

# Swiss Life Asset Managers Luxembourg

## *Conflict of Interest Policy*

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# Conflict of Interest Policy

## 1. Purpose

Swiss Life Asset Managers Luxembourg (hereinafter “**SLAM LUX**”), a Management Company (“**ManCo**”) and Alternative Investment Fund Manager (“**AIFM**”), is confronted with potential Conflicts of Interest that could arise in connection with its business activities. However, SLAM LUX will act honestly, fairly and in accordance with the best interests of the managed funds or its clients and will take reasonable organisational measures to avoid, or at least to reduce the risk of Conflicts of Interest to a minimum level.

SLAM LUX is in charge of implementing procedures and measures preventing or managing Conflicts of Interest:

- Identifying specific business areas and activities carried out by or on behalf of SLAM LUX which could give rise to Conflicts of Interest that may lead to a risk of damage to the interests of the managed fund or its clients;
- Preventing such Conflicts of Interest;
- Managing and solving any Conflicts of Interest, if unavoidable, in the interests of the managed fund or its clients; and
- Monitoring and disclosing any Conflicts of Interest that cannot be adequately managed in the course of SLAM LUX’s activities.

The general framework will be provided by this Conflict of Interest Policy (the “**Policy**”). The Policy applies to SLAM LUX its subsidiaries or branches, as well as all staff of SLAM LUX, its subsidiaries or branches.

## 2. Legal and regulatory background

### 2.1 Undertaking for Collective Investments in Transferable Securities

In accordance with the articles 109 (1) b) and 111 d) of the Law of 17 December 2010 concerning Undertaking for Collective Investment in Transferable Securities (“**UCITS**”), a management company shall be structured and organised in such a way as to minimise the risk of UCITS or clients’ interests being prejudiced by conflicts of interest.

Any management company shall try to avoid conflicts of interests and, when they cannot be avoided, ensure that the UCITS it manages are fairly treated. Moreover, the CSSF Regulation 10-4 specifies in its Chapter III, from article 18 to article 23, the measures which management companies are required to take in order to comply with the conflicts of interest safeguards defined in the above articles 109 (1) b) and 111 d). Ultimately, the CSSF Circular 18/698 in its section 5.5.7. provides effective clarifications on the implementation of a conflicts of interest policy.

## 2.2 Alternative Investment Funds

In accordance with the article 13 of the law of 12 July 2013, an AIFM must take all reasonable steps to identify conflicts of interest, including maintaining and applying effective organizational and administrative arrangements. Also for AIFM, the CSSF Circular 18/698 in its section 5.5.7. provides effective clarifications on the implementation of a conflicts of interest policy.

## 3. Conflicts of Interest

SLAM LUX takes all reasonable steps to identify Conflicts of Interest that arise or may arise in the course of providing any services, between:

- SLAM LUX (including its managers, employees or any person directly or indirectly linked to SLAM LUX by way of control), the funds under management and its investors;
- any two of the funds under management and its investors;
- any fund under management and its investors and another client or product/service of SLAM LUX;
- any two investors of a any fund under management;
- between two products/services/clients;
- Group Companies, outsourcing companies, third parties; or
- any of the above entities.

To classify the identified types of Conflicts of Interest, which could affect funds, clients and/or products/services interests, SLAM LUX takes into account, the question of whether SLAM LUX or parties concerned (natural or legal persons with whom SLAM LUX, its managers or employees, if applicable, have contractual, economic or interpersonal relationships):

- are susceptible to realizing financial gain or avoid a financial loss at the expense of funds or their investors;
- have an interest in the result of a service provided to a funds or its investor or product/service, which is different from the interest of the fund or its investor;
- are incited to favour the interests of one investor, fund or product/service over those of another investor, fund or product/service;
- exercise the same professional activity as the investor or product/service;
- receive from someone other than the investor, fund or product/service, an inducement connected to the service provided to the investor, fund or product/service, whether it be money, goods or services, other than the commission or expenses normally charged for this service.

It is the responsibility of all employees to familiarize themselves with this Policy and to report Conflicts of Interest to their line manager who will in turn report them to SLAM LUX Compliance function.

Identified and reported Conflicts of Interest are evaluated by the Compliance function of SLAM LUX by means of a Conflict of Interest Assessment. Once they are classified as proved Conflicts of Interest they are included in a Conflicts of Interest Register (the “**Register**”; see also section 4.2). Potential Conflicts of Interest

arising and arrangements for controlling and mitigating them are included in the Register.

Potential Conflicts of Interest may arise in various situations and in several instances that are linked to the business activities of SLAM LUX. The following non-exhaustive list shows examples of potential fields and situation that may lead to Conflicts of Interest:

- Personal transactions of employees
- Remuneration and incentive systems
- Gift or inducements to employees
- Execution of voting rights and corporate actions
- Use of non-public or insider information
- Dual or multiple mandates
- Delegation of functions or selection of service providers
- Independence and separation of functions
- Personal relationships
- Inappropriate order or asset allocation between funds
- Intragroup investment or investments in related products
- Inappropriate commitment calls

SLAM LUX shall at all times comply with all of the following requirements regarding the depositary of its managed funds:

- No person may at the same time be both a member of the management body of SLAM LUX or of any of its managed funds and a member of the management body of any depositary;
- No person may at the same time be both a member of the management body of SLAM LUX or any of its managed funds and an employee of any depositary;
- No person may at the same time be both a member of the management body of any depositary and an employee of SLAM LUX.

In addition, in case applicable, the following two criteria shall be complied with:

- where the management body of the management company is not in charge of the supervisory functions within the company, no more than one third of the members of its body in charge of the supervisory functions shall consist of members who are at the same time members of the management body, the body in charge of the supervisory functions or employees of the depositary
- where the management body of the depositary is not in charge of the supervisory functions within the depositary, no more than one third of the members of its body in charge of the supervisory functions shall consist of members who are at the same time members of the management body of the management company, or the body in charge of the supervisory functions of the management company or employees of the management company.

## 4. Managing Conflicts of Interest

### 4.1 Handling Conflicts of Interest

As SLAM LUX is part of Swiss Life Group, the handling of Conflicts of Interest within SLAM LUX is organized on a two tier approach: At Swiss Life Group Level, where SLAM LUX is entirely embedded in the relevant directive framework and at SLAM LUX level, considering the intrinsic business and local requirements.

Swiss Life Group has implemented an organization, procedures and controls to avoid Conflicts of Interest, which are also applicable to SLAM LUX. Swiss Life Group has defined procedures to identify and manage Conflicts of Interest, notably organizational and administrative provisions designed to protect client interests:

- the segregation of the operating environment, tasks and responsibilities incompatible with each other or which may potentially generate Conflicts of Interest;
- an employee remuneration policy excluding any payments in kind which could compromise the independence of the management;
- a monitoring procedure for staff transactions;
- a monitoring procedure for staff giving and/or receiving gifts or inducements;
- a monitoring procedure for staff mandates / occupations outside of Swiss Life
- the separation of functions and the exchange of information between persons engaged in functions which involve a risk of Conflict of Interest;
- procedures and controls governing the selection and monitoring of intermediaries and service providers.

The organization and procedures are reviewed and updated whenever deemed necessary or whenever material changes occur. All employees of SLAM LUX (“**Employees**”) are included in an information program regarding the above mentioned guidelines.

Additionally, SLAM LUX implements various measures to manage Conflicts of Interest at SLAM LUX level. These measures are reflected in

- the organizational and administrative set-up of SLAM LUX
- ongoing processes (monitoring, controlling, reporting and disclosure)

Furthermore, the Policy is to be supported by conduct of business rules, various policies and procedures, which have been established by the Board of Directors of SLAM LUX (hereinafter the “**Board**”).

### 4.2 Conflict of Interest Register

SLAM LUX maintains and updates regularly a Conflict of Interest Register (the “**Register**”). Within this Register, all known potential and proved Conflicts of Interests will be recorded. The register lists the type and the nature of the Conflict of Interest, a description of the Conflicts of Interest, the entities concerned and the means to limit or suppress the identified risk. The Compliance function of SLAM LUX reports regularly

to the Board of Directors and the Senior Management of SLAM LUX (hereinafter the “**Senior Management**”) on the Register.

### **4.3 Disclosure of Conflicts of Interest to investors**

In situations where Conflicts of Interest cannot be avoided, the Senior Management shall take any necessary decision to ensure that in any case SLAM LUX acts in the best interests of the managed funds/products/services and of their investors.

Where organizational arrangements are insufficient to prevent damage from investors, SLAM LUX clearly discloses the general sources of Conflict of Interest to the Investors via the prospectus of the respective AIF and any other durable medium it may think appropriate (including website).

### **4.4 Conflicts of Interest in the case of outsourced activities**

With regard to the delegation of SLAM LUX’s activities to third parties, the adherence to the principles of the **Policy** will be reviewed, checked and documented within a due diligence and outsourcing controls.

## **5. Identification and management of Conflicts of Interest on an on-going basis**

### **5.1 Escalation to the Compliance function**

Where an Employee becomes aware of circumstances which they believe could constitute a potential Conflict of Interest, which is likely to have a material impact on the interests of a Client, they must disclose and report the point in writing either to (i) their immediate superior, which shall analyse the point and inform the Compliance function unless it is considered that the circumstance will not lead to a Conflict of Interest, or (ii) directly to the Compliance function. In particular, the Advisors shall keep informed the Compliance function of any affiliated transaction other than the granting of lease to the Initiators and / or their affiliates.

### **5.2 Escalation to the Senior Management**

The Compliance function shall inform the Senior Management if the Conflict of Interest cannot be prevented in order to implement mitigation measures to manage the Conflict of Interest.

### **5.3 Escalation to the Board**

For any identified Conflict of Interest, which may not be managed, the Senior Management may report to the Board for decision on actions and measures to be taken to mitigate the identified Conflicts of Interest.

## **6. Review of the Policy**

The Policy will be reviewed at least once a year by SLAM LUX Compliance function and Senior Management in committee under the supervision of the Board. In fact, the Senior Management conducts a central and independent review of the implementation of the Policy in order to assess if the Policy:

- is operating as intended
- is compliant with national, international regulations principles and standards applicable to the sector within which the AIFM operates.

Where no update is required, the Policy will be applied consistently over time.



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