

# CONFLICT OF INTEREST POLICY

NORDIC FUND SERVICES S.A.

<b>Approved by:</b>	The Board of Directors
<b>Date of Approval:</b>	February 2, 2017
<b>Date of last Approval:</b>	N/A

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## 1 Glossary

BoD	-	Board of Directors of the Company
CSSF	-	Commission de Surveillance du Secteur Financier
Company	-	Nordic Fund Services S.A.

## 2 Legal Framework

- Law of 17 December 2010 relating to undertakings for collective investment, Chapter 15, articles 109 (1) b, 110 (1) e and 111 d)-e).

Management companies must be structured and organized in such a way as to minimize the risk of UCITS or clients' interests being prejudiced by conflicts of interest between the company and its clients, between two of its clients, between one of its clients and a UCITS or between two UCITS.

Management companies are authorized to delegate to third parties, for the purpose of a more efficient conduct of their business, the power to carry out on their behalf one or more of their functions. In that case a mandate with regard to the core function of investment management shall not be given to the depositary or to any other undertaking whose interests may conflict with those of the management company or the unitholders.

In the conduct of its business activities, a management company for UCITS shall, at all times, by virtue of rules of conduct:

- d) try to avoid conflicts of interest and, when they cannot be avoided, ensure that the UCITS it manages are fairly treated, and
- e) comply with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of its investors and the integrity of the market.

## 3 Objective

This policy specifies the procedures to be followed and measures that shall be adopted in order to prevent any potential theoretical conflict of interest from arising, or, where they do arise, from adversely affecting the interests of the unit holders/clients. The procedures and measures shall be evaluated by the compliance function of the Company on an ongoing basis.

## 4 General principles

### 4.1 Criteria for the identification of conflicts of interest

For the purposes 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 the funds or sub-funds managed, the Company takes into account, by way of minimum criteria, the question of whether the Company or a relevant person, or a person directly or indirectly linked to the Company by way of control, is in any of the following situations, whether as a result of providing collective portfolio management activities or otherwise:

- a) the Company or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the fund or sub-fund;
- b) the Company or that person has an interest in the outcome of a service or an activity provided to the fund or sub-fund or another client or of a transaction carried out on behalf of the fund or sub-fund or another client, which is distinct from the fund or sub-fund' interest in that

outcome;

- c) the Company or that person has a financial or other incentive to favour the interests of another client or group of clients over the interests of the fund or sub-fund;
- d) the Company or that person carries on the same activities for the fund or sub-fund and for another client or clients which are not UCITS;
- e) the Company or that person receives or will receive from a person other than the fund or sub-fund an inducement in relation to collective portfolio management activities provided to the fund or sub-fund, in the form of monies, goods or services, other than the standard commission or fee for that service.

The Company, when identifying the types of conflicts of interest, takes into account:

- a) the interests of the Company, including those deriving from its belonging to a group or from the performance of services and activities, the interests of the clients and the duty of the Company towards the fund or sub-fund;
- b) the interests of two or more managed funds or sub-funds.
- c) any circumstances of which the company is or should be aware which may give rise to a conflict of interest resulting from the structure and business activities of other members of the Renta4 Banco Group.

#### 4.2 Criteria to define procedures and measures to manage potential conflicts

The procedures to be followed and measures to be adopted by the BoD of the in order to manage potential conflicts includes to ensure the requisite degree of independence:

- a) effective procedures to prevent or control the exchange of information between relevant persons engaged in collective portfolio management activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;
- b) the separate supervision of relevant persons whose principal functions involve carrying out collective portfolio management activities on behalf of, or providing services to, clients or to investors whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company;
- 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 conflicts 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 separate collective portfolio management activities where such involvement may impair the proper management of conflicts of interest. Where the adoption or the practice of one or more of those measures and procedures does not ensure the requisite degree of independence, management companies shall adopt such alternative or additional measures and procedures as will be necessary and appropriate for those purposes.

## 5 Procedure

### 5.1 Analysis

Taking into accounts the identification criteria above, the Compliance Officer draws up a list for each fund or sub-fund of the circumstances which constitute or may give rise to a conflicts of interest entailing a material risk of damage to the interests of the fund or sub-fund or one or more other clients.

For each individual case identified, he mentions the procedures to be followed and measures to be adopted in order to manage such conflicts.

The analysis is submitted to the BoD to validate the procedures and measures to be adopted in order to manage such conflicts

### 5.2 Validation by the Management

Taking into accounts the criteria to define procedures and measures to manage potential conflicts, the BoD validates the procedures and measures to be adopted in order to manage such conflicts.

### 5.3 Constant monitoring and management of activities giving rise to detrimental conflicts of interest

Under the supervision of the BoD the Compliance Officer maintains the lists and updates the records of the types of collective portfolio management activities undertaken by or on behalf of the management company in which a conflicts of interest entailing a material risk of damage to the interests of one or more funds or sub-funds or other clients has arisen or, in the case of an ongoing collective portfolio management activity, may arise.

Where the organizational or administrative arrangements made by the Company for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of fund or sub-fund or of its unitholders will be prevented, the BoD is promptly informed by the Conducting Officers of the Company in order for them to take any necessary decision to ensure that in any case the Company acts in the best interests of the fund or sub-fund and of its shareholders/unitholders.

The Company reports those situations to investors by any appropriate durable medium and give reasons for its decision.

## 6 Control points reminder

Name of the Control	Team in Charge	Periodicity
Initial identification of potential risk of conflicts of interest / proposition of procedures and measures to manage potential conflicts	The Compliance Officer	Before the Company's inception date
Validation of procedures and measures to manage potential conflicts	The BoD	Before Company's inception date
Update of the lists and records of the types of collective portfolio management activities in which a conflicts of interest has arisen or may arise	The Compliance Officer under the supervision of the BoD	Permanently
Report of breach / failure to prevent risks to the Board of Directors	The Conducting Officers	Promptly