

R+V AIFM S.à r.l

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# **CONFLICTS OF INTEREST POLICY**

## Document Control

<b>Policy Type</b>	Regulatory/Compliance
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<b>Reviewer</b>	Senior Management (Conducting Officers)
<b>Approver</b>	Board of Directors
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# 1 Overview

## 1.1 Introduction

The purpose of this Conflicts of Interest Policy (hereinafter “Policy”) is to set out the framework and processes to be implemented by R+V AIFM S.à r.l (hereinafter “AIFM”) in order to identify potential and existing conflicts of interest that pose a risk to the AIFM itself, the interests of any investment funds (hereinafter “Funds”) managed by the AIFM or a risk to the interests of the investors into those Funds (hereinafter “Investors”).

## 1.2 Scope

Furthermore, the Policy shall set out the procedures to be followed and measures to be adopted by the AIFM in order to manage such conflicts of interests in an independent/objective manner and to communicate these procedures to all employees of the AIFM.

The following Policies/Handbook are impacted by the AIFM conflicts of interest policy:

- Risk Management Handbook;
- Portfolio Management Handbook;
- Business Continuity Policy;
- Asset Valuation Handbook;
- Outsourcing and Third-Party Delegation Handbook;
- Best Execution Policy;
- Proxy Voting Policy;
- AML and CTF Policy;
- Remuneration Policy;
- Employee Transactions Policy;
- Compliance Policy;
- Internal Audit Policy;

## 1.3 Objective

The objective of this Conflict of Interest Policy is to provide general information on which conflicts of interest could arise and which policy measures and procedures the AIFM uses to prevent these conflicts of interest as much as possible or, if they occur, to recognize them as such and appropriately handle and manage them.

## 1.4 Regulatory Requirements

This document has been established in accordance with regulatory requirements and relevant industry standards, such as:

**Table 1-1 Regulatory Overview**

Item	Regulation /Guidance
AIFMD/Level 1	AIFM Directive 2011/61/EU
AIFM-DR/Level 2	Commission Delegated Regulation (EU) No 231/2013 supplementing Directive 2011/61
AIFM Law	The Luxembourg AIFM Law of July 12 <sup>th</sup> , 2013
2010 Law	The Law of 10 December 2010 relating to undertakings for collective investment
CSSF Circular	CSSF Circular 18/698
CSSF Circular	CSSF Circular 22/806

Specific requirements can be found in this Policy.

In accordance with the regulatory requirements set out above, the AIFM takes all reasonable steps to identify conflicts of interest arising i.a. in connection with the management of the Funds. Accordingly, the AIFM (and the Funds it manages) must be structured and organised in such a way as to minimise the risks of such conflicts of interest.

Where potential conflicts of interests are identified, the AIFM is required to maintain and apply effective organisational and administrative arrangements designed to ensure that such conflicts of interest are either prevented outright or managed in a manner that shall safeguard the interests of the Funds and their Investors accordingly.

## 2 Framework

### 2.1 Independence in the management of conflicts of interest

The Board of Directors, which remains ultimately responsible for the proper management of conflicts of interest, has appointed the Compliance Officer for the active management of conflicts of interest. The Compliance Officer shall at all times assist in the process of conflict of interest management. That said, each employee of the AIFM is equally responsible for managing such conflicts wherever and whenever possible.

Active management of conflicts of interest is understood to mean in particular the following tasks:

- Identification of actual and potential conflicts of interest;
- Mitigating conflicts of interest;
- Resolution of conflicts of interest;
- Maintenance of a conflicts of interest register (hereinafter “COI Register” - see Annex 1);
- Initiating the disclosure of unresolved conflicts of interest;

- Monitoring of conflicts of interests for outsourced activities;
- Regular reporting to the Board of Directors;
- Disclosure to Investors.

Where employees identify and/or manage potential conflicts of interest, the AIFM has defined clear reporting lines within the individual departments of the AIFM as well as from the individual departments to the Board of Directors. All conflicts of interest must be disclosed to the Compliance Officer without undue delay for further processing in accordance with this Policy.

## 2.2 Roles and Responsibilities

**Board of Directors:** The Board of Directors remains ultimately responsible for the conception, approval and implementation as well as the AIFMs compliance with this Policy.

The Board of Directors ensures that the AIFM has rules laid out in the standard employment terms and conditions, which govern employee conduct, including a policy governing personal/employee transactions which is aimed at preventing, identifying and managing conflicts of interest that may arise in connection with personal transactions executed by the employees of the AIFM.

The Board of Directors shall also be responsible for reviewing the COI Register regularly and, where necessary, on an ad hoc basis during meetings of the Board of Directors.

The Board of Directors shall review this Policy on a regular basis and at least once a year.

**Compliance Officer:** As an employee of the AIFM and/or a member of the Senior Management, the Compliance Officer acts as head of the AIFMs Compliance function and is directly mandated by the Board of Directors to implement this policy, monitor adherence thereto and report to the Board of Directors directly and without undue delay on all matter concerning conflicts of interest. In this context, the Compliance Officer has sole access and responsibility for the COI Register.

The Compliance Officer shall include regular training of all employees with respect to the AIFMs conflicts of interests' requirements (ex.: as part of the annual Compliance Training)

**All employees:** Including members of the Senior Management and the Board of Directors of the AIFM are responsible for reading and abiding by this policy, the relevant legislation and any documentation amending or otherwise supporting this policy.

**Internal Audit:** The determination of the adequacy of the measures described in this Policy and the compliance by the AIFM (and its employees) thereto, shall form part of the ongoing evaluation by the Internal Audit function.

## 2.3 Summary of Requirements

### 2.3.1 Identifying Conflicts of Interest

The AIFM is required to take all reasonable steps to identify conflicts of interest:

- between the AIFM (including its Board of Directors, Senior Management, portfolio managers, employees or any person directly or indirectly linked to the AIFM by way of control) and the Fund it manages or the Investors in that Fund and its clients;
- the Fund or the investors of this Fund and another Fund or the investors of this Fund;
- the Fund or the investors of this Fund and another client of the AIFM;
- between two of its customers/clients;

that arise or may arise in the course of providing any of the AIFM's services and activities.

### **2.3.2 Types of Conflicts of Interests**

During the ongoing identification process, the AIFM shall take into account, by way of minimum criteria, the question of whether the AIFM or a relevant person, or a person directly or indirectly linked to the AIFM by way of control, is subject to a potential conflict of interest arising from the following situations:

- the AIFM or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the Fund;
- the AIFM or that person has an interest in the outcome of a service, or an activity provided to the Fund or another client or of a transaction carried out on behalf of the Fund or another client, which is distinct from the Fund interest in that outcome;
- the AIFM 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;
- the AIFM or that person carries on the same activities for the Fund and for another client or clients which are not Funds;
- the AIFM or that person receives or will receive from a person other than the Fund an inducement in relation to 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.

In the event that the AIFM and/or an employee of the AIFM determines that one of the above criteria applies, such determination shall be escalated to the Compliance Officer without undue delay.

If the Compliance Officer determines that one or more of the abovementioned criteria applies, the conflict of interest thus identified is documented in writing in the COI Register and included in the active management of conflicts of interest.

### **2.3.3 Segregation of Functions**

The duties of the senior management and Board of Directors are segregated to avoid conflicts of interest appropriately.

### **2.3.4 Conflicts of Interest in case of Outsourcing**

With regard to the activities of third parties that perform delegated tasks of the AIFM (Outsourcing), the adherence to the principles of this Policy are checked and documented in the context of the due diligence audits and outsourcing controls (the Outsourcing and Third Party Delegation Handbook of the AIFM provides further information in this respect).

The AIFM will, in particular, ensure that the service provider is independent from the statutory auditor (réviseur d'entreprises agréé or cabinet de révision agréé) in charge of the statutory audit of the AIFM and from the group to which the statutory auditor belongs.

### **2.3.5 Disclosure of Conflicts of Interest**

Where the arrangement of the AIFM are not sufficient to ensure with reasonable confidence that the risk of damage to the interests of a Fund, its shareholders/Investors or the AIFMs Clients will be prevented, the AIFM

- must clearly disclose, in a durable medium, the general nature and source of the conflict of interests to the Client before providing services or other activities for that Client; and

- must provide sufficient detail to enable the particular Client to take an informed decision in relation to the service or activity offered.

The decision as to when disclosure shall be required under this Policy, shall be taken by the Board of Directors in consideration of the direct and independent report of the Compliance Officer.

## **2.4 Situations in which Conflicts of Interest could arise**

Set out below are suggested heading describing the typical situations in which conflicts of interest arise and are managed in the course of the AIFMs day-to-day business so that employees, the Compliance Officer and the Board of Directors are better equipped to identify, report and assist in eliminating or managing conflicts.

The Headings shall be further specified directly in the COI Register

Suggested Headings:

- Potential misuse of information;
- Remuneration Policy/Performance Related Fees;
- Disparity between performance fees for different Funds;
- Personal Account Dealing;
- Personal Interest in Funds;
- Staff on notice to leave;
- Inducements/Gift/Entertainment;
- Cross Trading between Funds;
- Trade and Initial Public Offering allocations;
- Ineffective use of ownership right;
- Excessive trading (churning);
- Multiple mandates;
- Outside business activities;
- Family/friend/related persons/ inside interest;
- Political contributions;
- Valuation policy;
- Late trading;
- Market timing;
- Use of affiliated intermediaries (e.g. in security lending);
- Support of securities underwritten by affiliates.

## **2.5 Arrangement for appropriately managing Conflicts of Interest**

The Board of Directors ensures that the AIFM has at minimum implemented the following arrangements for managing conflicts of interests in accordance with this Policy.



### **2.5.1 Governance**

The AIFM has robust governance arrangements. Key business decisions are taken by the Board of Directors and are documented accordingly. The Board of Directors receives regular updates by the Compliance Officer and reviews the COI Register regularly. The Board of Directors ensures that the AIFM has rules laid out in the standard employment terms and conditions, governing employee conduct, including a policy governing personal/employee transactions which is aimed to control and mitigate conflicts of interest.

The Compliance Officer reports directly to the Board of Directors and all departments and senior management are required to cooperate with the Compliance Officer in the course of completing his/her duties in accordance with this Policy. Where potential conflicts of interest are identified in the persons composing the Board of Directors, the Compliance Officer shall report directly to the Board of Directors if any.

### **2.5.2 Reporting Lines**

The AIFM has defined clear reporting lines. An organisational chart is maintained at all times and includes the reporting lines within individual departments and between the departments, the Senior Management and the Board of Directors.

### **2.5.3 Segregation of Functions**

Segregation of functions is met by segregating duties as appropriate to avoid conflicts of interest wherever possible. These duties are set out via job descriptions, procedure manuals (i.e. the individual policies setting out the rules of procedure for each department, service or activity) and organisation charts. Ensuring these duties remain segregated is the responsibility of line managers of each department, the Senior Management and the Board of Directors as advised by the Compliance Officer.

### **2.5.4 Remuneration/Compensation Arrangements**

The Board of Directors has developed and shall maintain a Remuneration Policy which shall comply with all statutory and regulatory provisions. The aim of such policy and the concept of remuneration shall include at all times the prevention of conflicts of interest (particularly with respect to taking asymmetric risks that do not comply with the risk and business strategy of the AIFM) that may arise in connection to remuneration, variable compensation or other financial and non-monetary benefits.

Potential conflicts of interest in this regard are also to be identified in the COI Register.

### **2.5.5 Policies for investor protection**

The Board of Directors has developed and implemented separate policies to prevent time arbitrage, excessive transaction costs, window dressing and other activities which, on the basis of a conflict of interest, would or could be detrimental to the best interest of the funds managed by the AIFM and their corresponding investors.

### **2.5.6 Disclosure in and Maintenance of the COI Register**

Employees, the Senior Management and member of the Board of Directors are required to disclose conflicts of interest without undue delay whenever they arise and at least annually by submitting Conflict of interest confirmation form to Compliance.

Employees will disclose any conflicts of interest to the Compliance Officer. The Senior Management as well as the members of the Board of Directors will disclose any conflicts directly to the Compliance Officer also.

The Compliance Officer will record in the COI Register and inform the Senior Management as a whole or, as the case may be, the Board of Directors of any action taken.

The COI Register contains information on:

- a designation of the type of the conflict under the appropriate heading;
- a description of the conflict and when it was first reported or identified;
- the parties which interests are in conflict;
- the conflict rating (High, Medium, Low);
- a description of the measures taken to mitigate the conflict of interest;
- the net rating (High, Medium, Low), i.e. the rating of the conflict taking into account the mitigating measures;
- the indication of disclosure on a durable medium (only in case on net rating is high or medium).

Access to make amendments to the COI Register is restricted to the Compliance Officer and any amendments must be identified accordingly. The COI Register is regularly shared (read-only access) with the Senior Management and Board of Directors or as becomes necessary on an ad-hoc basis. The COI Register is also to be presented to any supervisory authorities upon request as well as in case of request by the (internal) auditors (read-only access).

### **2.5.7 Training**

The Compliance Officer shall include training on the statutory requirements regarding conflicts of interest as well this Policy as part of the annual compliance training to all employees or whenever deemed necessary by the Compliance Officer on an ad hoc basis.

### **2.5.8 Compliance and Procedures Policies**

Systems and controls are documented in the relevant policies and reviewed at least once a year by the Board of Directors.

### **2.5.9 Verification of Compliance**

The principle means of verifying that this Policy and all other relevant policies regarding conflicts of interest are complied with will be an annual compliance review undertaken by the Compliance Officer.

Furthermore, the Compliance Officer shall consider compliance with these policies on a regular basis and will report formally to the Senior Management and the Board of Directors.

Verification of compliance will additionally occur in the course of the Internal Audit Function review of the AIFMs proper business organisation arrangements.

### **2.5.10 Escalation**

The Board of Directors is informed on an ad hoc basis without undue delay on the occurrence of (potential) conflicts of interest.

As per the Delegated Regulation (EU) 231/2013, the senior management must receive on a frequent basis, and at least annually, written reports on activities in which a conflict of interest entailing a material risk of damage to the interests of one or more AIFs or its investors has arisen or, in the case of an ongoing activity, may arise. Shall such conflict of interest have a net rating of high level where the organisational or administrative arrangements it has made to manage conflicts of interest have not been sufficient to ensure, with reasonable certainty, that the risk of damage to the interests of the

Fund or its investors will be avoided, such conflict of interest has to be disclosed to the Senior management as well as Board of Directors before further notifying Investors within the appropriate procedure.

### 3 Monitoring

The effectiveness of controls is assessed through the completion of regular control self-assessment by the Compliance Team as per Confirmation of Compliance form (Annex 2).

The AIFM will also seek to monitor their delegates to ensure that this policy or an equivalent policy, enabling the AIFM to comply with its regulatory requirements is adopted by them in accordance with the AIFM's Outsourcing and Third-Party Delegation Handbook.

### 4 Information Disclosure

This Conflicts of Interest Policy is available upon request at the registered office of the AIFM and any material changes to this policy will also be made available in the same manner.

### 5 Record Keeping

The AIFM must ensure that adequate records are maintained in relation to this manual and that those records are retained for five (5) years after they cease to be current.

### 6 Review, Maintenance and Amendment

The Policy may be updated from time to time. The Internal Audit regularly reviews the proper compliance of the individual teams/departments involved in with this Policy.

The Senior Management/Conducting Officers shall review this policy and effective arrangements at least on an annual basis and consider on an ad hoc basis any findings and recommendations of the Internal Audit function or Compliance.

There are 3 categories of amendment to the policy which are subject to the following levels of approval authority.

**Table 6-1 Levels of Amendment and Approval**

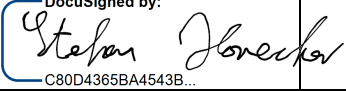
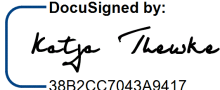
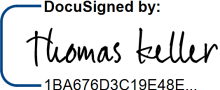
Level	Description	Authority
1	Minor typographical, numerical or consequential changes not affecting the policy/handbook framework.	The team responsible of the Policy; and The Compliance team
2	Changes to processes or procedures not changing the overall framework of the policy/handbook.	The Permanent Compliance Officer; The Permanent Internal Auditor; and The Senior Management/Conducting Officers

Level	Description	Authority
3	Significant permanent changes to the overall framework of the policy/handbook	The Governing Body

## 7 Document - Authorisation | Approval

The Board of Directors of the AIFM is responsible for the establishment of and oversight over the proper business organization required to implement and execute this Policy in the best interest of the investors.

This Policy/Handbook, and the Procedures detailed above were agreed and minuted at a meeting of the Board of the AIFM on 2023-05-24

Name	Signature	Date
Stefan Honecker	 C80D4365BA4543B...	24-05-2023
Katja Thewke	 38B2CC7043A9417...	24-05-2023
Thomas Keller	 1BA676D3C19E48E...	24-05-2023



## 9 ANNEX 2 – CONFIRMATION OF COMPLIANCE

### Confirmation of Compliance

I, the undersigned, herewith confirm that during the year under review (\_\_\_\_\_ to \_\_\_\_\_) I have complied with the processes and obligations laid down in

- Business Code of Conduct
- Conflict of Interest Policy
- Employees Securities Trading Policy and
- Market Abuse Policy.

I further confirm that I have been informed about the Banned List and have access to its current version.

Furthermore, I disclose<sup>1</sup> the following outside directorships and business interest<sup>2</sup>:

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For my family members<sup>3</sup> I disclose<sup>4</sup> the following outside directorships and business interests:

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Luxembourg, \_\_\_\_\_

Name:

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<sup>1</sup> Please use additional page if the space is not sufficient

<sup>2</sup> Please disclose information about any directorships outside of R+V Group and/or any legal entities where you have an UBO-status

<sup>3</sup> Family members are a) spouse or civil partner or any partner of the signee considered by national law as equivalent to a spouse b) a dependent child or stepchild and c) any other relative who has shared the same household as the signee during the period under review

<sup>4</sup> Please use additional page if the space is not sufficient