



**Kroll (Luxembourg)
Management Company S.à.r.l.
Conflict of Interest Policy**

Last Updated March 2023

TABLE OF CONTENTS

1	INTRODUCTION.....	2
2	OBJECTIVE.....	2
3	RESPONSIBILITIES, RELEVANT PERSON	3
4	GUIDING PRINCIPLES.....	4
5	SCOPE, TYPES OF CONFLICTS, IDENTIFICATION AND MANAGEMENT	4
6	EDUCATION AND TRAINING	6
7	SUPERVISION AND LEVELS OF INDEPENDENCE	6
8	OTHER APPLICABLE POLICIES FOR IDENTIFYING CONFLICT OF INTEREST	6
9	ANNEX I – CONFLICT OF INTEREST REGISTER	7
10	REVISION HISTORY	15

1 Introduction

Kroll (Luxembourg) Management Company Sarl (Luxembourg) (further as “**KLMC**”) is a management company (further as “**ManCo**”) pursuant to Chapter 15 of the Law dated 17 December 2010 relating to undertakings for collective investments and is also an alternative investment fund manager (further as “**AIFM**”) pursuant to Chapter 2 of the Law dated 12 July 2013 relating to AIFMs. KLMC is required to establish, implement, and maintain an effective policy on conflicts of interest that is appropriate to KLMC’s size, organization, nature, scale, and the complexity of its business, the definition of the conflicts of interest for the purposes of this Policy is as follows:

“a set of circumstances that creates a risk that an individual’s or the organization’s professional judgement or actions regarding a primary interest, will be unduly influenced by a secondary interest”.

In the context of identifying and managing conflicts of interests, there are various Luxembourg legal and regulatory requirements which have to be adhered to. This Policy outlines how KLMC complies with these regulatory requirements:

- Law of 12 of July 2013 on Alternative Investment Fund Managers (“AIFM”).
- Law of December 17th, 2010, on “undertakings for collective investment “UCI”, especially in the context of requirements for management companies.
- Luxembourg law on Market Abuse dated May 9, 2006 (implementing the European Market Abuse Directive 2003/6/CE).
- CSSF Circular 18/698 on the Authorization and organization of Luxembourg investment fund managers.
- CSSF Circular 06/257 on Market Abuse.
- CSSF Circular 14/585 on Remuneration Policies and Practices.

In addition to the prevailing laws and regulations, KLMC has also adopted the ALFI Code of Conduct, which contains best practice recommendations for the governance of Luxembourg investment funds and management companies.

2 Objective

KLMC recognizes its responsibilities under the laws and regulations mentioned under section 1 of this Policy and is committed to identifying and managing actual or potential conflicts of interest appropriately, to ensure that its Clients and other related parties are treated fairly and protected from any damage due to conflicts of interest.

This Policy specifies the processes and procedures KLMC has in place to identify, prevent, manage, and disclose if needed any potential conflict of interest.

Where KLMC acts as AIFM to an alternative investment fund (hereafter “AIF”) or as the management company performing management functions on behalf of certain undertakings for collective investment in transferable securities (hereafter “UCITS”), the obligation to manage conflicts of interest is extended to managing conflicts that may adversely affect the interest of the AIFs and UCITS. KLMC must ensure that all AIFs/UCITS they managed are treated fairly. This Policy sets out the company’s overall approach in identifying and managing conflicts of interests follows:

- Identify circumstances or potential circumstances that may give rise to a conflict of interest, including those entailing a material risk of financial damage to the interests of one or more Clients or Investors.
- Maintain procedures and measures to be adopted and followed to manage such actual or potential conflicts of interest.
- Provide a framework, and escalation rules, for dealing with conflicts of interest internally and allocate responsibilities; and
- Implement obligations and requirements to record and disclose conflicts of interest.

3 Responsibilities, Relevant Person

Relevant Persons in the context of this Policy are:

- Employees, Senior Staff, Conducting Officers and Board of Directors of KLMC
- Managers or agents of administered funds, based on their interest(s) held, may be in a situation of conflict.
- Any other individual whose services are available under the supervision of the company, and
- Any other individual who is directly involved in the provision of services to the company, on the basis of an outsourcing agreement, having as its objective the provision of services and activities provided to the company or its administered Funds.

It is the responsibility of the KLMC Management Committee and the Board of KLMC to take reasonable steps to ensure compliance with this Policy and to provide the human and technical resources as necessary for its implementation.

It is the responsibility of all staff and relevant persons to read and be familiar with this Policy and to adhere to it.

The responsibility for assessing the compliance of relevant persons with this conflict-of-interest policy has been assigned to the Compliance Officer of KLMC, under supervision of the Board of Directors of KLMC.

Since KLMC is part of the wider Kroll Group, this Policy shall also consider any circumstances of which the Manco is or should be aware which may cause a conflict of interest as a result of business activities of other members of the Group. This is achieved through a Group level Conflict of Interest Check process prior to taking on new business.

4 Guiding Principles

The following guiding principles apply to the company's approach in identifying and managing conflicts of interest:

- KLMC is committed to treating its clients fairly and with integrity.
- KLMC is committed to complying with all applicable legal, regulatory requirements relating to conflicts of interest.
- KLMC is committed to maintaining and operating effective organizational and administrative arrangements to identify and manage conflicts of interest, including those possibly arising as a result of the structure and business activities conducted together with other service providers.
- KLMC recognizes the importance of a culture of integrity to manage conflicts of interest. As such all employees have a duty to be mindful of conflicts of interest and to take all reasonable steps to assist in their identification and proper management. This includes prompt and expedient escalation of any potential conflicts as they arise to the relevant management functions and/or to Compliance Function.
- KLMC is committed to taking all reasonable steps to ensure proper disclosure of residual conflicts of interest (if any) to the client.

5 Scope, Types of Conflicts, Identification and Management

For the purposes of identifying conflicts of interest that may arise for the company, for any 'person' (as defined in section 3 above), directly or indirectly linked to the company, the following criteria must be considered as to whether:

- the company / person has an interest in the outcome of the products / services provided to the client, or on his behalf, which is distinct from the client's interest.
- the company / person is likely to make a financial gain, or avoid financial loss, at the expense of the client or one of its investors.
- the company / person has an incentive, for financial or other reasons, to favor the interest of another client or group of clients over the interests of the client or one of its investors.
- the company / person carries out the same business as the client or one of its investors.

- the company / person receives or may receive from a person other than the investor, an incentive for the services provided in the form of money, goods, or services outside of contractual agreements; and
- the company's employee has an incentive to favor the provision of a service to a client or one of its investors or group of clients or one of their investors over the interests of the company / person.

This is a non-exhaustive list that should be taken into account when considering the identification of a potential conflict of interest.

In general, there are four main types of conflicts of interest that have been identified by KLMC:

- those between clients and KLMC, where their respective interests in a particular outcome may be different.
- those between the personal interests of staff of KLMC and the interests of KLMC, or its clients, where those interests may be different.
- those between clients with competing interests; and
- those between third party service providers and clients.

It is the responsibility of all employees to identify and report such potential conflicts of interests. It is the responsibility of the Compliance Officer to regularly review, within the course of the Compliance Monitoring Plan, the company's processes, potential conflicts of interest associated with them and the procedures in place to mitigate them. To enable the Compliance Officer to perform his/her monitoring duties properly, it is an obligation that every Conducting Officer fills out and keeps up to date a Conflict-of-Interest Register (see Annex I) for each UCITS/ AIF client/ product/ investment fund that he/ she is responsible for.

To guarantee a consistent approach, the Conflict-of-Interest Register should be updated when initially performing this exercise for a new client/ product/ investment fund. The Compliance Officer will provide advice and assistance whenever as required. For any existing client/ product/ investment fund, the Register should be regularly reviewed by the responsible Conducting Officer on at least a quarterly basis and also whenever major changes occur which need to be reflected immediately. The register is submitted to the BoD of KLMC on an annual basis.

When a conflict of interest is identified, and it cannot be dealt with or addressed within the normal procedures as stated above, then the formal escalation procedure applies, and it must be reported immediately to the Compliance Officer. The Compliance Officer will record the conflict of interest in the Register and consider possible solutions.

If a conflict of interest cannot be avoided by other measures, the company will disclose the nature and the source of the remaining conflict of interest to the client in form of a written communication.

6 Education and Training

Appropriate training and education are delivered to employees to educate and reinforce the company's culture of integrity and requirements regarding conflicts of interest. Accordingly:

- all employees have permanent and easy access to the company's Code of Conduct and policies & procedures; and
- each employee receives, on commencing their employment a copy of the Code of Conduct. He/she signs that they have read and understood these rules of conduct and commit in writing to respect them.
- there is an annual attestation for all employees of company policies and procedures.

7 Supervision and Levels of Independence

The company implements:

- levels of independence/ supervision for persons engaged in activities entailing a conflict of interest, including a full separation of portfolio and risk management (Chinese Walls) according to requirements of article 42 of the Delegated Regulation of the EU Commission, supplementing Directive 2011/61/EU (see article 15).
- the at-arms-length principle. In particular preventative measures to limit any person from exercising undue influence, that may be deemed as inappropriate, on the way any relevant person may carry out a service or business.
- preventative measures to limit the involvement of a relevant person in a number of different and separate services or businesses, where this involvement may impair the proper management of conflicts of interest.

8 Other Applicable Policies for Identifying Conflict of Interest

The company's organizational structures, its systems and the segregation of activities provided within the company, as well as its policy for managing conflicts of interest are designed to ensure the provision of services on a fully impartial basis.

In this context the following other policies apply:

- Code of Conduct – Including staff regulations and personal transactions
- Remuneration Policy
- Gift and Hospitality – Policy
- Treating Customers Fairly Policy
- Voting Rights Policy

Review frequency: Annual/ Compliance Officer & Board of Directors of the company.

9 ANNEX I – Conflict of Interest Register

Last reviewed and approved:

Ref	Subject	Detail of Potential Conflict	Procedure for Control of Conflict	Owner
1.	Carried Interest	<p>The Firm and certain of its executives are entitled to receive a share of the profit realized at the exit of a transaction. The purpose of taking carried interest is generally to provide incentive to the Firm and its executives to make the transaction successful. At one level the interests of the Firm and its customers are aligned.</p> <p>However, others may perceive this to be a conflict and that exits may be arranged such that 'hurdles' are triggered to release carried interest earlier than longer term returns are achieved.</p>	<p>Full disclosure of the arrangements for carried interest is stated in the Investment Management Agreement (IMA) with each client.</p> <p>The Investment Committee have the responsibility for determining the timing and price of an exit. When determining the exit, the interests of all clients and the maximization of their returns are the primary consideration.</p>	
2.	Co-investment	<p>Co-investment is the means by which executives invest alongside the Firm's customers in the equity (but not the debt) of the investee company. The purpose of co-investment' is generally to incentivize its executives in making the transaction successful. Therefore, at one level the interests of the Firm and its customers are aligned.</p> <p>However, the potential conflict may be perceived to be more significant when there is a capital restructuring of an investee company in which the debt holders are impaired, but the equity holders are not.</p>	<p>Full disclosure of the arrangements for carried interest is stated in the Investment Management Agreement (IMA) with each client.</p> <p>The Investment Committee have the responsibility for determining the timing and price of an exit. When determining the exit, the interests of all clients and the maximization of their returns are the primary consideration.</p> <p>When considering the restructuring of an investee company the investment committee will consider all matters as to the most appropriate solution taking into account equity and debt holders. However, where such situations occur the investment committee will as a matter of course record in the minutes of that meeting the potential conflict issue arising between clients and the co-investees.</p>	

Last reviewed and approved:

Ref	Subject	Detail of Potential Conflict	Procedure for Control of Conflict	Owner
3.	Banking arrangements	The Firm utilizes various banks to assist in the structure of financing arrangements for its transactions. Often the selected bank will be instrumental in syndicating the deal financing in the market. The selected bank may also be a client of the Firm.	The investment committee when considering the structure of a new deal will be mindful of its structure and cost such that when the exit occurs the maximum internal rate of return is achieved. In considering the deal structure there will often be an element of competitive tension with more than one bank being asked to put forward a debt structure, a position which may not occur when a capital restructure is undertaken. The investment committee will consider and approve the final investment structure that will be implemented to secure the investment.	
4.	Board and Arrangement fees	The Firm may charge a new investee company an arrangement fee in respect of the transaction and a Board fee where appropriate. Arrangement fees may also be charged when a capital restructuring is undertaken. The fee is an agreed fee with the new company based on a realistic assessment of the transaction cost.	Full disclosure of the arrangements for arrangement fees is stated in the Investment Management Agreement (IMA) with each client.	
5.	Investment allocation	The Firm could have an allocation policy which favors one client over another.	The Firm has a standard allocation policy which allocates investments broadly in proportion to funding available from the clients. The Investment committee approves the standard allocation periodically but may deviate from the standard when its application would result in an immediate breach of the investment limits agreed with each client or where the Firm considers that further investment is likely to give rise to a future limit excess. In such cases the Firm will minute the reasons for the actual allocation.	
6.	Offer and allocation of co-investment opportunities	Where the size of a new investment requires additional investment to that provided by the funds, the	Those investors wishing to be considered for co-investment opportunities have made their wishes known and this has been recorded in	

Last reviewed and approved:

Ref	Subject	Detail of Potential Conflict	Procedure for Control of Conflict	Owner
		Firm might offer co-investment opportunities to some of the investors in the fund. The causes potential conflicts for preference of individual clients' interests over others	the side letter provided to those investors. All investors are aware that co-investment will be considered and those prepared to invest in this way have been clearly identified. The invitations to co-invest will be controlled by Investment Committee and the minutes of that committee will record the reasoning for the actual allocation to investors.	
7.	The production of fund valuations	Fund valuations are compiled from the individual asset valuations produced by the relevant deal executives. It may be in the interests of the Firm's executives to exaggerate valuations to enhance perceptions of the fund performance.	Valuation processes are comprehensively documented and are subject to internal scrutiny the investment committee. Valuations are prepared in accordance with the EVCA guidelines, and the asset valuations are signed by the relevant investment executive and by a member of the investment committee.	
8.	Selection of investors for advisory committee	Certain investors may be afforded greater influence and control by being represented on the Advisory Committee of the fund and the Firm may seek to select the members with a view to obtaining a compliant Advisory Committee.	Membership of the Advisory Committee is a matter for specific negotiation when the fund is being raised and when a seat on Advisory Committee is agreed this is confirmed in the side letter from the Firm to the investor.	
9.	The calculation of carried interest	There may be questions of practical interpretation regarding the carried interest clauses of the relevant Limited Partnership Agreement, and these may be interpreted by the Firm to favor the carried interest holders over the other partners.	Carried interest calculations are carried out by the investment finance and compliance team referring as necessary to legal advisers and auditors of the funds. The audit of the funds covers the carried interest calculations.	
10.	The allocation of time and resources between funds and between investee companies	Time and resources may be concentrated by the Firm on those funds more likely to provide a return to the carried interest holders while less well performing funds are given less attention.	All investee companies have designated executives usually as Non-Executive Directors of the investee. The demands of the fiduciary duties of a director act to ensure a high level of engagement by the Firm's executives. Similarly, all investees are subject to the same portfolio review processes	

Last reviewed and approved:

Ref	Subject	Detail of Potential Conflict	Procedure for Control of Conflict	Owner
		Similarly, successfully performing investee companies in poorly performing funds may not have sufficient resources allocated by the Firm to maximize investors' returns	twice- yearly. These reviews are documented and formally minuted with clear action plans determined for each investee.	
11.	Receipt of gifts and inducements	The receipt of inducements by the Firm from suppliers or other parties and the receipt of gifts by individual Members and employees may give rise to conflict with the interests of investors in the funds.	No fees, commissions or non-monetary benefits will be accepted by the Firm unless it has been fully disclosed to investors. Details of all expected fees etc. have been given to investors as an integral part of the fund documentation. Individual Members and employees may accept gifts only up to £250 unless they have the written permission of the Compliance Officer, and these approvals are registered with the Compliance Officer.	
12.	Ensure all investors are treated fairly. Side letter undertaking may favor one client over another	The Firm makes in negotiation with individual investors certain undertakings specific to that investor. Such undertakings are set out in a side letter to the investor.	Only Senior Management can agree side letters. Disclosure of all the undertakings given is made to every other investor and the same terms are offered.	
13.	Executives acting as non-executive directors of investee companies	There is a potential conflict inherent in an individual executive having a fiduciary duty to an investee company as a director of the company and a duty to the investors to further their economic interests. This can arise in particular when investee companies experience financial stress	The Firm seeks to manage this conflict by appointing two directors to each investee Board thereby increasing the overall level of skill and experience available to the investee and at the same time providing for a sharing of the burden of responsibility if financial difficulties arise. Strong supervision processes provide additional support in the form of formally documented biannual reviews of all portfolio companies conducted by senior Investment Committee members. These reviews can be more frequent when a company is financially stressed.	
14.	PA Dealing	The Firm's staff members may engage in the trading of securities or other	The Firm manages this potential conflict of interest by maintaining a PAD Policy.	

Last reviewed and approved:

Ref	Subject	Detail of Potential Conflict	Procedure for Control of Conflict	Owner
		instruments for their own account. Such trading activities may put those employees and officers, or the Firm, in conflict with the interests of the Firm's clients (for example, by having a personal interest in a transaction with a client, or by front-running transactions with clients).	Staff members sign compliance certificates regularly confirming they have complied with the PA Dealing policy	
15.	Outside Business Interests	The Firm's staff members may hold outside business interests, such as directorships or shareholdings, in service providers or other firms. The Firm has identified that such outside business interests or investments could cause a potential conflict between the personal interest of the relevant member of staff and the interests of the Firm's clients.	Staff members must inform the Compliance Officer about their outside business interests. The Compliance Officer must approve any such interests and will maintain a record of them.	
16.	Investors in separate funds that may be run concurrently.	The Firm may manage two funds which may be at different stages of their lifecycle that share an investment. It may be in the interests of one fund to retain the investment but in the interests of the other fund to dispose.	All investment decisions are made by the investment committee. The timing of exit is of paramount and the Firm would not favor one fund over another. All investment decisions are minuted.	
17.	Hedge Fund firm also manages a private equity fund.	A conflict can arise where the hedge fund may hold assets related to companies owned by the private equity fund. There is a risk that these vehicles could be used to warehouse debt from a private equity transaction that other market participants may be unwilling to take on. This would be beneficial to the private equity fund investors but not the hedge fund.	The Firm will not make a decision that could have a detrimental impact to other investors.	

Last reviewed and approved:

Ref	Subject	Detail of Potential Conflict	Procedure for Control of Conflict	Owner
18.	The depositary is also the external valuer.	Potential conflict if the functions are not separated.	The depositary appointed for an AIF shall not be appointed as external valuer of that AIF, unless it has functionally and hierarchically separated the performance of its depositary functions from its tasks as external valuer and the potential conflicts of interest are properly identified, managed, monitored, and disclosed to the investors of the AIF.	
19.	Group conflicts	Potential conflict if the activities are similar and same services are proposed.	This potential conflict is not applicable. The annual review will confirm this.	
20	ESG	Business and ESG/sustainability factors. Onboarding fund which could harm ESG factors,	There is a client acceptance policy and committee in place mitigating this potential conflict of interests	
21	ESG	PM function: conflict of the Investment return vs ESG	All investments done by funds for which the PM function is not delegated, are analysed during the investment committee	
22	ESG	Outsourcing / Support from service providers. (Governance, social factors)	Outsourcing/delegation policy is in place.	
23	ESG	HR: conflict between business and HR vs social factors and governance	We have global HR policy; the group is committed to diversity.	
24	ESG	Investors side: do we accept investors with negative ESG reputation?	This point is covered by the AML policy and the investor acceptance processes (adverse media news are checked)	
25	ESG	Greenwashing - Risk that the fund's ESG credentials are exaggerated in an effort to market funds and increase collect	Controls performed by Risk on the consistency of the strategy disclosed in the prospectus. Oversight by Distribution on the marketing communication with a focus on ESG and potential greenwashing by manufacturers and delegated distributors.	
26	ESG	risk management – minimize perception of / veiling rising ESG risk on future value of the assets in order not to	The independence of the Risk function is scheduled in the charter and the risk policy.	

Last reviewed and approved:

Ref	Subject	Detail of Potential Conflict	Procedure for Control of Conflict	Owner
		jeopardize short term income based on fund value		
27	COSTS & FEES	Undue cost - When KLMC receives new business from the fund promoter who is usually appointed as the Investment Manager, there is a risk that KLMC agrees to set up a fund with fees that are disproportionate compared to market standards and to the type of service provided and inconsistent with the characteristics of the fund and its target size (AUM)	A cost and fee policy must be in place describing the process to define the costs and the level of the fee. Those fees and costs must be in line with market standards, they have to be consistent with the characteristics of the fund, but they take also into account the level of services rendered, and the workload.	
28	COST & FEES	Undue cost – (partially covered with Group Conflicts) conflict of interest arising from the contracting of services with related parties outside market standards fee arrangements	Contracts of services with the group /related entities must be at arms length and must be negotiated by the senior management.	
29	COSTS & FEES	Undue cost – sec lending – is the value retained by the fund proportionate vs services received from Securities lending agent and the risk taken. No sufficient due diligence on sec lending arrangement may constitute a conflict	All investments done by funds for which the PM function is not delegated, are analysed during the investment committee. When the PM function is delegated we have oversight process in place (onsite visit, regular KPIs) securities lending are also monitored by Risk.	
30	Distribution secondment	In the context of secondment agreements, KLMC requires and desires to engage certain personnel to provide distribution and marketing services relating to the funds for which KLMC is the authorized management company/ AIFM. In some cases, the status of the personnel hired to provide the Services, may create some conflict of interests: cases where the seconded personnel hired by KLMC is	A specific conflict of interests policy related to seconded employee has been drafted and validated by the Board of KLMC to supplement the general KLMC Conflict of Interest Policy and is specifically dedicated to the cases where the seconded personnel hired by KLMC is also a senior manager / signatory of the initiator of the fund (“the Initiator”). The Policy specifies the processes and procedures KLMC has in place to identify, prevent, manage, and disclose if needed any potential conflict of interest in the context of the	

Last reviewed and approved:

Ref	Subject	Detail of Potential Conflict	Procedure for Control of Conflict	Owner
		also a senior manager / signatory of the initiator of the fund	secondment agreement signed to distribute and market the Funds. The Policy also includes also a commitment statement to be signed by the seconded employee to prevent conflict of interests which may arise where acting as a seconded employee of KLMC and where acting as senior manager and/or signatory of the Initiator of the Fund, which may harm the relationship between the Initiator, the Fund and KLMC	

Kroll (Luxembourg) Management Company Sarl

AIR Building

1 rue Jean Piret

L-2350 Luxembourg

Luxembourg

10 Revision History

Date	Author	Version	Approver
04 May 2022	Compliance Function	V5	Board
15 March 2023	Compliance Function	V6	Board