



# CONFLICT OF INTEREST AND PERSONAL TRANSACTIONS POLICY

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A&G Luxembourg AM S.A.



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# 1. INTRODUCTION

## 1.1. Purpose

This document (the "**Conflict of Interest Policy**") sets out a conflict of interest policy of A&G Luxembourg AM, S.A. "A&G Luxembourg AM S.A. (hereinafter, including its Spanish branch, the "**Company**" or the "**AIFM**")", in accordance with the applicable regulations and guidelines A&G group (the "**A&G Group**") to which the Company belongs.

The purpose of this Conflict of Interest Policy is to establish guidelines to ensure that the relevant persons engaged in different business activities involving a risk of conflict of interest carry out these activities having a degree of independence which is appropriate to the size and activities of the Company and of the Group, and to the materiality of the risk of damage to the interest of the funds under the Company's management (each of them an "**AIF**") or its investors.

This Conflict of Interest Policy includes procedures and measures in order to identify, prevent, manage and monitor the conflict of interest emerging in the management of funds between:

- the AIFM, including its managers, employees or any person directly or indirectly linked to the AIFM by control, and the AIF(s) managed by the AIFM or the exiting or prospective investors in that AIF(S) (the "**Clients**" or a "**Client**");
- the AIF or the investors in that AIF and another AIF or the investors in that AIF;
- the AIF or the investors in that AIF and another Client of the AIFM;
- two Clients of the AIFM;
- the AIFM and/or the AIFs and/or the Clients and the group to which the Company belongs (the "**Group**") when applicable;

With clarification purposes, this Conflict of Interest Policy includes the treatment of inducements and Personal Transactions.

## 1.2. Applicable regulations

In drafting this Conflict of Interest Policy, all the legal texts in force in Luxembourg and the AIFM Directive have been taken into account. In particular:

- Law of 12 July 2013 on Alternative Investment Fund Managers, as amended ("**AIFM Law**");
- Commission Delegated Regulation (EU) 231/2013, of 12 December 2012, supplementing Directive 2011/61/EU with regard to exceptions, general operating conditions, depositaries, leverage, transparency and supervision ("**Regulation 231/2013**");
- Circulars and regulations issued by the CSSF, including in particular, but not limited to, CSSF Circular 18/698 on authorization and organization of managers of investment funds under Luxembourg law ("**Circular 18/698**"); and
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**").

Similarly, directives of the Group have also been taken into account when applicable.

## 1.3. Scope

The Conflict of Interest Policy is applied Company-wide to all its managing members (directors and conducting persons) and staff.

## 1.4. Internal governance of the Company



The Company must be organized under solid governance principles.

The allocation of responsibilities within the Company shall be organized so that the Conflicts of Interest are documented, avoided, or at least minimized and mitigated.

The Company's shareholder/s must have into account the independence principle when resolving on the composition of the board of directors of the Company.

Each member of the board of directors of the Company shall ensure that his/her mandate is compatible with other professional occupations, if any. He/she shall disclose to the board of directors the list of mandates he/she holds, if any. Following Circular 18/698, the Company must communicate to the CSSF, on an annual basis, regarding each member of its board of directors and each conducting person, an updated list of professional activities and mandates held by each director/conducting person and the time dedicated to each.

Being the Company part of the Group, the existence of reporting lines from the Company to functions of individuals of the Group does not have to endanger the independence of the internal control functions of the Company.

It is the responsibility of the Board to ensure that the Company organizes itself and designs and implements the procedures and measures described within this policy to ensure that potential or actual Conflicts of Interest are managed fairly and properly. This includes training Employees to ensure that they are able to identify situations where Conflicts of Interest may exist and report them to the compliance officer.

The Company and Employees are required to take all reasonable steps to identify Conflicts of Interest which may arise and should take all reasonable steps to prevent or mitigate the Conflict of Interests of its effect. The Company must specially (i) identify the risks derived from its relationship with the depositaries of the funds under its management; (ii) take into account the risks derived from the delegation of the portfolio management function, if any; and (iii) ensure that when identifying the types of conflicts of interest, those types of conflicts of interest that may arise as a result of the integration of Sustainability Risks in processes, systems and internal controls are included. In determining what steps are reasonable to take to mitigate or eliminate any Conflict of Interest, the Management and the compliance function must consider the level of risk that Conflict of Interest may adversely affect the interests of a Client, a group of Clients or any Entity.

## 1.5. Definitions

*Compliance Officer*: means the employee of the Company appointed as responsible person of the compliance function of the Company.

*Concerned Client/AIF* means: any Client/AIF who is or may be adversely affected by a Conflict of Interest.

*Conflict of Interest* means:

- (i) Any situation whereby any activity of the Company, or any Employee in the course of that Employee's employment with the Company or any other business activity of that Employee, gives or potentially gives rise to a situation whereby such activity is, or may reasonably be expected to give the appearance of being, inconsistent with the best interests of any Client; or
- (ii) any situation where the interests of any Client may be inconsistent with those of any other Client.

*Conflicted Person* means: any Employee the activities of whom give rise to a Conflict of Interests.

*Employee*: means any permanent or temporary staff members, apprentices, *secondées*, stagier, consultants or any other natural person whose services are placed at the disposal and under the control of the AIFM, members of the board of directors and conducting persons of the Company.

*Management*: means conducting persons and directors of the Company.

*Sustainability Risk*: means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment as defined in Article 2, point (22), of SFDR.

## 2. IDENTIFICATION AND HANDLING OF CONFLICTS OF INTEREST

### 2.1. Identification

The Company and each Employee must take care to act fairly between Clients and AIFs.

Where the Company or an Employee is aware that the Company has a material interest in a transaction to be entered into with or for a Concerned Client/AIF, or has a relationship which gives or may give rise to a Conflict of Interest in relation to such a transaction, the Company or such Employee (i) must take all such action as is reasonably necessary to ensure that the Conflicted Person's interests do not conflict with those of any Concerned Client/AIF and (ii) may not knowingly advise or deal in relation to that transaction unless it/he has taken all reasonable steps to ensure fair treatment for the Concerned Client/AIF.

When identifying potential conflicts of interest, the Company or an Employee shall consider situations that may raise conflict of interests as a result of integrating Sustainability Risks in the Company's processes, systems and internal controls.

If the Company or an Employee becomes aware of any potential or actual Conflict of Interest or becoming a Conflicted Person, they shall report immediately the potential or actual Conflict of Interests to the Compliance Officer.

### 2.2. Assessment and further action

- 2.2.1** When the a potential or actual Conflict of Interest is brought to the attention of the compliance function of the Company by an Employee according to the paragraph above, or when the compliance function of the Company detects any potential or actual Conflict of Interest, the compliance function of the Company will escalate it to the management committee of the Company (as defined in the governance policy of the Company) with the compliance function's assessment of the real existence of the Conflict of Interest, its materiality and risk and, when possible, a proposal of measures to be taken to mitigate it.

The management committee of the Company will decide on the appropriate course of action to take, mainly:

- a) defining measures to be taken to manage the Conflict of Interest fairly and mitigate it; or
- b) disclosing it to the Client/AIF; or
- c) refusing the proposed transaction.

When necessary, the management committee and/or the compliance function of the Company will escalate the identified Conflict of Interest to the board of directors of the Company for it to resolve on the actions to be followed.

When assessing a potential Conflict of Interest, the Management and the compliance function of the Company must take into account whether the potential or actual Conflicted Person:

- Is likely to make a financial gain, or avoid a financial loss, at the expense of any Client/AIF;
- Has an interest in the outcome of a service provided to a Client/AIF or of a transaction carried out on behalf of a Client/AIF, which is distinct from the Client's/AIF' interest in that outcome;
- Has a financial or other incentive to favor the interest of one AIF or another AIF over the interests of the AIF;
- Has a financial or other incentive to favor the interest of one Client over the interest of another Client or group of Clients in the same AIF;
- Carries on the same activities for one AIF and for another AIF; or
- Receives or will receive from a person other than the AIF or its investors an inducement in relation to a service provided to the AIF , in the form of monies, goods or services, other than the standard

commission or fee for that service.

Where the Company part of the Group, it has also to be taken into account all 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 Group.

Furthermore, the Company shall identify the circumstances which constitute or may give rise to a Conflict of Interest entailing a material risk of damage to the interests of the AIF or its investors derived from the activities carried out by a delegate or sub-delegate.

It is important to note that the key factor in determining whether a Conflict of interest exists is whether a Client/AIF is or may be disadvantaged to the benefit of the Conflicted Person. A Conflict of Interest will not arise if the Conflicted Person benefits but there are no possible disadvantages to other Clients/AIFs.

### **2.2.2 Disclosure**

If the arrangements put in place by the Company to manage and mitigate the Conflicts of Interest are not sufficient to ensure with reasonable confidence that the risk of damage to the interests of a Client will be prevented, the Company must clearly disclose the general nature and sources of Conflicts of Interest to the Client, either in the periodic report or immediately depending on the urgency and nature of the Conflict of Interest. Such disclosure:

- should be made in a durable medium, or through a web site following applicable regulations; and
- should be in sufficient detail to allow the Client to make an informed decision with respect to the service to be performed and in the context of which the Conflict of Interest arises.

### **2.2.3 Declining to act for the Client**

If the Company is unable to manage a potential or actual Conflict of Interest through disclosure, reliance on a policy of independence or through internal arrangements then it will ascertain that the Conflicted Person or the Company refrains from performing the action giving rise to the Conflict of Interest.

## **3. CONFLICT OF INTEREST REGISTER**

The Company shall maintain a Conflicts of Interest Register (the "Register"), which shall set out all existing potential or actual Conflicts of Interest which are known to the Company and the procedure for managing and mitigating Conflicts of Interest. It is recommended that the Register includes the following elements:

- Description of the potential or actual Conflict of Interest
- Employee, entity or function concerned by the Conflict of Interest
- Date of the identification of the Conflict of Interest
- Potential impact of the Conflict of Interest
- Description of solutions or measures adopted according to section 2 of this Conflict of Interest Policy
- When necessary, means of information to Concerned Clients/AIFs.

The Register shall be updated by Compliance as the need arises and shall be brought by the compliance function to the management committee of the Company (as defined in the Governance Policy of the Company) and its board of directors for their review at least annually.

## **4. REPORTING**

Compliance Department will report, at least annually, to the Board of Directors the Conflict of Interest affecting the Company and a description of the way they are or they have been managed.



The compliance function of the Company will deliver to the management committee of the Company (as defined in the Governance Policy of the Company) regularly, and at least once a year, written information on the activities of the Company for which there exists (or potentially can exist) a Conflict of Interest with a sensitive risk of disadvantageously affect the interest of Clients. The compliance function of the Company may comply with this obligation by delivering a specific report to the management committee of the Company or by including the required information in the content of one of the compliance reports submitted to the management committee.

It is recommended that the annual compliance report of the compliance function of the Company and the annual internal audit report of the internal audit function of the Company include the management of Conflicts of Interest.

## 5. SPECIFICITIES FOR INDUCEMENTS

The Company should not be regarded as acting honestly, fairly and professionally in accordance with the best interests of the Client if, in relation to the activities of collective portfolio management of Client, it pay or are paid any fee or commission, or provide or are provided with any non-monetary benefit, other than the following:

- a) a fee, commission or non-monetary benefit paid or provided to or by the Client or a person on behalf of the Client;
- b) a fee, commission or non-monetary benefit paid or provided to or by a third party or a person acting on behalf of a third party, where the Company can demonstrate that the following conditions are satisfied:
  - (i) the existence, nature and amount of the fee, commission or benefit, or, where the amount cannot be ascertained, the method of calculating that amount, must be clearly disclosed to the investors of the relevant AIF in a manner that is comprehensive, accurate and understandable, prior to the provision of the relevant service;
  - (ii) the payment of the fee or commission, or the provision of the non-monetary benefit must be designed to enhance the quality of the relevant service and not impair compliance with the AIFM's duty to act in the best interests of the relevant AIF.
- c) proper fees which enable or are necessary for the provision of the relevant service, including custody costs, settlement and exchange fees, regulatory levies or legal fees, and which, by their nature, cannot give rise to conflicts with the Company's duties to act honestly, fairly and professionally in accordance with the best interests of the relevant AIF.

Payments and/or non-monetary benefits received by the Company not complying with the conditions under a), b) and c) above ("Inducements"), shall be treated as a Conflict of Interest and reported and registered accordingly.

## 6. SPECIFICITIES FOR PERSONAL TRANSACTIONS

For the purpose of this section, "Personal Transaction" means a trade in a financial instrument or other asset effected by or on behalf of an Employee, where at least one of the following criteria are met:

- a) that Employee is acting outside the scope of the activities he carries out in that capacity;
- b) the trade is carried out for the account of any of the following persons:
  - (i) the Employee;
  - (ii) any person with whom he has a family relationship, or with whom he has close links;
  - (iii) a person whose relationship with the Employee is such that the Employee has a direct or indirect material interest in the outcome of the trade, other than a fee or commission for the execution of the trade.

The following transactions are not considered as Personal Transactions:

- a) personal transactions effected under a discretionary portfolio management service where there is no prior communication in connection with the transaction between the portfolio manager and the Employee or other person for whose account the transaction is executed; and
- b) personal transactions in listed investments or large companies, UCITS or AIF that are subject to supervision under the law of a member state of the European Union which requires an equivalent level of risk spreading in their assets, where the Employee and any other person for whose account the transactions are affected are not involved in the management of that undertaking.

At least once a year, Employee will make a statement of close links and third parties with interest related to each Employee. The Company will have access to the statements made.

Additionally, each Employee will communicate in written to the Company the Personal Transactions he/she has affected, or confirm regularly that he/she has not entered into any Personal Transaction. The Company will have access to all communications received.

If an Employee considers that a Personal Transaction effected by him/her or on his/her behalf may constitute a potential or actual Conflict of Interest or lead in him/her becoming a Conflicted Person, he/she shall report it immediately to the Compliance Officer. In such cases, the reported Personal Transaction must be treated following terms and conditions of section "2.

Identification and handling of Conflicts of Interest" above, and subject, if appropriate, to sections "3. Conflict of Interest registry" and "4. Reporting".

The following transactions are prohibited:

- a) entering into a Personal Transaction which fulfills at least one of the following criteria:
  - (i) that person is prohibited from entering into that personal transaction within the meaning of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;
  - (ii) it involves the misuse or improper disclosure of confidential information;
  - (iii) it conflicts or is likely to conflict with an obligation of the Company under the applicable regulations;
- b) advising or procuring, other than in the proper course of his employment or contract for services, any other person to enter into a transaction in financial instruments or other assets which, if a personal transaction of the relevant person, would be covered by point (a) of this paragraph or by points (a) or (b) of Article 25(2) of Directive 2006/73/EC, or would otherwise constitute a misuse of information relating to pending orders;
- c) disclosing, other than in the normal course of his employment or contract for services and without prejudice to Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, any information or opinion to any other person if the relevant person knows, or reasonably ought to know, that as a result of that disclosure that other person will or would be likely to take either of the following steps:
  - (i) to enter into a transaction in financial instruments or other assets which, where a personal transaction of the relevant person would be covered by point (a) of this paragraph or by points (a) or (b) of Article 25(2) of Directive 2006/73/EC, or would otherwise constitute a misuse of information relating to pending orders;
  - (ii) to advise or procure another person to enter into such a transaction.



## 7. MAINTENANCE OF THIS POLICY

This Conflict of Interest Policy is at the disposal of the Employees of the Company.

The Management and the compliance function of the Company are responsible of keeping this Conflict of Interest Policy updated and aligned with applicable regulations and to the activity and internal organization of the Company.

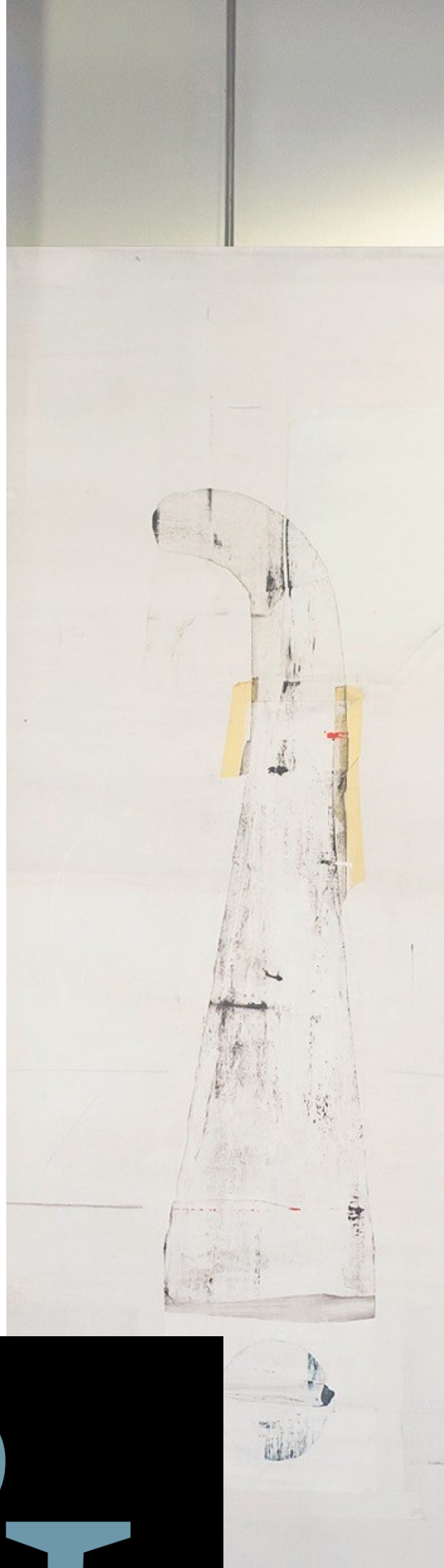
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Christine Kastour  
Conducting Officer - Compliance

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