



ETHENEA

Conflict of Interests Policy of ETHENEA Independent Investors S.A. ("ETHENEA" or the "Company")

Current Version 1.1 / May 2022

ETHENEA Independent Investors S.A.

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Background information

This policy governs potential conflicts of interests which may arise between the Company (management, employees) or other persons affiliated with us and our customers and funds, or between our customers and funds. It also prescribes suitable measures to counteract these conflicts of interests.

Table of contents

Background information	1
Table of contents.....	1
1 Introduction	2
2 Conflicts of interests	2
2.1 Conflicts of interests between ETHENEA and ETHENEA customers or funds	2
2.2 Conflicts of interests between ETHENEA employees and customers or funds.....	3
2.3 Conflicts of interests between different ETHENEA customers or funds.....	4
2.4 Conflicts of interests between ETHENEA and the Company shareholders / Board of Directors of the Company	4
3 Measures to prevent conflicts of interests.....	4
4 Handling conflicts of interests	5
4.1 Recording	5
4.2 Unavoidable conflicts of interests	6
4.3 Investor information	6
5 Independence in conflict management.....	6
5.1 Information exchange between relevant persons	6
5.2 Activities with potential conflicting interests.....	6
5.3 Independence of the remuneration	6
5.4 Exertion of influence on activities.....	6
5.5 Concurrent participation in multiple collective portfolio administrations or special funds..	7
6 General	7
7 Version Information.....	7



1 Introduction

As a management company the Company's employees and officers are required to act solely in the interest of investors and to conduct business honestly, with due care and diligence, and in the best interest of the investment funds managed by the Company or of the investors in those investment funds and the integrity of the Luxembourg financial centre and the capital market.

It is never possible to completely rule out conflicts of interests at institutions that provide securities-related services to their customers. In accordance with the relevant legal provisions, the conflict of interests policy of ETHENEA is detailed below.

The aforementioned conflicts of interests may arise between the company, other companies in the group, the shareholders and Boards of Directors, the management, the employees, contractually affiliated intermediaries or other persons affiliated with ETHENEA or its customers or between customers and funds for which ETHENEA provides management services, and ETHENEA's funds. In accordance with the law, ETHENEA, as a capital investment company, as well as the managers and employees, are obligated to provide the securities-related services and ancillary securities-related services offered by the company in the interests of the customers in a manner that is honest, upright and professional and to avoid conflicts of interests wherever possible. Within ETHENEA, a manager is entrusted with the responsibility for compliance activities. This manager handles the checking, identification, prevention and management of conflicts of interests within the management. In addition, compliance support services are also provided by DZ PRIVATBANK S. A. Luxembourg.

All identified conflicts of interest can currently be prevented using suitable measures within ETHENEA. The Company has taken organizational and administrative precautions to identify, prevent, resolve, manage and observe/monitor conflicts of interest, so as to prevent conflicts of interest from damaging the interests of the investment funds and/or investors.

Due to the fact that the externally published list of conflicts of interests only includes conflicts of interests that cannot be prevented by suitable measures, this list is not necessary at ETHENEA.

This internal conflict of interests policy contains all possible conflicts of interests and a list of suitable measures to counteract these conflicts of interests.

2 Conflicts of interests

In order to identify conflicts of interests, ETHENEA bases its approach on its business environment and the relevant Circulars of the CSSF, such as Regulation 10-4 and Circulars 18/698 and 22/806. In addition to this, ETHENEA has established the following principles for handling conflicts of interests, specified the circumstances under which conflicts of interests may arise and defined measures to deal with conflicts of interests

2.1 Conflicts of interests between ETHENEA and ETHENEA customers or funds

In the following situations, among others, a financial benefit can be gained or a loss avoided to the detriment of the customer or funds:

- Use of customer information for one's own ends;
- Recommendation or purchase of financial instruments with particularly high commissions;
- Recommendation of purchase of financial instruments which trigger high allowances



or kickback payments;

- Exploitation of the existence of compliance-related facts;
- Also holding mandates from competitors of the customer, creating the potential for use of confidential information to one's own benefit;
- Holding units in the customer or its competitors or financial instruments issued by them in the securities holdings of the company;
- In the case of the following combinations, for instance, services can be provided to the customer or transactions carried out in their name, where the Company or persons attributable to it have interests in the results of these that deviate from the customer's interests:
 - sale of securities that are difficult to sell at the time (so-called slow sellers) from the holdings of the Company to an own or a customer's fund;
 - within the framework of portfolio management: recommendation or conclusion of transactions, giving preference to products of the Company or firms close to the Company or Company shareholders, which are not in the fund's interests;
 - recommendation or conclusion of transactions which serve solely to generate commission income for the Company;
 - recommendations / investment decisions in the own interests of the company
 - holding units in the customer or its competitors or financial instruments issued by them in the holdings of the company or their own funds;
 - in the sale of one's own public funds via a third party, portfolio commissions may be paid to this third party under certain circumstances.

Combinations of factors involving potential financial incentives which may result in unequal treatment of different customer groups:

- Sliding scales for fees or commissions depending on the volume of the transaction or the granting of special conditions; situations giving rise to a potential competitive relationship with the customer;
- Potential competition between businesses for own funds and customer orders.

Combinations in which third parties pay for services for customers or own funds with monetary incentives or other benefits outside of the customary commission:

- Incentives (such as travel, invitations to events or material benefits).

2.2 Conflicts of interests between ETHENEA employees and customers or funds

In the following situations, among others, financial benefit can be gained or a loss avoided to the detriment of the customer or fund:

- Use and disclosure of confidential information;
- Trade in knowledge of customer orders;
- Unreason



- able differentiation between different customer/fund groups for IPOs;
- Non-balanced investment decisions due to self-interest in commission income;
- Combinations of factors involving potential financial incentives which may result in the unequal treatment of different customer groups:
 - acceptance/offering of gifts;
- Situations giving rise to a potential competitive relationship with the customer:
 - own transactions/customer orders;
- Combinations in which third parties remunerate services for customers or funds with monetary incentives outside of the customary commissions.

2.3 Conflicts of interests between different ETHENEA customers or funds

In the following situations, among others, a financial benefit can be gained or a loss avoided to the detriment of the customer or fund:

- Conflicting interests in the execution of customer and own fund orders;
- OTC transactions by a fund manager between deposits/funds of one or more customers;
- Customer orders that are in conflict with other customers or own funds;
- Combinations of factors involving potential financial incentives which may result in the unequal treatment of different customer or fund groups:
 - arrangement of terms (a customer/fund group or a single customer/fund is treated better than others in the arrangement of terms, e.g. due to the size of the portfolio);
 - internal allocations from block orders that are not fully executed (a customer/fund group or a customer/fund is disadvantaged compared to others in the allocation of pre-purchased financial instruments, e.g. due to the size of the order);
 - Order execution incl. subscription orders (e.g. temporarily giving preference to one customer order over another).

2.4 Conflicts of interests between ETHENEA and the Company shareholders / Board of Directors of the Company

- Churning;
- Increased trading activity in funds to generate commissions or additional income;
- Obligatory custodian bank function;
- Strict preferential recommendation of DZ PRIVATBANK as custodian bank;
- Admixture of other holdings of Company shareholders/directors in funds;
- Strict preferential admixture of the holdings of shareholders/directors in funds.

3 Measures to prevent conflicts of interests

Measures which may contribute to the prevention of conflicts of interests include:



- Availability of corresponding work instructions, the procedures manual, the compliance guidelines and detailed instructions for employee transactions;
- Arrangement of the target agreement system;
- Observance and enforcement of rules for employee principles and transactions;
- Disclosure requirements for employee transactions;
- Reporting requirements to Compliance (including reporting of mandates, etc.);
- Existence of a watch list;
- Under certain circumstances, institution of a trading ban;
- Fulfilment of the obligation to take the customer's interests into account in investment decisions and fund composition Fulfilment of the obligation to take the customer's interests into account in receipt of other monetary benefits (e.g. for technical support);
- Compliance with the law and the prevention of prohibited operations;
- Separation of trading for own funds and trading for customer funds;
- Prohibition on front and parallel running;
- Requirements for compliance with insider laws;
- Cost transparency by means of honest, unambiguous and non-misleading information on all costs associated with the securities-related services and ancillary securities-related services, including all cost bases and any decision margins, as well as the availability of a pricing table;
- Commissions paid to ETHENEA by issuers/distributors for the purchase of assets within the framework of asset/fund management, such as trailer fees, are credited to the account/securities account of the relevant fund;
- Existence of allocation principles;
- Strict adherence to customer instructions and/or customer-approved "best execution policies";
- Due diligence process in custodian bank selection;
- Identification of portfolio turnover rates and coordination with the annual auditor;
- Monitoring of gifts to employees exceeding a significant value;
- Establishment of confidentially areas ("Chinese Walls");
- Maintenance of a register of potential conflicts of interests.

4 Handling conflicts of interests

4.1 Recording

ETHENEA shall record the forms of collective asset/fund management in which a conflict of interests with considerable adverse impact on the interests of the investment capital or the customer has occurred or could occur.



4.2 Unavoidable conflicts of interests

In cases of unavoidable conflicts of interests, the management must be notified of such immediately. The management will take the necessary measures to ensure that ETHENEA acts in the best interests of the investment capital and its investors at all times. The decision of the overall executive management is justified and documented. Any detriment to the interests of investors of affected investment funds must be avoided in all cases.

4.3 Investor information

ETHENEA shall inform the investors of any unavoidable conflicts of interests and of its decisions in this regard in accordance with the provisions of CSSF Circular 18/698, margin number 383. ETHENEA's decision in such cases shall be explained and justified, taking into account the internal principles and procedures agreed for the identification, prevention and management of conflicts of interests, even if the decision is to take no action. With the consent of the investors, in the case of special funds, ETHENEA may refrain from communicating information to the investor on unavoidable conflicts of interests and decisions regarding these.

5 Independence in conflict management

5.1 Information exchange between relevant persons

In order to prevent unauthorised access to information, the following measures have been taken:

- Password-protected access to all computers at ETHENEA;
- Regular changing of passwords;
- Drives and files with department-specific and person-specific read and write permissions.

5.2 Activities with potential conflicting interests

All employees at ETHENEA are classified as employees with special relevance for compliance and are therefore subject to the checking and monitoring procedures of the manager responsible for compliance and the recommendations of the Compliance department at DZ Privatbank S.A, which provides support.

5.3 Independence of the remuneration

The remuneration system implemented at ETHENEA assures employees of remuneration based on individual performance, independently of services provided by third parties.

5.4 Exertion of influence on activities

Improper exertion of influence by other persons on ETHENEA employees is counteracted by the drafting of general conduct guidelines, work instructions and training courses by the Compliance department of DZ PRIVATBANK S.A.



5.5 Concurrent participation in multiple collective portfolio administrations or special funds

The Company regularly, at least once a year, reviews the validity and appropriateness of the procedures described here and makes any necessary adjustments. The Chief Compliance Officer is responsible for the proper documentation of the review, adjustment and enforcement.

6 General

The Company regularly, at least once a year, reviews the validity and appropriateness of the procedures described here and makes any necessary adjustments. The Chief Compliance Officer is responsible for the proper documentation of the review, adjustment and enforcement.

7 Version Information

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