

CONFLICT OF INTEREST POLICY

Version 7: Conflict of Interest Policy (Updated May 2025)

1. Legal Basis & Purpose

The purpose of this Conflict-of-Interest Policy is to define how European Capital Partners (Luxembourg) S.A. (the "Company") identifies, manages, prevents, and, where necessary, discloses conflicts of interest that may arise in the course of providing its services to clients, funds, and investors.

This Policy ensures compliance with applicable regulatory requirements regarding conflicts of interest in Luxembourg and Belgium, including:

- **AIFMD & UCITS Regulations:**
 - Commission Delegated Regulation 231/2013
 - Law of 12 July 2013 on Alternative Investment Fund Managers (AIFM Law)
 - Law of 10 December 2010 on undertakings for collective investment (UCITS Law)
- **MiFID II Directive (2014/65/EU) & MiFIR (Regulation 600/2014):**
 - Articles 9(3), 16(3), 23(1-3), and 24(9-10)
 - Commission Delegated Directive (EU) 2017/593
 - Commission Delegated Directive (EU) 2021/1269 (integration of sustainability factors)
- **CSSF Regulatory Framework:**
 - CSSF Regulation 10-04 (transposing UCITS directive)
 - Notably CSSF Circular 18/698 (authorization & organization of investment fund managers)
 - CSSF Circular 22/806 (outsourcing arrangements)
 - CSSF Circular 20/758 (MiFID II conflicts, and fair treatment of clients)
- **FSMA Regulations:**
 - FSMA Conduct of Business Rules for Investment Firms
 - FSMA updates regarding MiFID II compliance

The Company ensures all reasonable steps are taken to identify, prevent, manage, and monitor conflicts of interest to avoid any adverse impact on Clients and Investors.

2. Definitions

- AIF: Any alternative investment fund and any of its compartments managed and, where applicable, marketed by the Company.
- Appointed Representative: Any director or employee of the Company fulfilling the mandate given by Shareholders in Company operations.
- Board: The Board of Directors of the Company.
- Client: An existing or potential client of the Company for individual portfolio management services and/or non-core services—only professional investors are serviced by the Company.
- Company: European Capital Partners (Luxembourg) S.A. and its Belgium Branch.
- Compliance Officer: The person responsible for ensuring conflict of interest policies are upheld.
- Conflict of Interest: A situation where the Company, its staff, or related persons may benefit financially at the expense of Clients or Investors.
- Investor: Any investor of an AIF, including those committed to becoming investors.
- Members of Staff: Directors, senior management, management team, and employees.
- MiFID Tied Agent: Any third party appointed by the Company under MiFID rules to provide investment services under its supervision.

3. Scope and Identification of Conflicts of Interest (COI)

3.1 This Policy applies to:

- The Company and its Branch;
- Directors, Conducting Officers, employees, tied agents;
- External delegates and service providers performing activities on behalf of the Company (including portfolio managers, risk managers, compliance officers, valuation agents, administrators, and distributors).

3.2 Conflicts of interest may arise between:

- The Company and its clients, investors, funds under management;
- Different clients or funds;
- The Company and any service provider, including the Depositary, Prime Broker, or delegated third parties;
- Employees and the Company or its clients.

3.3 Specific areas of potential conflict include:

- Personal financial interests of Staff in transactions handled by the Company.
- Preferential treatment of certain Clients at the expense of others.
- Use of confidential information for personal benefit.
- Simultaneous involvement in multiple business activities leading to conflicts.
- Outsourcing or delegation within the same Group as the Company belongs to.

3.4 General Conflicts

- Simultaneous provision of services to different clients with competing interests.
- Personal financial interests of employees or directors in client transactions.
- Receipt of inducements or commissions from third parties.

3.5 Conflicts with Service Providers

- Relationships with the Depositary or Prime Broker influencing fund management or custody decisions.
- Service providers prioritising their own interests over client interests.

3.6 Conflicts Arising from Delegation of Functions

In line with Point 379 of CSSF Circular 18/698, the Company acknowledges that delegation of key functions can generate specific conflicts, including:

- Delegates prioritising their own business interests or other clients over the investors' interests;
- Lack of independence between the delegate and other key service providers (e.g., Delegated Portfolio Manager and Depositary belonging to the same group);
- Delegates within the same group structure as the Company creating conflicts of loyalty;
- Inadequate oversight of delegates leading to undetected breaches or operational risks.

The Company monitors delegation risks through:

- Thorough initial due diligence;
- Ongoing due diligence and performance reviews;
- Contractual obligations requiring delegates to act solely in the best interest of the investors.

Management of Conflicts Arising from Delegation & Outsourcing:

- Compliance with CSSF Circular 22/806 on outsourcing arrangements;
- Ensuring delegated activities (investment management, risk management, compliance) are properly monitored;

- Avoiding conflicts between the Company's statutory auditor and service providers.

4. Managing Conflicts of Interest

The Company adopts the following measures to manage conflicts:

- Establishing and maintaining effective procedures to prevent conflicts;
- Segregation of duties, ensuring independent decision-making where necessary;
- Independent monitoring by Compliance and Risk Management functions;
- Clear escalation procedures for any identified conflicts;
- Remuneration Policy Alignment: Ensuring incentives do not encourage conflicts of interest;
- Third-Party Independence: Ensuring independence of investment managers, service providers, and prime brokers;
- Disclosure to clients and investors when conflicts cannot be effectively prevented.

Delegation contracts explicitly require service providers to:

- Prioritise client and fund interests;
- Maintain independence from other service providers;
- Promptly disclose any potential conflicts to the Company.

5. Personal Transactions

Employees, Conducting Officers, and Directors must comply with the Company's Personal Transaction Policy. In case of delegation to third parties, the Company ensures that delegates maintain records of personal transactions of relevant persons and provide such records promptly upon request, in accordance with Point 370 of CSSF Circular 18/698.

6. Recordkeeping

The Compliance Officer actively maintains and updates the Conflicts of Interest Register on an ongoing basis. Identified conflicts, mitigation actions, and disclosures are documented promptly.

7. Disclosure to Clients and Investors

Where a conflict cannot be avoided, the Company will disclose the nature and source of the conflict to affected investors in a durable medium before undertaking business on their behalf.

The disclosure provides sufficient details to allow informed decisions by Clients.

8. Conflict Management Measures

8.1 Internal Controls & Monitoring

The Company implements:

- A Conflicts of Interest Register to document and track conflicts;
- Annual Compliance Reports to the Board on conflict resolution;
- Regular Training for Staff on identifying and managing conflicts.

9. Review

This Policy is reviewed at least annually, or promptly following any significant changes in the Company's organizational structure, activities, delegation arrangements, or applicable regulatory requirements.

10. Conflicts Relating to MiFID II Tied Agents

Under MiFID II, the Company may appoint tied agents to provide investment services under its responsibility. To prevent conflicts of interest:

- Tied agents must be clearly identified and their roles disclosed to Clients;
- The Company remains fully responsible for all activities conducted by tied agents.

Regular audits and compliance monitoring ensure adherence to organizational structure and regulatory environment.

11. Record-Keeping & Reporting

- Conflicts of Interest Register: Maintained and updated by the Compliance Officer;
- Annual Reporting: The Board receives annual updates on conflicts identified and managed;

- CSSF & FSMA Compliance: Regular submissions to regulators as required under MiFID II and AIFMD.

European Capital Partners (Luxembourg) S.A.

Effective: May 2025

Next Review: May 2026