

December 2021

**IQ EQ Fund
Management
(Ireland) Limited
Information
on Conflicts of
Interest Policy**

Background and scope

IQ EQ Fund Management (Ireland) Limited ('IQ-EQ' or the 'Firm') operates in many jurisdictions. We are active in many markets in all kinds of transactions and are engaged in a wide range of financial services, including asset management and wealth management. We act simultaneously for many clients in many different capacities. As a result, unavoidably, the various interests we represent may sometimes conflict.

In formulating its conflicts of interests policy (the 'Policy'), IQ-EQ had regard to the size of the organisation of IQ-EQ and the nature, scale and complexity of its business. Also, in formulating the Policy, IQ-EQ took into account the circumstances in which IQ-EQ is, or ought to be, aware of circumstances which may give rise to a conflict of interest affecting IQ-EQ.

The Policy is designed to ensure that the employees and directors of IQ-EQ (each a 'Relevant Person') that are engaged in different business activities involving a conflict of interest carry on those activities at a level of independence appropriate to the size and the activities of IQ-EQ and to the materiality of the risk of damage to: (a) the interests of individuals or entities for whom IQ-EQ performs individual portfolio management or provides investment advice or investment research (each such individual or entity being referred to as a 'Private Client' herein); and (b) the interests of unitholders/shareholders in the investment funds to whom IQ-EQ acts as UCITS management company or AIFM or investment manager/advisor (each such investment fund or sub-fund thereof being referred to as a 'Fund' herein).

The Policy applies to all employees of IQ-EQ as well as directors of IQ-EQ. It also applies to Relevant Persons as defined in the European Union (Markets in Financial Instruments) Regulations 2017 (S.I. No. 375 of 2017) (the 'MIFID II Regulations').

Conflict of Interest defined

For the purpose of the Policy, conflicts of interest refer to situations where competing interests or loyalties can potentially inappropriately influence a decision or activity in IQ-EQ.

Private Clients

Conflicts of interest may arise at any point in the course of providing a service and may entail a material risk of damage to the interests of a Private Client. MIFID II requires that, at a minimum, we consider the following criteria to identify a conflict of interest detrimental to the Private Client. Situations whereby:

- IQ-EQ is likely to make a financial gain or avoid a financial loss at the expense of the Private Client;
- IQ-EQ has an interest in the outcome of a service or transaction which is distinct to the Private Client's interest in that outcome;
- IQ-EQ has a financial or other incentive to favour the interest of one Private Client(s) over another Private Client(s);
- IQ-EQ carries out the same business as the Private Client; and,
- IQ-EQ receives (or will receive) an inducement in relation to a service provided to a Private Client other than standard commissions and fees for that service.

Funds

IQ-EQ has taken reasonable steps to identify conflicts of interests that arise in the course of IQ-EQ acting as the fund management company and/or investment manager/advisor of Funds between:

- a. IQ-EQ (including its Directors) and a Fund or the investors in that Fund;
- b. a Fund or the investors in the Fund and another Fund or the investors in that Fund;
- c. a Fund or the investors in that Fund, and a Private Client of IQ-EQ; or
- d. two Private Clients of IQ-EQ.

For the purposes of identifying the types of conflicts of interest that arise in the course of providing services or activities and whose existence may damage the interests of a Fund, IQ-EQ will take into account, by way of minimum criteria, the question of whether IQ-EQ or a relevant person, or a person directly or indirectly linked by way of control to IQ-EQ, in any of the following situations, whether as a result of providing individual or collective portfolio management activities or services or otherwise:

- a. likely to make a financial gain, or avoid a financial loss, at the expense of a Fund;
- b. has an interest in the outcome of a service or an activity provided to a Fund or another client of a transaction carried out on behalf of the Fund or another client, which is distinct from the Fund's interest in that outcome;
- c. has a financial or other incentive to favour the interests of one Fund over the interests of another Fund;
- d. has a financial or other incentive to favour the interests of one investor over the interests of another investor;
- e. has a financial or other incentive to favour the interests of another client or group of clients over the interests of a Fund;
- f. carries on the same activities for both one or more Funds and for another client or clients which are not investment funds; or
- g. receives or will receive from a person other than a Fund an inducement in relation to activities or services provided to the Fund, in the form of monies, goods or services, other than the standard commission or fee for that service.

IQ-EQ shall, when identifying the types of conflicts of interests, take into account the interests of IQ-EQ, including those deriving from the performance of services and activities, the interests of the clients of IQ-EQ (including the Funds) and the duty of IQ-EQ towards the Funds.

Conflicts of Interest

Services provided by IQ-EQ that may give rise to conflicts of interest include, but are not limited to, the following:

- Collective portfolio management;
- Individual portfolio management;
- Investment advice; and
- Investment research.

Private Clients

The following examples are typical conflicts of interest that may arise in IQ-EQ's provision of services to Private Clients;

- Dealing as an agent for more than one Private Client;

- Providing investment advisory and discretionary management services and recommending (or investing into) products issued by IQ-EQ;
- Providing investment advisory and discretionary management services and recommending (or investing into) collective investment schemes where another department or entity within IQ-EQ is the UCITS management company, investment manager, manager, alternative investment fund manager, operator or some other provider to the scheme;
- Acting as discretionary manager and/or investment advisor for more than one Private Client and the allocation of investment opportunities;
- Matching a transaction on behalf of one Private Client with that of another (by acting on behalf of both parties), while receiving and retaining commission and charges from both parties, where the price of the transaction may be different to the offer or bid price;
- The receipt or provision of gifts and entertainment;
- Personal account dealing carried out by employees;
- Business relationship with the issuer of securities (or a related entity) in relation to securities being purchased or sold by a Private Client; and

Funds

Examples of conflicts of interest include the following:

- i. the directors or employees of IQ-EQ, IQ-EQ itself and any affiliated entity (each an 'Interested Party') may acquire or dispose of any investment notwithstanding that the same or similar investments may be owned by or for the account of or otherwise connected with a Fund; or
- ii. where an Interested Party may acquire, hold or dispose of investments notwithstanding that such investments had been acquired or disposed of by or on behalf of a Fund by virtue of a transaction effected by that Fund in which the Interested Party was concerned; or
- iii. where certain of the directors of IQ-EQ are, or may in the future be, connected with a Fund or its service providers, including where acting as a director of a Fund. However, in their capacity as directors of IQ-EQ, they will function as persons with independent

fiduciary duties to IQ-EQ and will not be subject to the control of a Fund; or

- iv. where a Fund may invest in one or more Funds; or
- v. where a Fund may have similar or overlapping investment objectives to or with other Fund(s); or
- vi. where a Fund acquires or disposes of an investment where such investment may also be acquired or disposed of on behalf of another Fund; or
- vii. where IQ-EQ's fee is or may be based on a percentage of the Net Asset Value of a Fund. This may result in a potential conflict of interest as IQ-EQ's fee may increase as the Net Asset Value of a Fund increases; or
- viii. where an Interested Party is likely to make a financial gain, or avoid a financial loss, at the expense of a Fund; or
- ix. where an Interested Party has an interest in the outcome of a service or an activity provided to a Fund or of a transaction carried out on behalf of a Fund, which is distinct from the Fund's interest in that outcome; or
- x. where an Interested Party has a financial or other incentive to favour the interests of one Fund over the interests of another Fund; or
- xi. where an Interested Party has a financial or other incentive to favour the interests of one unitholder/shareholder over the interests of another unitholder/shareholder; or
- xii. where an Interested Party has a financial or other incentive to favour the interests of a unitholder/shareholder or group of unitholders/shareholders over the interests of a Fund; or
- xiii. where an Interested Party carries on the same activities for a Fund and for another Fund; or
- xiv. where an Interested Party carries on the same activities for a Fund and for a Private Client or Private Clients; or
- xv. where an Interested Party receives or will receive from a person other than the relevant Fund an inducement in relation to services provided to that Fund, in the form of monies, goods or services, other than the standard commission or fee for that service.

Organisational arrangements

Summary of organisational arrangements in place

There are a number of general organisational and administrative measures and procedures in place, within IQ-EQ, with the objective of preventing (where possible), managing and monitoring conflicts of interest in order to prevent them from adversely affecting the interests of Private Clients or of Funds and their unitholders/shareholders. Where the adoption or the practice of one or more of these measures and procedures does not ensure the requisite degree of independence, IQ-EQ shall adopt such alternative or additional measures and procedures as are necessary and appropriate for those purposes. IQ-EQ also segregates, within its own operating environment, tasks and responsibilities which may be regarded as incompatible with each other or which may potentially generate systematic conflicts of interest. These include the key business functions of portfolio management, risk management, valuation and pricing, each of which are functionally and hierarchically segregated.

Summary information on the measures and procedures in place is provided below as follows:

- Procedures to prevent or control the flow of information within IQ-EQ in order to protect client interests and to prevent improper access to client information. This includes the use of information barriers and restricted physical access. These information barriers are designed to restrict information flows between different areas of IQ-EQ and enable IQ-EQ to carry out business on behalf of Funds or Private Clients (as the case may be) without being influenced by other information held within IQ-EQ;
- There is a IQ-EQ Oversight Forum in place to facilitate a formal conflict check at the point of a potential new business activity, material transaction or product where required;
- Compliance acts as a control room to facilitate legitimate contact between departments and to record material information to assist in the identification and management of conflicts of interest;
- IQ-EQ maintains independent reporting lines for the segregation of duties. In addition, ad-hoc supervisory arrangements can be put in place as required;

- A Remuneration Policy is in place in accordance with relevant regulatory requirements. Remuneration of staff members in general is not linked to specific transactions and is determined by the performance of the individual, the adherence to our risk and compliance culture as well as the general profitability of IQ-EQ as a whole. There is no 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 conflict of interest may arise in relation to those activities;
- In the context of each Fund, any transactions giving rise to a conflict of interest must be carried out as if effected on normal commercial terms negotiated at arm's length, must be consistent with the best interests of the Fund's unitholders/shareholders and the following conditions must be met:
 - a. a certified valuation of such transaction by a person approved by the depositary of the Fund as independent and competent will be obtained; or
 - b. such transaction has been executed on best terms reasonably available on an organised investment exchange under its rules; or
 - c. where (a) and (b) are not practical, such transaction will be executed on terms which the depositary is satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length;
- Compliance with research production and distribution regulatory requirements;
- Compliance with the IQ-EQ Best Execution Policy and order allocation rules;
- Rules and procedures in place governing personal account dealing;
- Gifts and entertainment are subject to the IQ-EQ Gifts and Entertainment Policy; and
- Controls in place to identify and manage cross board directorships, outside business interests and personal connections. IQ-EQ has identified a variety of situations which may give rise to potential conflicts of interest and formulated a number of organisational and administrative controls designed to mitigate the potential conflicts.

If the existing structural controls are not deemed sufficient to prevent or manage the conflict, this is recorded in the Conflicts of Interest Register and new controls required. The additional controls proposed will be assessed by IQ-EQ Compliance and if deemed adequate to manage the conflict, the decision and associated controls will be recorded in the Conflicts of Interest Register.

In exceptional circumstances, where sufficient controls to mitigate/manage the conflict are not in place, and it is intended to proceed with the activity, the conflict must be disclosed to the client in accordance with regulatory requirements. In certain circumstances client consent may be required prior to carrying out the activity in question. Details of the decision and client disclosures made is recorded in the Conflicts of Interest Register. IQ-EQ does not rely on disclosure as the sole means to manage its conflicts and endeavours to take adequate steps to prevent such conflicts.

Conflicts of Interest records

IQ-EQ maintains a record of potential and actual conflicts of interest and associated controls in the IQ-EQ Conflicts of Interest Register. The information contained in the Conflicts of Interest Register facilitates the effective recording, escalation, and management of actual and potential conflicts of interest and provides a basis for the training of employees.

Reporting of Conflicts of Interest and formal review of the policy

Information on conflicts of interest arising is provided to the IQ-EQ Board of Directors (the 'Board') on a quarterly basis. The Conflicts of Interest Register is provided to the Board to facilitate the Board's consideration of conflicts of interest on a quarterly basis. The Policy is formally reviewed annually by the Board and any revisions approved by the Board.

Additional information

Further queries concerning the IQ-EQ conflicts of interest should be forwarded to our Compliance Department.

About us*

We are part of IQ-EQ Group, a leading investor services group employing over 4,000 people across 24 jurisdictions worldwide. We bring together that rare combination of global expertise with a deep understanding of the needs of our clients. We have the know how and the know you to support fund managers, global companies, family offices and private clients.

Contact IQ-EQ

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*Information correct as of 3 February 2022

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