

POLICY FOR THE PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST

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1. INTRODUCTION

The purpose of this document is to describe:

- Potential conflict of interest situations,
- The system put in place to detect these situations,
- How to manage conflicts that have arisen and how to record them.

2. POTENTIAL CONFLICT OF INTEREST SITUATIONS

A conflict of interest, within the meaning of this Policy, is a situation in which an employee of SGPWM, a concerned person or a person directly or indirectly linked by a control relationship has a material, professional, commercial or financial interest that competes with the interest of the investor (whether an Undertaking for Collective Investment in Transferable Securities (UCITS), an Alternative Investment Fund (AIF), a client or a group of clients in private management), which must take precedence. The situations likely to generate conflicts of interest are, in a non-exhaustive manner, the following:

- the management company, or a person related to it, is likely to realize a financial gain or avoid a financial loss at the expense of investors ;
- the management company or a person related to it has an interest in the result of a service provided to the client or a transaction carried out on behalf of the client that is different from the interest of the unitholders ;
- the management company or a person related to it has an incentive, for financial or other reasons, to favour the interests of an investor over the interests of the investors to whom the service is provided ;
- the management company or a person related to it receives or will receive from a person other than the investor a benefit in connection with the service provided to the investor, in any form whatsoever, other than the commission or fee normally charged for that service ;
- The management company, or a person related to it, is likely to create a non-arm's length relationship between one of its clients and an employee who is responsible for that client;
- The management company or a person related to it carries on the same professional activity as one of its clients.

The authorized Management of the Management Company is responsible for the implementation of the policy and procedures adopted by the governance body to comply with the provisions of the law and the MIFID Grand-Ducal Regulation as well as all related circulars and regulations.

3. MECHANISM FOR DETECTING AND IDENTIFYING CONFLICTS OF INTEREST

The practical implementation of this policy is the responsibility of each employee and of the management company's executives. The Compliance Officer ensures that it is disseminated and that the defined principles are respected. If one of his employees derogates or attempts to derogate from the regulations, the Management of SGPWM will take the necessary measures or sanctions and, depending on the seriousness of the situation, will notify the CSSF.

In case of materialization of a conflict of interest situation :

- The employee, the manager of SGPWM or any person related to him, reports the emergence of a conflict of interest to the Compliance Officer ;
- The Compliance Officer must propose a solution to deal with the conflict by choosing the solution that is in the interest of the principal or holder and must inform him/her in writing.
- The Compliance Officer must then propose corrective action to avoid as far as possible situations of conflict equivalent to the one that has just arisen.
- Finally, the Compliance Officer must record the conflict that has arisen in a specific register.

More broadly:

- The identification of any new potential conflict of interest should also be communicated to the Compliance Officer who will decide whether it should be added to the Policy.
- In the event of a new activity or a change in the organisation of the management company, the Compliance Officer shall record in the same register any additional conflicts of interest that may arise and the procedures put in place to avoid them.

Finally, the Policy will be updated whenever there are new developments that justify it. It is also shared for discussion and updating with the Supervisory Board and the Executive Board of the Management Company at least twice a year.

4. IDENTIFICATION OF THE MAIN POTENTIAL RISKS OF CONFLICT OF INTEREST

By taking into account the size and organization of the management company, the nature and complexity of the activity, the separation of its business lines and the code of ethics in place, SGPWM reasonably limits the risk of conflicts of interest. Within the framework of the implementation of the provisions of CSSF Regulation N°10-4 of 20/12/2010, CSSF Circular 18/698 and the European directives and regulations in force (Directive 2004/39/EC, Directive 2006/79/EC, Directive 2010/43/EU and delegated regulation n° 231/2013), SGPWM has proceeded to the inventory of the main situations likely to reveal conflicts of interest.

The non-exhaustive list of the main potential risks identified is set out below. A more granular and operational mapping is maintained at the level of the Compliance Officer to manage the issue of conflict of interest on a daily basis.

4.1. Potential conflicts of interest directly related to the financial management activity are mainly :

- Unjustified advantages conferred to certain UCITS/FIA/private portfolios with regard to the allocation of responses to orders placed on the markets ;
- In the event of an issue, private placement, IPO resulting in a scarcity effect, priority allocation of the financial instruments concerned to the employees or managers of SGPWM at the expense of the UCITS/FIA/private portfolios.
- Stock exchange error leading to an allocation of the surplus of financial instruments sold or bought from clients instead of SGPWM's error account.
- In case of an issue, private placement, IPO, ... leading to a scarcity effect, unequal treatment of UCITS/FIA/private portfolios not justified by an internal procedure in accordance with good professional practice.

→ When such cases arise, WMWM applies an order pre-allocation policy governing the approach to be taken to ensure fair treatment of its clients/investors. The permanent control system also ensures compliance with this policy.

- Investment in financial instruments, particularly unlisted financial instruments, in which (i) a distributor of SGPWM's UCITS/FIA, (ii) a client, (iii) SGPWM for its own account or (iv) an officer or employee of SGPWM, holds a significant interest in the capital of the issuer concerned.

→ SGPWM does not make any investments on its own account and applies on the other hand a policy of entering into relationships (clients, distributors, employees, etc.) based on in-depth due diligence allowing to identify these conflicts beforehand and to apprehend them within the framework of the investment policy. Finally, the employees and managers of the Management Company are obliged to declare their personal investments to the Compliance Officer.

4.2. Possible conflicts of interest concerning direct or indirect remuneration received by SGPWM

- Encouraging managers to make very large portfolio turnover not justified by economic and financial considerations and with the sole aim of increasing turnover commissions.
- Indiscriminate risk-taking in investments or disinvestments with the sole aim of seeking a significant increase in variable management fees.
- Remuneration of employees, particularly managers, taking into account the income generated by transactions carried out on behalf of clients, an incentive that can be the cause of behavior (undue portfolio rotation for example) that is detrimental to investors.

→ SGPWM is mainly remunerated on management fees. No turnover commission is also applied. The managers' remuneration is based on qualitative criteria essentially linked to the performance of the portfolios, but in no way to movements within the portfolio. The permanent control system includes controls on these various aspects.

→ In addition, a compensation policy is established and applied in order to ensure that compensation represents a healthy lever and to avoid any breach of ethical principles.

4.3. Possible conflicts of interest involving a lack of organization or procedural shortcomings

- Uncontrolled exchanges of information between persons carrying out activities involving a risk of conflicts of interest.

→ A mechanism to prevent market abuse is established within SGPWM.

4.4. Possible conflicts of interest and transactions on behalf of SGPWM, its managers and employees

- Transactions for SGPWM's own account that compete with those carried out on behalf of investors, causing them prejudice due to the price movements caused by these transactions.
- Own-account transactions carried out by employees of SGPWM that compete with those carried out on behalf of clients, causing them a prejudice due to the price movements resulting from these transactions.

→ SGPWM does not operate any operations for its own account and all its employees are subject to a code of conduct recalling the primacy of the client's interest, a code of ethics and the obligation to declare their personal transactions.

4.5. Possible conflicts of interest concerning clients whose interests may conflict with those of other principals

→ The manager scrupulously follows the investment policy, the restrictions of which are established in accordance with the ethical rules of the Société Générale Group.

4.6. Potential conflicts of interest in connection with the activities of market intermediaries

- Acceptance by SGPWM and its employees of gifts or benefits offered by service providers including intermediaries and customers that may lead to influence:

- the choice of intermediaries,
 - services provided to the clients concerned, to the detriment of the bearers or principals.
 - Taking into account in the choice of intermediaries SGPWM's economic and financial relationships, including with related companies, or close personal relationships or family ties of the managers with the managers, traders and vendors, of the providers concerned.
 - Preferential treatment of SGPWM's directors or employees who have opened a financial instruments account with an intermediary in regular business relations with SGPWM.
- SGPWM applies a strict policy regarding gifts/meals/events limiting and framing the benefits received or offered. In addition, the selection of any provider/partner is subject to an organized and independent process based on objective criteria.
- 4.7. Possible conflicts of interest in connection with the joint performance of the activity of individual management, investment advice and collective management by the same manager
- To privilege the interests of one category of clients over another:
 - Individual vs. collective management
 - Advisory vs collective management
 - Individual vs. advisory management
- SGPWM applies various policies (Best Execution and pre-allocation of orders) allowing an equal treatment of orders. In addition, the majority of orders are placed through tools that natively manage this issue and the internal control system ensures compliance with these procedures.
- 4.8. Possible conflicts of interest in connection with privileged relationships of SGPWM or its employees with issuers or distributors
- Privileged treatment of the distributor or investment funds regarding information on positions and decisions taken on behalf of the UCITS managed by SGPWM.
 - Privileged relationship of a manager or employee of SGPWM with an issuer by virtue of the fact that he is a manager, director or member of the supervisory board of the company concerned and whose financial instruments are held by the principals or UCITS.
- Information on positions held in UCIs managed by SGPWM is only disclosed for regulatory purposes (e.g. Solvency II). Furthermore, all order executions are carried out through an execution table, with a confidentiality process aimed at preventing any risk of market abuse.
- 4.9. Possible conflicts of interest related to the positioning of the Management Company within a Group
- Promotion of an instrument produced by SG or with SG underlyings
- SGPWM applies a policy that strictly regulates the placement of SG shares and products with SG underlyings. This policy prohibits, in particular, to provide investment advice on these products and any investment within the delegated management companies.
- The custodian function of a UCITS/FIA whose management is entrusted to SGPWM is carried out by an entity of the Société Générale Group
- In compliance with regulatory obligations, the Management Company has instituted a strict segregation of duties at the level of the management process and has adopted a governance structure avoiding any interference from the Group's custodian function.

4.10. Potential conflicts of interest arising from the plurality of functions of the members of the governing bodies

- A member of the Executive Board or the Supervisory Board has a directorship in an FIA/OPCVM of which SGPWM is the Management Company.

→ At Committee meetings, members are invited to declare their mandates and the emergence of any conflicts of interest. In the event of a decision being taken concerning the TPO concerned, the member shall refrain from

4.11. Potential conflicts of interest related to the repayment of investments

- conflict arising between investors who wish to be reimbursed for their investments and others who wish to maintain their investments in the mutual fund,
- as well as possible conflicts between, on the one hand, the manager's incentives to invest in illiquid assets and, on the other hand, the redemption policy of the mutual fund

→ Managers are informed of investments/divestments through cash flow forecasts, which enables them to manage cash requirements. Liquidity controls are also an integral part of the control system in order to ensure that the liquidity of assets is in line with the redemption policy of the UCI concerned.

4.12. Potential conflict of interest arising from a situation where the Management Company, one of its employees or a person related to it is likely to create a link of dependence between one of its clients.

- Conflict emerging from commercial pressure that would lead a manager to favour one client to the detriment of others.

→ For portfolios managed for private banking clients, the commercial relationship remains the property of SGBT Luxembourg (the delegator), which makes it possible to dissociate the commercial pressure from the actual management. More generally, the supervision of this delegation is carried out in its entirety and is exercised at the managerial level of the Management Company.

4.13. Potential conflict of interest arising from a situation in which the management company carries out the same professional activity as one of its clients.

- Conflict emerging from a situation in which two UCIs would share the same commercial target and the Management Company would favor one UCI to the detriment of the other.

→ Beyond the rules of ethics shared by all SGPWM employees, the services provided by the Management Company do not include the provision of the SG distribution network, which considerably reduces the risk of conflict. In addition, management is subject to regular and independent monitoring, which consists in particular of comparing performance with benchmark indicators representative of the strategy.

4.14. Potential conflict of interest arising from the application of its Voting and Engagement Policy

- Within the framework of its Socially Responsible Investor (SRI) policy, SGPWM may find itself confronted with potential conflict of interest situations.

→ In order to prevent these conflicts, SGPWM has put in place a set of measures to manage these conflicts, including the use of an SRI team that is totally independent of the sales and management teams, a transparent engagement and voting policy and internal governance on ESG issues.