

Conflicts of Interest Policy

Purpose and applicability

AVEGA Capital Management S.A. (“ACM” or the “Company”) has implemented this Conflicts of Interest Policy (the “Policy”) with respect to the identification, prevention, recording and management of conflicts of interest (“Col”), which arise or might arise in the course of carrying out its business and which might entail a risk of damage to the interest of one or more of its clients, the funds for which it acts a AIFM (“Funds”) and / or its reputation.

In formulating the Policy, ACM has had regard to its organizational framework and the nature, scale and complexity of its business. Col may arise in the normal course of business and through normal market practice and it is not possible to eliminate all existing and potential Col. ACM has a tolerance of a limited level of risk arising from Col but has additional policies and procedures in place designed such that Col are mitigated in a way which is sufficient to ensure that ACM’s clients and Funds interests are put first and are not materially damaged.

The Policy applies to all employees of ACM (“Employees”) and to the Directors of the Company.

Version history and approval

Date	Prepared by	Approved by
30 September 2019	Stephan Grimm	Board of Directors

This Policy is dated 30 September 2019 (“the **Date of this Policy**”).

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Principles

ACM is committed to treat all clients fairly and with integrity and to comply with all applicable laws and regulations.

The Conducting Officers and department heads are responsible for having effective systems, controls and procedures in place to avoid, identify and manage Col in the event that they cannot be avoided.

Furthermore, ACM is committed to maintaining and operating effective organizational and administrative arrangements to identify and manage Col, including those possibly arising as a result of the structure and business activities conducted jointly with other service providers.

Where an employee of ACM is aware that they or the Company have a material interest which could influence their dealings with or advice to a client and / or its investors, that interest must be disregarded, and the employee must act in the interests of that client.

All Employees have a duty to be mindful of Col and to take all reasonable steps to assist in their identification and proper management, including prompt escalation to relevant management functions and ACM's Compliance department.

Governance

The Executive Committee of ACM comprises management from all major business areas and is therefore the most appropriate body to provide appropriate governance of Col.

The Company's Conflicts of Interest Register and the Policy will be presented to the Board of Director of ACM on a regular basis (at least annually) and any issues identified therein will be escalated to the Board, as appropriate.

The Board of Directors of ACM is informed on an ad hoc basis on the occurrence of (potential) conflicts of interest either by Conducting Officers or by ACM's Compliance function.

Conflicts of interests: Management

This Policy considers Col that might arise during the normal course of business as a result of the interaction between ACM, its clients, Funds and third parties.

ACM's organizational and governance structure, including but not limited to strictly defined reporting lines and clear allocations of areas of responsibilities among the Conducting Officers of ACM, the existence of various committees such as for Valuation, Investment Management and business acceptance, support the avoidance, or in case a Col cannot be avoided, the identification and management of Col.

At the time that this policy was written or at the time of the latest review thereof, ACM has four conducting officers, which ensures a separation of tasks and segregation of activities and responsibilities between them and avoids the risk of task concentration.

As an AIFM, the Company will take all reasonable steps to avoid Col in order to prevent, manage and monitor them, to prevent them from adversely affecting the interests of each Fund under management and the shareholders thereof and to ensure that each Fund under management and the shareholders thereof are fairly and consistently treated.

As AIFM, the Company will take all reasonable steps to identify conflicts of interest that arise in the course of managing alternative investment funds ("AIFs") between:

- the AIFM, including its managers, Employees or any person directly or indirectly linked to the AIFM by control and the AIF managed by the AIFM or the investors in that AIF;
- the AIF or the investors in this AIF and another AIF or the investors in that other AIF;
- the AIF or the investors in this AIF and another client of the AIFM;
- two clients of the AIFM.

Where the Company on behalf of an AIF directly appoints a prime broker, the terms shall be set out in a written contract. In particular, any possibility of transfer and reuse of AIF assets shall be provided for in that contract and shall comply with the AIF rules or instrument of incorporation of that AIF. The Company will exercise due skill, care and diligence in the selection and appointment of any prime brokers with whom contracts have been concluded directly. At the time that this policy was written or at the time of the latest review thereof, Carne has not directly appointed any prime brokers.

The procedures and measures implemented by ACM to manage Col have been designed to ensure that Employees engaged in activities involving a Col carry out those activities at a level of independence that is appropriate to the nature and activities of ACM and to the materiality of the risk of damage to the interests of the unitholders / shareholders.

In order to limit any conflicts and to manage any conflicts which do arise, the company implements the following:

1. 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 the requirements of article 42 of the Delegated Regulation of the EU Commission, supplementing Directive 2011/61/EU (in particular article 15);
2. the at-arms-length principle. In particular, preventative measures to limit any person from exercising influence that may be deemed as inappropriate, on the way a relevant person may carry out a service or business. The fact that a person holds a certain position within the company should not be misused to seek or accept any business opportunity, favour or benefit to the detriment of clients or other employees or to achieve certain decisions; and
3. preventative measures to limit the involvement of a relevant person in a number of separate services or businesses, where involvement may impair the proper management of conflicts of interest.

Conflicts of interests: Escalation and clearance

In line with the regulations, specifically in relation to the article 37 of the Delegated Regulation of the EU Commission, supplementing Directive 2011/61/EU and the UCITS IV law, the company has in place a register to document all kinds of services or activities in which a conflict of interest has arisen or may arise. This record is regularly updated in view of changes to operations.

The register is maintained by the Compliance Function and is amended whenever a conflict of interest is identified and generally whenever required by changing circumstances. The register is submitted to the BoD on a yearly 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 Function. The Compliance Function will record the conflict of interest on the register and consider possible solutions.

Should the Compliance Function need further guidance on such conflicts, it will report them to the EC or the BoD. They will consider the potential conflict situation in detail and thereafter decide on further proceedings.

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 in a durable medium.

Conflicts of Interests when outsourcing activities

With regard to the activities of third parties that perform delegated tasks of the Company, the adherence to principles of the appropriate management of CoI are checked and documented in the context of the due diligence audits and delegation oversight controls.

The oversight and monitoring of Company-specific conflicts of interest will be the responsibility of the Delegation Oversight function. The oversight and monitoring of structural CoI for the Company's business model as a third-party management company to the Funds and its delegates, will be that of the relevant Product Manager, Delegation Oversight function together with ACM's Compliance department.

Disclosure

Applicable rules require that where the organizational arrangements to prevent or manage CoI put in place by ACM are not sufficient to ensure, with reasonable confidence, that the material risks of damage to the interests of a client will be prevented, ACM must disclose in a durable medium the specific description of the nature and / or sources of the CoI to the client as well as the steps the ACM will take to mitigate the risks prior to the provision of the service.

Where ACM considers that there are no other means of managing the conflict, or where the measures in place do not sufficiently mitigate the conflict, the conflict may be disclosed on ACM's website or to those affected via any other appropriate media to enable them to make an informed decision. As at the date of this Policy, ACM does not have any conflicts where the measures in place do not sufficiently mitigate the CoI and the risk of harm to the client.

Where ACM considers that the CoI cannot be managed in any other way, including by way of disclosure, it may decline to act for the client.

Conflicts of Interest Register

ACM Compliance department shall identify the conflicts of interest applicable to the Company and maintain a register of conflicts setting out the actual and potential instances of conflicts impacting the Company.