsible for approving the Conflict of Interest Policy initially, and at least annually going forward. Board members that are subject to a conflict of interest shall promptly inform the Authorized Management or the Board of Directors, respectively, on their own initiative. They shall also abstain from participating in the decision-making processes where they may have a conflict of interest or which prevent them from deciding with full objectivity and independence.

### **X.2. Responsibilities of the Authorized Management**

The Authorized Management of the Bank will:

- Be responsible for ensuring that the Bank's systems, controls and procedures are adequate to identify, prevent, manage and monitor conflicts of interest;
- Be responsible for preventing adverse effects from conflicts of interest for the operations they are in charge of;
- Respond appropriately in the case of any risk of causing adverse effects from conflicts of interest;
- Be responsible for approving/authorizing any conflict of interest together with the Chief Compliance Officer, where appropriate mitigating measures are in place;
- Be in charge for the definition of appropriate corrective action(s) in relation with recommendation(s) issued by the Internal Control functions;
- Be responsible for disclosing any conflict of interest to the client where there are no sufficient mitigating measures in place to ensure, with reasonable confidence,

that the risks of damage to the client will be prevented.

### **X.3. Responsibilities of the Internal Controls functions**

Internal controls functions as a whole will:

- Assist in the identification and monitoring of actual and potential conflicts of interest in close collaboration with the Heads of departments, and report to the Authorized Management and the Board of Directors on any new conflict identified and proposals in order to manage such conflict;
- Be in charge of the periodical review, and at least annually, of the Conflict of Interest Policy, and report to the Authorized Management and the Board of Directors on the results of such review as part of the Internal Audit Reports and Compliance Reports and issue recommendations to the Authorized Management to address any weakness and deficiency identified.

The Compliance Department of the Bank will:

- Be responsible for maintaining version series, original requests and supporting documentation evidencing the formal approval of this Policy by the relevant bodies of the Bank;
- Use all reasonable endeavours to ensure that the Policy remains current and applicable to the structure and the size of the Bank as well as the nature, scale and complexity of the Bank's central administration/depository activity;
- Be responsible to collect, record and report to the Authorized Management and the Board of Directors any conflict of interest (potential, perceived, actual);
- Ensure appropriate communication arrangements are in place to raise awareness of employees on internal rules which apply to them in the frame of this Policy.

### **X.4. Responsibilities of Employees**

Overall, executives and employees must:

- Manage conflicts of interest that unduly harm interests of customers appropriately with the awareness of the potential of conflicts of interest based on the Conflict of Interest Policy established by the Bank;
- Not engage in any act with conflicts of interest that unduly harms the interests of clients, except where:
  - The contract with a customer states that it is allowed to create a conflict of interest;
  - The material facts of conflicts of interest have been disclosed and an approval from a client is obtained covering the act that may constitute a conflict of interest;
  - It is clear that the interests of customers will not be unduly harmed due to, among other reasons, a strict information management framework established.

In addition, executives and employees:

- Will promptly report/escalate any type of conflict (potential, perceived, actual) they may be aware to the Compliance department and the Authorized Management;
- Must consult the Chief Compliance Officer and Authorized Management and seek their formal assessment and approval on the situation of conflict in question where employees or Head(s) of department(s) are unsure whether a conflict exists.



**Appendix I: List of potential conflicts of interest**

This list of potential conflicts of interest has been defined based on the Bank’s business activities, nature, scale and complexity of its activities. Please note that the Bank only provides central administration and depositary services for several types of funds (e.g., UCITS, AIFs) and other ancillary services, such as cash management/treasury services. The Bank does not provide any private banking/discretionary activities.

This list will be updated on a regular basis by the Compliance department and, at least once a year as part of the regular review process of policies and procedures of the Bank, in order to take into account evolutions in its organization and its activities (including any new service/activity provided).

The register of the potential conflict of interest is maintained in a dedicated document, for reference below is the inventory updated last year.

Item number	Conflict type	Conflict description	Parties involved in the conflict	Conflict rating (High/Medium/Low)	Measures in place to mitigate the conflict	Details/ Results of mitigation (residual risk)	Date identified
1	Internal Organization	<p>An employee working within a control function may be assigned tasks in other departments that he/she is in charge to control.</p> <p>An employee working within a control function may be in charge to control an operating unit he/she was in charge in the past within the Bank</p>	<p>Mitsubishi UFJ Investor Services &amp; Banking (Luxembourg) S.A.</p> <p>Employee(s) of the Bank</p>	High	<p>For mitigating the conflicts associated, the following procedures are applied:</p> <ul style="list-style-type: none"> <li>- An employee of the control functions is prohibited from performing tasks which fall under the scope of a business unit of the Bank;</li> <li>- As a regulated credit institution, the Bank is obliged to work with 3 lines of Defense Model</li> </ul>	Low	2018

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					- An employee of the controls functions which was previously working within a business unit will be prohibited or monitored when from controlling that business unit as a control function.		
2	Depository activities	<p>The Depository and the Management Company for funds administrated belong to the same group</p> <p>Potential unsatisfactory level of service quality by the Bank acting as Depository and Central Administration where the Bank is also the shareholder of the relevant Management Company or are part of the same group</p>	<p>Mitsubishi UFJ Investor Services &amp; Banking (Luxembourg) S.A.</p> <p>Mitsubishi UFJ Lux Management Company</p>	High	<p>For mitigating the conflicts associated, the following procedures are applied:</p> <ul style="list-style-type: none"> <li>- The roles and responsibilities between the Bank and the Management Company are defined and further detailed in SLAs in order to minimize the risks of conflicts arising from the delegation</li> <li>- At the level of the Board of Directors of the Management Company, there is by the time of the entry into force of the level II measures of the UCITS V Directive, no person belonging to the Depository;</li> <li>- At the level of the Board of Directors of the Bank, there are by the time of the entry into force of the level II measures of the UCITS V Directive 2 Board members qualifying as</li> </ul>	Low	2018

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					<p>independent from the group;</p> <ul style="list-style-type: none"> <li>- The Depositary reports regularly on its activities to the Management Company;</li> <li>- The Bank is no more shareholder of the Management Company and of any other Management Company for which it provides depositary services. Mitsubishi UFJ Lux Management Company has now to be regarded as a sister company from the perspective of shareholdings;</li> </ul>		
3	Depositary activities	<p>The Depositary and the Investment Manager belong to the same group.</p> <p>The Investment Manager is a delegate of the Management Company and is itself subject to potential conflicts of interest issues.</p>	<p>Mitsubishi UFJ Investor Services &amp; Banking (Luxembourg) S.A.</p> <p>Investment Manager(s) of the relevant funds under administration</p>	High	<p>For mitigating the conflicts associated, the following procedures are applied:</p> <ul style="list-style-type: none"> <li>- At the level of the Board of Directors of the Bank, all Board members are independent from each relevant Investment Manager</li> <li>- At the level of the Board of Directors of the Bank, there are members which are independent from MIBL activities and from the group</li> <li>- The Investment Management function has not been delegated</li> </ul>	Low	2018

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					<p>by the Management Companies to entities which are involved in the custody chain (i.e. sub-custodians). No delegation or sub-delegation of the core investment management function may be accepted by the depositary and own safekeeping delegates. The prohibition as regards the delegation or the sub-delegation of the core investment management function shall also apply to any delegate and, in general, to any entity downstream of a delegate in an asset custody chain;</p> <p>The Investment Manager is contractually responsible to manage its conflicts of interests in line with relevant regulations and to disclose any potential conflicts of interest to the Management Company as well as the procedures and measures to be adopted.</p>		
4	Delegation and outsourcing	The Bank may have outsourced, delegated several tasks or services to the same: - legal entity within the group; and/or	Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A.	High	<p>For mitigating the conflicts associated, the following procedures are applied:</p> <p>- A selection process for contracting any service provider has been put in place within the</p>	Low	2018

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		<p>- service provider.</p> <p>This may result in an improper disclosure or exchange of information with a division or business unit within the group, or between the departments of the same service provider, where the exchange of that information could harm the interests of relevant parties involved in the conflict.</p> <p>Disclosure to any third-party can only be done if it is authorized by the law;</p>	<p>Clients of the Bank</p> <p>Employees of the Bank</p>		<p>Bank;</p> <p>- A due diligence is performed on each service provider to ensure that they have robust organization arrangements and internal control to manage the confidentiality of information provided by the Bank.</p>		
5	Delegation and outsourcing	The Management Company has outsourced its internal audit function to the internal audit department of the Bank	<p>Mitsubishi UFJ Investor Services &amp; Banking (Luxembourg) S.A.</p> <p>Mitsubishi UFJ Lux Management Company</p>	High	<p>For mitigating the conflicts associated, the following procedures are applied:</p> <p>- At the level of the Board of Directors of the Management Company, there is no Board member of the Bank;</p> <p>- The Internal Audit function of the Bank is independently functioning from the operational activities and reports directly to the Board of Directors of the Management Company;</p>	Medium	2018

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					- The Conducting Officer of the Management Company responsible for Internal Audit reports directly to the Management Committee and the Board of Directors of the Management Company.		
6	Delegation and outsourcing	The Management Company has delegated its entire compliance function to the Bank or outsourced part of the compliance activities	Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. Mitsubishi UFJ Lux Management Company	High	<b>Not applicable</b> as no such service outsourced to the Bank	N/A	2018
7	Delegation and outsourcing	The Management Company has delegated the fund compliance to the Bank which is performed by an employee of the Risk Management function of the Bank.  This situation may affect the capacity of the depositary bank to perform a second independent layer of controls as required by the regulation.	Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. (the Administrative Agent or the Bank) Mitsubishi UFJ Lux Management Company (the Management Company)	High	<b>Not applicable</b> as no such service outsourced to the Bank.  Fund compliance in relation with the funds managed is done directly by the Management Company.  The Risk Management function of the Bank is performing a second layer of controls in relation with rules defined in the laws and prospectuses of the funds for which it provides depositary services and thus this ensures full independence.	N/A	2018

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8	Outside business activities (including outside business directorship)	External business activities and directorships of the Bank' employees may conflict with their job assignment within the Bank or with the interests of its clients	Any employee of the Bank The Bank The funds and/or investors	High	For mitigating the conflicts associated, the following procedures are applied:  - Each member of the Board of Directors is required to disclose any new directorship or activity which may conflict with his/her responsibilities as Board member of the Bank at the start of each Board meeting  - Each member of the Board of Directors is required to disclose at least annually all directorships.	Low	2018
9	Board member personal interest	A Board member may have a personal interest in a specific resolution or transaction to be approved by the Board of Directors and which conflicts with the interests of the Bank or of the funds administrated.	Any member of the Board Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A.	High	For mitigating the conflicts associated, the following procedures are applied:  - At each Board meeting, the secretary controls prior to the Board if there is any point in the agenda that may create a conflict of interest for any Board member;  - In case there is a possibility of conflicts of interest with any	Low	2018

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					item in the agenda, the concerned Board member will be required to abstain from voting. This statement will be recorded in the minutes of the Board meetings.		
10	Delegation and outsourcing	Certain conflicts of interest in connection with the Funds administrated by the Bank may arise due to the engagement of service providers which are affiliated with the group or owned by the Group	Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. (the Administrative Agent or the Bank) Clients of the Bank	High	For mitigating the conflicts associated, the following procedures are applied:  - The Bank will select service providers on an arm's length basis and will endeavor to contract with such service providers to provide the Fund with at least comparable services at comparable quality and costs as a third-party service provider;  - The pricing is provided by the Bank to its client and the Fund admin is delegated to a company of the group and clients are aware.  - Although some activities are delegated/outsourced, the Bank keeps full responsible for the activity vis a vis the local regulator.	Medium	2018

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11	Remuneration	The remuneration of employees of the Bank may conflict with any UCITS, AIF or other type of funds under administration	Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. (the Administrative Agent or the Bank)	High	For mitigating the conflicts associated, the following procedures are applied:  - Employees of the Bank are not compensated on the basis of the performance of the funds under administration.  - The Bank itself is not remunerated on the basis of the performance of each fund but according to the standard fees defined by the Bank for each service and as agreed with each fund and their relevant management company.	Low	2018
12	Remuneration	The decision-making process in relation with the remuneration (i.e. fixed and variable) of the staff in the controls functions is performed only by the executive members of the Management, which may affect the independence of the controls functions.  The remuneration of the staff in the controls functions is directly or indirectly linked to one or more business units they oversee and it is not	Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. (the Administrative Agent or the Bank)  Staff in the controls functions	Medium	For mitigating the conflicts associated, the following procedures are applied:  - The remuneration (fixed and variable) of the heads of each control function (i.e. compliance, risk and internal audit) is determined by the Remuneration Committee but is ultimately overseen by the Board of Directors. Individual amounts of bonuses or increase/decrease in the fixed remuneration are ultimately approved by the Board of	Low	2018

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		related to the achievement of the objectives linked to their function.			Directors.  - The variable remuneration of the staff in the controls functions is based on previous net profits generated by the Bank (and not the performance of a business unit in particular). Controls functions are only assessed based on qualitative criteria which are linked to their function and not on quantitative/financial criteria, which preserves their independence from the business activities of the Bank.		
13	Inducements, gifts and entertainment	An employee receives some gifts or benefits in the form of monies, goods, services or entertainment which may influence the employee in the proper performance of his/her duties or which may influence the employee to elect certain vendors to work with the Bank.	Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. (the Administrative Agent or the Bank)  Any employee of the Bank	High	For mitigating the conflicts associated, the following procedures are applied:  - A Personal Gift and Entertainment Policy has been defined and implemented.  - Each employee must obtain a pre-approval for the Authorized Management of the Bank before accepting any entertainment;  - A gift and entertainment log has been put in place in order to ensure that each gift, benefit is	Low	2018

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					reported, recorded, assessed and approved (inter-alia that thresholds are complied with) by the Chief Compliance Officer.		
14	Personal transactions	Personal transactions of the Bank’s employees may conflict with the interests of the funds and of its investors	Any employee of the Bank Funds under administration/investors of such funds	High	For mitigating the conflicts associated, the following procedures are applied: - Each employee is prohibited from investing in the funds which are administrated by the Bank and, annually, the Code of Conduct is updated and shared - Employees of the Bank have not the possibility to have a personal account trading at the Bank or to use systems of the Banks in order to trade for their own account.	Medium	2018
15	Market abuse/Insider dealing	Employees of the Bank may perform trades in securities whilst being in possession of inside information, non-public information or in a way that could constitute market abuse and/or insider dealing	Any employee of the Bank Funds under administration/investors of such funds	High	For mitigating the conflicts associated, the following procedures are applied: - A Market Abuse Policy has been defined and implemented;	Medium	2018

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16	Business and operations / Late trading and market timing	Employees of the Bank may perform trades in securities whilst being in possession of inside information, non-public information or in a way that could constitute market abuse and/or insider dealing	Any employee of the Bank  Funds under administration/investors of such funds	High	For mitigating the conflicts associated, the following procedures are applied: - A Market Abuse Policy has been defined and implemented;  - A Personal Account Dealing has been defined and implemented;	Medium	2018
16	Business and operations / Late trading and market timing	Investors of the funds may not be equally treated if some investors are allowed to:  - Subscribe or redeem funds' shares/units after the share/unit price has been determined;  - Switch among fund asset classes in an attempt to profit from the changes in their market outlook	Investors of the funds	High	For mitigating the conflicts associated, the following procedures are applied:  - A Late Trading and Market Timing Procedure has been defined and is implemented;  - Each order validated and processed after the cut/off time, as defined in the prospectus of each relevant fund, has to be submitted to a close investigation and approved by the head of department;  - All orders processed after the cut-off time are logged along with rationale if it has been processed after the cut-off time;  - The Compliance Department is regularly performing additional controls to ensure that the log is complete and reasons supporting	Low	2018

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					<p>the processing after the cut-off time are valid.</p> <p>- Where subscriptions/redemptions orders are sent by nominees (i.e. distributors acting as nominee in the relevant fund) after the cut-off time, employee obtain the formal evidence that those orders have been received in due time by the nominee (i.e. before cut/off).</p>		
17	Business and operations / Operational errors	One or more employees of the Bank may overlook errors to avoid paying compensation to shareholders/unitholders of the funds	<p>One or more employees of the Bank</p> <p>Investors of the funds administrated by the Bank</p>	High	<p>An Operational Error Procedure has been defined and implemented.</p> <p>According to this procedure, each employee is responsible to escalate any operational error to the relevant manager of the department and to the Risk Management Department of the Bank.</p> <p>A log recording all operational errors has been put in place and is maintained by the Risk Management department of the Bank.</p>	Low	2018

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18	External hotline/Whistle blowing	The external Whistleblowing hotline law firm may not act independently in case the Managing Director and/or the Deputy Managing Director are involved in a whistleblowing case	Managing Director and Deputy Managing Director Law firm	High	The law firm issued a memorandum in March 2019 stating that their lawyers that serve as external windows for whistleblowing cases normally do not work on Mitsubishi files	Low	2019
19	Internal organization / Separation of controls functions with operating units	The Head of Depositary function was reporting to the same Authorized Manager as the Head of Fund Administration which could create some conflicts	Head of Depositary Head of Fund Accounting Authorised Manager	Medium	MIBL decided to change the reporting line of the Head of Depositary function in 2023 to reduce the potential conflict of interests.	Low	2023
20	Internal organization	One fund where a MUFG entity is the solo investor and MIBL is the depositary might have a conflict of interest	Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. Employee(s) of the Bank	High	For mitigating the conflicts associated, the following procedures are applied: - both (investor and depositary) are separated entities with Chinese walls and who adopted conflict of interest policies.  - employees that are responsible for depositary activities are not reporting to the same persons than the one on the investor side, and act independently  - should they feel MIBL is not acting as per AIFMD in terms of depositary due to this potential	Low	2023

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					conflict, they have the possibility to send a claim to the CSSF which could assess the situation in case of litigation and will review this independently		
20	Independence	The depositary is placing reliance on the fund administrator for some of its activities (record keeping, the depositary records are generated by using fund administrator records and enriched / reconciled with the documentation available at the depositary side without having performed independent review of such process).	Depositary function Fund Administration function	Medium	An independent review of the Fund Administrator processes will be conducted yearly by the Depositary function to ensure the reliance can be maintained.  The first review will be conducted by end of 2023. The Fund Administrator is part of the same of group as the Depositary.	Low	2023
21	Outside business activities (including outside business directorship)	Conflict of interests may arise in case the Board has to take decisions in relation to matters linked to MUFGLM Luxembourg in terms of Fund Administration services. The board is made up of 3 directors, one is from MUFGLM and one independent.	MUFGLM MIBL	High	MUFGLM while ultimately part of the same group is a separate legal entity, fully independent, with different Board members compared to MIBL and has to follow strict rules to ensure this independence to comply with CSSF rules.  A conflict of interest register is maintained at the Fund's level. For any decision that impacts	Medium	2024

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					MIBL (e.g. admin fees), the conflicted stakeholders refrain to discuss the topic and do not take part in the vote, which is minuted. There is an independent IM.		
22	Business and operations / Clients	Conflicts of interest may arise between clients regarding the allocation of transactions. In case of concurrent negotiations of transactions involving different clients, potential conflicts may arise from the agent inadvertently favouring one client over another by providing better terms or prioritising one transaction. Conflicts may also arise when the agent is allocating potential transactions to different clients and favours one/more client(s) over the others.	Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A Clients	High	MIBL discloses on both its Best Execution Policy (on website) and in the ASLRA that the negotiation with a counterparty may be carried out concurrently (or in aggregation) with negotiations with the counterparty for other clients about similar transactions. Additionally, the potential conflict is disclosed on the CoI Policy (also published on MIBL's website for clients).  On a Quarterly basis a Best Execution Assessment is carried out to review allocations and ensure compliance with the Best Execution Policy.	Medium	2024
23	Separation between the performance of depositary services and	The Depositary must act honestly, fairly, professionally, independently and solely in the interest of the fund and	Depositary Fund Administration Securities Lending	High	The following measures have been put in place in order to mitigate the potential CoI:  - A CoI Policy is established, annually reviewed and shared		2024

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	other tasks	the investors. In that sense, it is necessary that the function is independent. Considering it is possible that MIBL provides depositary services and other services to the same client, a conflict of interest could arise if the independency of the depositary function is not respected.	Transfer Agent Fund Order Desk		within the departments;  - The Depositary, in relation to Fund Administration, Securities Lending and Transfer Agent departments, is functionally and hierarchically segregated, and do not share the same head of department;		
24	Performance of UCI Administrator Services	Conflicts of interest in UCI administration services may arise in various situations, including but not limited to:  - Relationships with UCIs, IFMs, or depositaries that could influence operational independence.  - Preferential treatment of certain UCIs or investors over others.  - Dual roles or overlapping responsibilities that compromise objective decision-making.	Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A	Medium	To ensure conflicts of interest are effectively managed, the Bank has implemented the following mitigation measures:  - Segregation of Duties and Responsibilities: Clearly defined roles and responsibilities within the UCI administration function to prevent undue influence.  - Independent Decision-Making Processes: Decision-making frameworks that ensure operational independence and avoid undue influence from Related Parties.  - Transparency and Disclosure: Ensuring any unavoidable conflicts are disclosed to relevant stakeholders, including	Low	2025

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					UCIs, IFMs, depositaries, and investors, as required.		
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**Appendix II: Notification form in order to report/escalate conflicts of interest**

Each employee of the Bank shall use the following notification form in order to declare/escalate his/her conflicts of interest.

Date of transmission to Chief Compliance Officer and the Authorized Management	
Name of the employee	
Name of the department	
Details on the Conflicts of Interest	<ul style="list-style-type: none"> <li>▪ Nature of the conflict: <i>Please mention if the conflict is either potential, perceived or actual</i></li> <li>▪ Source of the conflict: <i>Please describe parties involved in the conflict and main rationale behind</i></li> <li>▪ Risk for the client: <i>Please describe the main risk for the client of the Bank, if applicable. If no client is impacted by this conflict of interest, describe the main risk for the Banks, such as reputational risk.</i></li> </ul>
Means of management of the conflict of interest	<input type="checkbox"/> Yes <i>If yes, please describe main mitigating/preventing measure in place. Where such situation is already covered by a Policy or Procedure of the Bank, please name the Policy or the Procedure including mitigating measures in place.</i> <input type="checkbox"/> No
Disclosure of the conflict to the client / investor	<input type="checkbox"/> Yes <i>If yes, please specify the date and provide evidence of the communication with the client to the Chief Compliance Officer</i> <input type="checkbox"/> Not yet