

## **Conflicts of Interest Policy**

Updated as of September 2023

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## 1. Glossary

| Term   | Description  |
|--|--|
| UCITS  | Undertakings for Collective Investment in Transferable Securities  |
| AIF  | Alternative Investment Fund  |
| Funds  | AIF or UCITS managed by Massena Partners S.A   |
| Massena Partners S.A (or “Massena” ou the “Company”) | Management Company as per the definition provided by the law of the 17 December 2010 on UCITS, and hereafter “Massena Partners”  |
| BoD  | Board of Directors of Massena Partners   |
| Senior Management or Conducting Officers             | Persons who effectively conduct the business, executive members or members of the governing body   |
| Client (s)   | If not explicitly specified, this term includes Investors, AIFs, or any person who beneficiary of Services provided by Massena Partners, notably discretionary portfolio management.   |
| Conflict(s) of Interest                              | Act of pursuing his/her own interest or the interest of a particular company or Investors to the detriment of others   |
| Persons of Interest                                  | Shareholders, Conducting Officers, Funds Managers and Employees of Massena Partners<br>External Service Providers to whom essential services have been delegated by Massena Partners<br>Individuals seconded to Massena Partners under Massena Partners supervision.                                 |
| Investment Committee                                 | Investment committee established by Massena Partners   |
| Services provided by Massena Partners                | Management of AIFs, UCITS, regulated and non-regulated funds<br>Discretionary management of individual accounts<br>Advisory  |
| Investor(s)  | The investors of the AIF   |
| Relevant Person                                      | Any person involved in the activities carried out by or on behalf of the AIFM, such as the employees and executives of the AIFM, the delegates and, if applicable, the sub-delegates of the AIFM, the external valuer of the AIFM , as the case may be, or, if applicable, the AIFM’s counterparties |

## 2. Applicable regulations

| Term           | Description   |
|----------------|---|
| Luxembourg Law | Law of 17 December 2010 relating to Undertakings for Collective Investment (“UCITS Law”)  |
|                | Law of the 12 July 2013 on Alternative Investment Managers (“AIFM Law”)   |
| Regulation     | No 231/2013 of the 19 December 2012 (“AIFM Regulation”)   |
| CSSF Circulars | CSSF Reglement 10-04, as amended as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company |
|                | CSSF Circular 04/155 on compliance function, as amended   |
|                | IML Circular 98/143 on internal audit , as amended  |

|  |  |
|--|--|
|  | CSSF circular 18/698 relating to the authorisation and organisation of investment fund managers incorporated under Luxembourg law with specific provisions on the fight against money laundering and terrorist financing applicable to investment fund managers. |
|--|--|

### 3. Background, purpose and scope of application of the conflict of interest policy

Potential, and actual, conflicts of interest will arise in the management of investment funds or discretionary management mandate. It is the responsibility of each employee in accordance with the principles defined by the Board of Directors to recognise these situations and to actively identify and manage conflicts, and to ensure appropriate disclosure.

Conflicts of interest are considered as any situation in which, in the course of managing the interest of a Client, the AIFM, any Relevant Person:

- is likely to make a financial gain or avoid a financial loss at the expense of the Client;
- has an interest in the outcome of a service or an activity, provided to the Client, or of a transaction carried out on behalf of the Client, which is distinct from the interest of the Client in that outcome;
- has a financial or other incentive to favor:
  - the interest of a Client over the interest of another Client;
  - the interest of one Client over the interests of another Client or group of Client in the same AIF.
- carries out the same activities for different Clients;
- receives or will receive from a person other than the Client an inducement in relation to services provided to the Client, in the form of monies, goods or services other than the standard commission or fee for that service.

Potential or actual conflicts of interest may arise in the normal course of the business and operations, either on a one-off basis or potentially on a more recurring basis. The AIFM will identify, manage and disclose such conflicts of interest, in accordance with the applicable regulatory framework and in the Clients best interests.

Accordingly, the Relevant Persons undertake to act honestly, fairly, with due skill care and diligence in the best interests of the Clients, while providing the required expertise, acting with integrity, accuracy and diligence. The Relevant Persons are bound by similar requirements when performing transactions involving the assets of Clients or when acting on markets or investment area where the Client can be involved.

In accordance with article 13 of the AIFM Law and articles 30 to 36 of the AIFMR, the AIFM has set up the present Conflict of Interest Policy in order to establish and implement procedures aiming at:

- identifying situations where (potential) conflicts of interest may arise, entailing a material risk of damage to the AIFs' interests.
- establishing appropriate procedures, mechanisms and systems to manage those conflicts.
- maintaining procedures and systems designed to prevent actual damage to the Clients' interests through any identified conflicts; and
- maintaining records of such conflicts of interest (including potential conflicts of interests)

## 4. Identifying potential conflicts of interest

For the purpose of identifying conflicts of interest, the AIFM takes into account by way of minimum criteria the question of whether any Relevant Person, being the AIFM, an employee or any related party including delegates, is likely to make a financial gain, or avoid a financial loss in the broadest sense, at the expense of the Clients. The necessary measures of identification of conflicts of interest include:

- Conflict of interest between the Clients and the Relevant Persons;
- Conflict of interest between Clients;
- Conflict of interest in case of redemption requests of investors within an AIF.

The AIFM has mapped the relevant conflicts of interest that may arise in the course of its activities in the “Cartographie des conflits d’intérêts”. The purpose of this document is to provide support to the Compliance function in the context of the identification of situations where conflicts of interest may arise.

Within each of the above listed categories, several types of conflicts may arise and further detailed below.

## 5. PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST

The AIFM has appointed the Chief Compliance Officer as officer in charge of identifying, preventing, managing and monitoring potential conflicts of interest within the AIFM. The Chief Compliance Officer will regularly communicate with the Board on the conflicts of interest he/she has identified or which have been reported and will seek advice from the Board any time he/she identifies a conflict of interest which may entail a material risk of damage to the interests of one or more Clients.

### 5.1 CONFLICTS OF INTEREST BETWEEN A CLIENT AND THE RELEVANT PERSONS

- Conflict of Interest between a Client and an employee of the AIFM

The AIFM has implemented a personal transaction policy in order to ensure that all transactions entered into by the AIFM’s Employees which likely to give rise to a conflict of interest is properly managed and monitored (the “Personal Transactions Policy”).

Considering the nature and size of the AIFM activities, certain transactions entered into by an Employee have to be notified to the AIFM and, more particularly, to the Chief Compliance Officer. Please refer to the Personal Transaction Policy.

The AIFM shall make the necessary arrangements to prevent its Employees from using confidential information that they have obtained during their involvement with the AIFM for their own benefit.

In addition, the Company has handled through a different policy any conflict of interest which might arise in relation to the remuneration structures and more specifically the variable component.

The Company has also defined a specific policy aiming to set the rules applicable to any gift or entertainment which may be offered to the employees by suppliers notably.

Some employees of the AIFM may act as Board member of Clients. Conflicts may arise in the context of decision taken by the employees for the Client and in the remuneration they receive for these mandates. Therefore employees acting as director must abstain to vote on subjects which can create a conflict of interest.

- Conflict of Interest between a Client and a delegate of the AIFM

When selecting a delegate, the AIFM aims to identify and consider any potential conflict of interest. In addition, as part of the due diligence procedure, the Company ensures that the delegate has a proper conflict of interest policy and effectively identify, monitor and report them.

A specific provision in relation to the prevention of conflict of interest and their prevention is included in the delegation agreement.

- Conflict of Interest between a Client and a AIFM related entity

The Company is a subsidiary of Natixis Wealth Management France and belongs to BPCE group. BPCE group entities may have a direct and indirect interest in the products in which the Company invests or proposes to its Clients, where permitted by regulation and by the Client's contract.

To manage this type of conflict of interest, all orders are placed by the Depositary Bank of the Client, which places the orders on the market in accordance with its own best execution policy. In cases where the AIFM has the capacity to select a counterparty, such as for structured products for instance, the selection would go through a tender offer.

In case a Client would invest in an AIF managed by the Company, the remuneration structure of the mandate / service provided would be defined to prevent any incentive, notably by excluding such assets from the remuneration basis to determine the management fees.

In the event of a potential conflict of interest between a Client and the AIFM, the Client's interest will be given precedence over the AIFM's. All of the fees supported by the Clients, including the broken deal cost, are fully disclosed in the legal documents of the AIF and in the MIFID documents (ex-ante cost reports or regular subsequent reports) for the discretionary Clients.

## 5.2 CONFLICT OF INTEREST BETWEEN CLIENTS

### 5.2.1 GENERIC ASPECTS

- Aggregation of transactions in investments – The Company may aggregate purchase and sale transactions in investments (and associated transaction costs) for applicable Clients. The applicable Clients may have different or similar investment strategies, objectives and restrictions, and they may be structured differently. Accordingly, aggregation may result in different outcomes for certain such Clients, for instance in respect of the holding period for an investment, the size of a Client's exposure to such investment, and the price at which an investment may be acquired or disposed of.

Depending on the circumstances, aggregation may be advantageous or disadvantageous to the Client.

- Allocation of transactions in investments – aggregated transactions as referred to above, including costs and expenses thereof, are allocated to ensure that our Clients have broadly equal access to a similar quality and quantity of suitable investment transactions, taking into account the factors mentioned above, amongst others.
- Transactions between Clients – The Company may make decisions for one Client to buy or sell units, shares or other investments in other funds which the Firm is the investment manager. The Company may potentially charge the management fees where one fund invests in another fund. The Company may in certain circumstances effect a transaction between Clients whereby one Client buys an asset from another Client for reasons that are beneficial to each Client, on arms' length terms. For example, a transaction between Clients may be appropriate when a Client's has an obligation to meet applicable investment restrictions or a Client redemption requirements, and where the Company determines that the investment continues to represent a valid opportunity to generate added value for one or more other Clients to acquire the investment.

#### 5.2.2 CONFLICT OF INTEREST BETWEEN AIFS

The AIFM primarily manages closed ended structured, with different and non-overlapping offering period, or with different investment objectives (in terms of sector or geography), the most likely situations in which a conflict of interest might occur have been identified as follows:

- interest for an identical geographic zone at the same time;
- same type of companies or project targeted / same company or project targeted;
- same amount of money available for investment with a limited number of assets on the market;
- transaction between AIFs.

In order to avoid any conflicts of interest between different Clients, the AIFM will not, as a general rule, simultaneously negotiate the acquisition of an asset for Clients, unless the management bodies of the AIFs expressly agree to it.

For the specific case of a potential transaction between AIFs, which has never been the case so far, the transaction price would be based on the valuation provided by an reputable independent expert and the transaction would be submitted to the approval of the Board of both AIFs, if applicable.

#### 5.2.3 CONFLICTS OF INTEREST IN CASE OF REDEMPTION REQUESTS OF INVESTORS

##### (i) WITHIN AN AIF

One should note that such conflict of interest is unlikely to arise as the AIFs are of the closed ended type with very limited possibilities of redemption.

## 6. MONITORING OF CONFLICTS OF INTEREST

All potential conflicts of interest are to be documented with utmost care to the highest detail. The documentation shall be kept by the AIFM together with the relevant trade data.

In accordance with Article 22(1) of CSSF Regulation 10-4 and Article 35 of Delegated Regulation (EU) 231/2013, the Chief Compliance Officer will keep, on an on-going basis, a report of all the conflicts of interest which have been identified by and/or reported to him (the "Conflict of Interest Report"). The Conflict of Interest Report will explain how such conflicts of interest, as the case may be, have been dealt with. In particular, the Conflict of Interest Report aims to identify the risks arising from the relationship with the depository banks as well as from the delegation of investment management's function.

The Conflict of Interest Report will enable the Chief Compliance Officer to identify the type of activities in which a conflict of interest entailing a material risk of damage to the interests of one or more Clients may arise. The Conflict of Interest Report covers:

- The description of the conflict of interest;
- The identification of the Client and the investment concerned by the conflict of interest if applicable;
- The description of the mitigation elements put in place
- The potential or actual impacts of the conflict of interest
- The current status
- The date on which the conflict of interest occurred or was discovered

The Management Committee, the Board of the AIFM as well as the Board of the Fund will be provided regularly with the Conflict of Interest Report (i.e. mapping of potential conflicts of interest, and the register of proven conflicts of interest that have been identified as well as the measures taken to prevent and manage them) prepared by the Chief Compliance Officer.

## 7. Procedures for the limitation of conflicts of interests

The potential conflicts of interest which have been identified as part of any Fund set up are disclosed in the Prospectus for the Funds and all material contracts which Massena Partners enters into on behalf of the Funds contain provisions in relation to the conflicts which may arise with all parties consenting thereto. Any disclosure made shall be clear, fair and not misleading and the disclosure shall contain sufficient detail about the relevant conflict of interest to enable the investor in the Funds or a third party contracting with the or Massena Partners to make an informed decision.

Any transactions entered into by Massena Partners on behalf of the Clients shall be consistent with the internal Policies.

The employees are allowed to subscribe in our in-house funds. As we refer to private equity funds with a lock-up period, no conflict of interest may arise as they are illiquid assets and the investment process can only start when fundraising is closed.

Massena Partners operates a "Need to Know" approach and complies with all applicable laws in respect of the handling of confidential information that it receives from its Clients. Access to such confidential information is restricted to those who have a proper requirement for the information consistent with the legitimate interests of Massena Partners or the Fund.

Massena Partners will ensure any transaction carried out with a Fund by Massena Partners shall be effected on normal commercial terms negotiated at arm's length. All transactions shall be in the best interests of the its Clients.



The transactions shall be subject to:

- execution on best terms on organized investment exchanges under their rules; or
- Service providers: where a third party provider is authorized under national laws implementing MiFID, the service provider is obligated to maintain an adequate conflicts of interest policy, take all reasonable steps to identify conflicts of interest and manage them adequately. Massena Partners will not require further reports from such third parties.
- Investment managers: where the investment manager or other third party provider is not authorized and regulated under MiFID or invest in assets which are not traded on the market (such as private assets), Massena Partners ensures that the following obligations are met on a contractual basis and the following obligations relevant to Massena Partners must also be met by such third party provider.

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

### **8.1.1 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.

### **8.1.2 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.

### **8.1.3 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

## **9. Procedures for managing and evaluating the effectiveness of the conflicts of interest policy**

The conflicts of interest policy in place applies to Massena Partners, its french branch and subsidiaries: They are reviewed on an annual basis by the Compliance function.

Should the Compliance function assess that the procedures are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Clients are being prevented, the Directors of Massena Partners and/or Funds shall be promptly informed in order for them to take any necessary decision to ensure that in any circumstances Massena Partners acts in the best interests of its Clients and the policy and procedures shall be amended as appropriate.

## **10. Disclosure of conflicts of interest**

In situations where Conflicts of Interest cannot be avoided, the Senior Management shall take any necessary decision to ensure that in any case the Company acts in the best interests of the Clients. Where organizational arrangements are insufficient to prevent damage from investors, the Company clearly discloses the general sources of Conflict of Interest to the Clients via the prospectus of the respective AIF/UCITS and any other durable medium it may think appropriate (including website).

Staff members must inform the Compliance function of all instances requiring such a disclosure to the Client to be made prior to the disclosure.

## **11. Policy review**

This policy has been approved by the board of directors and where no update is required, the policy will be applied consistently over time.

## 1 APPENDIX 1

### ❖ **Non-exhaustive list of situations that may create a conflict of interest**

- Massena Partners may attain a financial gain or avoid a financial loss at the cost of one or several customers
- Massena Partners has an interest in the outcome of a service or an activity provided to the clients or of a transaction carried out on behalf of the client which is distinct from the client interest in that outcome
- Massena Partners has a financial interest or for other reasons favors a customer's or group of customer's interests over the interest of another customer
- Massena Partners conducts the same business as the client
- Massena Partners receives or will receive from a person other than the customer an inducement in relation to the service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.
- An employee of Massena Partners has outside business interests that conflict with the interests of the company's clients
- Massena Partners trades for its clients in a security when at the same time it has information about potential future client orders in a relation to that security
- An employee of Massena Partners has relationship that affects its independence
- Massena Partners has information in relation to distressed assets and trades these assets for one client but not others
- Massena Partners records and reports false information (misrepresenting, falsifying relevant information required to be reported to clients and external parties or used internally for decisions-making purposes) in order to derive personal benefits