

Conflicts of Interest Policy  
of SMBC Nikko Investment Fund Management Company S.A.  
*(extract)*

## Conflicts of Interest Policy *(extract)*

SMBC Nikko Investment Fund Management Company S.A. (“the Company”) has established a conflicts of interest policy to set out the legal & regulatory requirements which the Company complies with, as well as the related actions it implements, in order to meet its obligations with regard to the management of conflicts of interest as a management company authorised as an alternative investment fund manager pursuant to the Luxembourg law of 12 July 2013 on Alternative Investment Fund Managers.

The Company’s conflicts of interest policy covers the following matters:

- Any potential conflict related to personal trading of employees, remuneration, gifts and entertainments provided to or from an employee (including the Board of Directors), directorships of board members or conducting officers, personal interests of employees or of members of the Board of Directors.
- With reference to the activities of collective portfolio management carried out by or on behalf of the Company, including activities carried out by a delegate, sub-delegate, external valuer or counterparty, identification of the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of the funds managed by the Company (each, a “Fund”, and collectively referred to as the “Funds”) or their investors;
- Any potential conflict of interest resulting from the role of SMBC Nikko Securities Inc. as delegate of the Company (as distributor of the Funds) while being the head office of the Company.
- Any potential conflict of interest resulting from appointment of SMBC group companies as delegates.
- Procedures to be followed and measures to be adopted in order to prevent, manage and monitor such conflicts and practical arrangements implemented to inform investors.

As a general principle, the Board of Directors and the conducting officers of the Company have to always act in the best interest of the investors of the Funds. The situations in which potential conflicts of interests may arise in connection with the Company, any relevant person or a person directly or indirectly linked by way of control to the Company include the following:

- The Company or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the Fund or its investors;
- The Company or that person has an interest in the outcome of a service or an activity provided to any Fund or its investors or to a client or of a transaction carried out on behalf of the Fund or a client, which is distinct from the Fund’s interest in that outcome;
- The Company or that person has a financial or other incentive to favour:
  - the interest of a Fund of a different type, a client or group of clients or another Fund over the interest of the Fund;
  - the interest of one investor over the interest of another investor or group of investors in the same Fund;
- The Company or that person carries out the same activities for the Fund as for one or several Funds or clients which are or are not of the same type;
- The Company or that person receives or will receive from a person other than a Fund or its investors an inducement in relation to the 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.

The Company takes all reasonable steps to identify conflicts of interest that arise in the course of the Funds between:

- The Company, including its directors, conducting officers, employees or any person directly or indirectly linked to the Company by control, and any Fund or the investors in that Fund;
- a Fund or the investors in that Fund, and another Fund or the investors in that other Fund;
- a Fund or the Investors in that Fund, and another client of the Company;
- two clients of the Company.

The Company has established procedures and measures for the prevention and management of conflicts of interests which are designed to ensure that relevant persons engaged in different business activities of the Company (including members of the governing bodies, of the compliance function, of the risk management function and of the internal audit function) involving potential conflicts of interest carry on those activities at a level of independence appropriate to the size and activities of the Company and of the group to which it belongs, and to the materiality of the risk of damage to the interests of the Funds or their investors. Identified conflicts of interest are recorded, escalated, reported and managed in accordance with internal rules and applicable laws and regulations and appropriate safeguards are implemented.

If the adoption or the implementation of one or more of those measures and procedures does not ensure the requisite degree of independence, the Company adopts such alternative or additional measures and procedures as are necessary and appropriate for that purpose. If a conflict of interest cannot be avoided by other measures and the procedures put in place to manage the conflicts of interest are insufficient to ensure, with reasonable confidence, that material risks of damage to a client's interest will be prevented, the Company will disclose the nature and the source of the remaining conflict of interest to the client to enable the client to make an informed decision.

As at the date of its conflicts of interest policy, the Company does not have any conflicts where the measures in place do not sufficiently mitigate the conflict of interests and the risk of harm to the client.