



# ONE fund management

## Conflicts of Interest Policy

**Version: 2023.1.1**  
**Effective date: 26 October 2023**

## 1 Administration and Version Control

This document forms part of the ONE fund management's suite of policies and procedures.

This document is assigned a version number based on a [YEAR].[MAJOR].[MINOR] system. The first version of this document is assigned the version number '[YEAR].1.0'; with the [YEAR] value being the year of approval following its creation or annual review; the [MAJOR] value representing material changes approved by the issuing body; and the [MINOR] value representing non-material changes approved by a member of the issuing body.

Version	Revised on	Updated by	Effective from	Comment	Approved by
2023.1.1	NA	SC	13 April 2023	First Version	ONE FM Executive Committee and ONE FM Board
2023.1.1.	20.10.2023	SC	26 October 2023	Inclusion of sustainability	ONE FM Executive Committee and ONE FM Board

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### 3 Main Applicable Rules

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AIFM Law	Law of 12 July 2013 relating to alternative investment fund managers
CSSF Circular 18/698	CSSF Circular 18/698 on authorisation and organisation of investment fund managers
UCITS Law	Law of 17 December 2010 relating to undertakings for collective investment, as amended from time to time

In addition to the above listed rules, the Company does also take into account the recommendations of professional associations such as the Association of the Luxembourg Fund Industry and the association of the Luxembourg compliance officers.

#### 4 Glossary

AIF	Alternative investment fund that is managed by the Company under the AIFM Law
Board	The board of directors of the Company
Clients	Initiators and funds managed by the Company
COI	Conflicts of interest
Company	ONE fund management S.A.
Compliance Officer	The compliance officer of the Company
CSSF	Commission de Surveillance du Secteur Financier
ExCo	The executive committee of the Company
Fund	Any UCITS or AIF managed by the Company
Group	ONE group solutions S.à r.l. and affiliates
Group CCO	The Group chief compliance officer
Group Compliance Manual	The Group compliance manual, compliance charter and code of ethics, as amended from time to time
Group Conflicts of Interest Policy	The Group conflicts of interest policy, as amended from time to time
Investors	The investors of the funds managed by the Company
Policy	The present conflicts of interest policy, as amended from time to time
UCITS	Undertaking for collective investment in transferable securities that is managed by the Company under the UCITS Law

## 5 Introduction

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ONE fund management S.A. (the "**Company**") is an investment fund manager authorised by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in Luxembourg to act as:

- a management company in accordance with the Luxembourg law of 17 December 2010 relating to undertakings for collective investment (the "**UCITS Law**"); and
- an alternative investment fund manager according to the Luxembourg law of 12 July 2013 relating to alternative investment managers (the "**AIFM Law**").

As such, the Company manages:

- undertakings for collective investment in transferable securities subject to UCITS Law (the "**UCITS**"); and
- alternative investment funds subject to AIFM Law (the "**AIFs**").

(UCITS and AIFs referred to as "**Funds**")

The Company is part of ONE group (the "**Group**"), and therefore, applies the Group Compliance Manual, Compliance Charter and Code of Ethics (the "**Group Compliance Manual**") and the Group conflict of interest policy (the "**Group Conflicts of Interest Policy**") attached therewith as Schedule 1.

The present conflicts of interest policy (the "**Policy**") shall be read in conjunction with the Group Compliance Manual and supplements the Group Conflicts of Interest Policy.

## 6 Purpose and Scope of the Policy

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The Policy provides for the principles and processes to identify, prevent, mitigate and disclose, if applicable, the conflicts of interest ("**COI**") which may arise in the course of the activities of the Company as investment fund manager.

In accordance with the CSSF Circular 18/698 on authorisation and organisation of investment fund managers (the "**CSSF Circular 18/698**"), the Company shall identify the COI which could result from its organisation and activities. When COI cannot be avoided, the Company shall ensure that its clients, being the initiators of the Funds or the Funds themselves (the "**Clients**") or their investors (the "**Investors**") are treated fairly.

## 7 Governance

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### 7.1 The Group CCO

The Company is part of the Group at the level of which COI are identified, prevented if possible, mitigate and, if needed, disclosed. The Group handles notably the COI linked to the shareholders of the Group. This is performed under the supervision of the chief Group compliance officer (the "**Group CCO**"). The Group CCO works in closed collaboration with the compliance officer of each entity of the Group, in particular the compliance officer of the Company (the "**Compliance Officer**") in order to ensure efficient detection and mitigation of all COI.

## 7.2 The Board

The board of directors of the Company (the "**Board**") is the ultimate responsible body of the Company with respect to COI. The Board sets forth the risk appetite to the Company and has defined this Policy. The Board is the ultimate escalation point in case a COI cannot be mitigated.

## 7.3 The ExCo

The executive committee of the Company (the "**ExCo**") is in charge of the daily management of the Company, which includes the implementation of the Policy. Among its members, the conducting officer in charge of compliance reports specifically on COI. It is nonetheless worth to be noted that COI, as further described in this Policy, can arise within all functions, in particular within risk management or portfolio management functions, therefore the implementation of the Policy is considered as a collective responsibility of the ExCo.

## 7.4 Compliance Officer

The Compliance Officer of the Company shall, in accordance with this Policy and with the collaboration of all staff of the Company, ensure the implementation of the Policy and shall report to the ExCo on the latter at least on a quarterly basis.

## 7.5 Staff

The identification, prevention, and mitigation of the COI is the responsibility of all staff of the Company. In this respect, each employee must, as soon as he / she becomes aware of a potential or actual COI, inform the Compliance Officer and the conducting officer in charge of compliance in writing within no delay.

# 8 Principles

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## 8.1 Definition of COI

In accordance with AIFM Law, the Company shall identify the COI which arise between:

- the Company, including its management, employees and any person directly or indirectly linked to the Company by control or ownership, and the Clients or the Investors of that Clients; and
- a Client or the Investors of that Client, and another Client or the Investors of that Client.

## 8.2 Identification and management of COI

In accordance with the CSSF Circular 18/698, the Company must take all reasonable steps to identify any COI entailing a material risk of damage to the interests of its Clients, including sustainability risks. In particular, the Company shall identify the risks arising from the relationship with the depositary and any other risks linked to the delegations of its activities to third parties.

Given the responsibility of the Company to ensure compliance with Applicable Rules for the Funds and fair treatment of Investors, the Company shall also, for each of the Fund, identify and, if necessary, manage and disclose, any COI.

The Policy shall also allow the management of COI. The measures taken by the Company to prevent and manage COI are further described in Section 9 of the Policy.

### 8.3 Maintenance of record of conflicts of interest

The Company, in accordance with the CSSF Circular 18/698, shall maintain a COI register which includes at least the following:

- the description of the COI (whether potential or actual);
- the identification of the person or Fund concerned by the COI;
- the date on which the COI occurred or was discovered;
- the potential or actual impacts of the COI;
- the description of the envisaged solutions and chosen measures; and
- where appropriate, the arrangements for informing investors.

The COI register is maintained by the compliance function of the Company. At least on an annual basis, the COI register shall be reviewed and approved by the Board.

### 8.4 Obligation to inform Clients and Investors

The Company must inform its Clients and Investors of situations where the organisational or administrative arrangements it has made to manage COI have not been sufficient to ensure, with reasonable certainty, that the risk of damage to the interests of a respective Fund or its Investors will be avoided. Such information must be provided in a durable medium considered as appropriate (by a means of a website if this concerns an AIF). In addition, the Company must indicate to the Fund and its Investors the reasons for its decision in relation to these arrangements.

## 9 Main COI prevention measures

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The below describes the main measures taken by the Company to prevent / manage COI which can potentially arise from the activities of the Company and its Funds. This list is not considered as exhaustive.

### 9.1 Independent director at the level of the Board

In order to ensure that the interest of the Company and its Clients is always a priority to the Board, the Company shall always have at least one independent Board member.

### 9.2 4 eyes principle

The Company is applying the *4-eyes principle* (or *maker / checker*), ensuring therefore a robust control process over its operations and hence, avoiding that one employee acts in his / her own interest instead of the interest of the Company and its Clients.



### [9.3 Collective decision making for client acceptance](#)

In order to avoid COI linked to the acceptance of a specific Client, the Company has put in place a client acceptance committee, which is a sub-committee of the ExCo, which shall collectively approve any new Client.

### [9.4 Monitoring of mandates](#)

At both Group and Company level, any person who wishes to be appointed as director in a third party company or a Fund managed by the Company shall notify beforehand the Group CCO / the Compliance Officer in accordance with the Group Conflicts of Interest Policy

### [9.5 Personal transaction monitoring](#)

The Company has defined a personal transaction policy which set forth the obligations for all employees to ask for the prior approval of the compliance function for certain transactions which may lead to a COI. The employee shall refer to this policy for further details.

### [9.6 Segregation of functions](#)

The Company, in its governance structure, ensures that the functions are segregated in a way to avoid COI. In particular:

- risk management function is independent from the other departments, in particular from valuation and portfolio management, as further described in the risk management process and risk management procedure of the Company;
- compliance function is independent from the other departments, as further described in the compliance charter of the Company; and
- valuation function is independent from the portfolio management function and valuation committee is independent from the remuneration committee.

### [9.7 Relationship with depositary](#)

No Board member or member of the ExCo or staff shall have a management position within a depositary of a Fund.

In addition, no depositary of a Fund shall have a direct or indirect qualifying holding in the Company.

Lastly, no depositary can act also as portfolio manager of a Fund.

### [9.8 Relationship with indirect shareholder](#)

The Company may have one of its indirect shareholders as Client. In this case, the Company shall treat this Client in the same way and manner as the other Clients and shall prevent to give any preferential treatment to the latter.

### [9.9 COI linked to portfolio management activities](#)

#### **ONE fund management**

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#### 9.9.1 Portfolio management delegation

The Company usually delegates the portfolio management function of the Funds to third parties. The Company in this case shall ensure that the delegate is organised in a way to ensure fair treatment of the Investors and prevention of COI. For this purpose, in its initial and periodic due diligence, the Company verifies that the delegate has in place a COI policy, a personal trading policy and, for UCITS a best execution policy and for AIFs a deal allocation policy. The activities of the delegates are also monitored on an ongoing basis by the operations team of the Company.

#### 9.9.2 Use of investment advisors

The investment advisors used by the Company are generally not regulated. The Company therefore ensures that there is no COI (i) with the investment advisor, periodically during the due diligence process and (ii) before any investment decision by the investment committee. If there is one, the Company / investment committee shall ensure that the COI is properly mitigated / disclosed.

#### 9.10 [COI linked to valuation of assets](#)

The valuation of the AIFs is under the responsibility of the Company. The Company is usually supported by the delegate in charge of portfolio management / investment advisor for this purpose. In order to prevent COI linked to valuation, the Company verifies that, at the level of the delegate, the valuation function and the portfolio management function are segregated. In addition, the Company may also have recourse to independent appraisers for the valuation of certain asset types, such as real estate.

#### 9.11 [COI linked to remuneration](#)

The Company defined a remuneration policy in line with Applicable Rules. This remuneration policy allows the alignment between professional responsibility and remuneration. The employees shall consult the remuneration policy for more details.

#### 9.12 [Outsourcing to Group entities at arm's length](#)

The Company outsources certain functions to other entities of the Group. The Company performs the same level of diligence over Group entities as on third parties and, in order to ensure that the costs of the services provided by Group entities are in line with market practice, the Group requested an independent expert to perform a transfer pricing study.

#### 9.13 [CO compliance being always independent](#)

The Group permits its employees to become shareholders, included the conducting officers. In order to always have an independent person at the level of the client acceptance committee and ExCo, the CO compliance shall not become a shareholder of the Group.

#### 9.14 [Application of the Company sustainability policy](#)

The Company ensures the application of its sustainability policy by its employees, which includes measures preventing conflicts of interest such as, without limitation, the application of the non-

discrimination rules for hiring, or the appropriate information to investors on the sustainability risks of a Fund.

## **10 Policy ownership**

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The Policy shall be maintained and, if required, updated by the Compliance Officer.

The Policy shall be reviewed at least annually. Any material changes shall be approved by the ExCo and the Board.

**Schedule 1 – Group Conflicts of Interest Policy**

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