

**Conflicts of Interest Policy of**

**EnTrust Global Limited and EnTrust Global SAS**

**(each the "Company")**

**December 2022**

<b>Version</b>	<b>Approved By</b>	<b>Date</b>
<b>1</b>	<b>Ltd Board of Directors SAS Board of Directors</b>	<b>December 2022</b>

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## Definitions

In this document, except where the context otherwise requires, the following terms have the meaning assigned to them:

"AIF"	means an alternative investment fund, as defined in Article 4 of the AIFMD;
"AIFMD"	means the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, as may be amended from time to time;
"AIFMD Level 2 Regulation"	means the Commission Delegated Regulation (EU) No. 231/2013 as may be amended from time to time;
"Board"	means the board of directors of the Company;
"Company"	means EnTrust Global Limited or EnTrust Global SAS, respectively;
"Depository"	means the depository appointed by the Fund as disclosed in the prospectus or such other person from time to time providing custodial services to the Fund;
"Fund"	means each fund managed by the Company;
"Investment Manager"	means the Fund's investment manager or investment managers as disclosed in the prospectus or such other person or persons from time to time providing investment management services to the Fund;
"Sustainability Risks"	means an environmental, social or governance (" <b>ESG</b> ") event or condition that, if it occurs, could cause a material negative impact on the value of an investment, as defined in Article 2(22) of Regulation (EU) 2019/2088 (" <b>SFDR</b> ");

## 1 Introduction

In accordance with AIFMD, it is the responsibility of the Company to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to identify, prevent, manage and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the Funds it manages and their investors.

## 2 Conflicts of Interests Policy

- 2.1 In accordance with Article 31 of AIFMD Level 2 Regulation, the Board is obliged to establish and document a conflicts of interest policy and accordingly has established the following as its conflicts of interest policy (the "**Policy**").
- 2.2 This Policy aims to (i) identify circumstances which may give rise to a conflict of interest entailing a material risk of damage to the interests of a Fund; and (ii) establish appropriate procedures and measures to manage those conflicts.
- 2.3 A conflict of interest is a conflict that arises between the Company's directors/officers, its third-party service providers (including, without limitation, its Investment Manager, Depository and

fund administrator), their affiliates, or any person directly or indirectly linked to the Company by way of control, and the Funds managed by the Company or the investors in those Funds.

2.4 A “conflict of interest” shall exist where a delegate of the Company and/or a director or officer of the Company is:

- (a) likely to make a financial gain, or avoid a financial loss at the expense of the Fund or its investors;
- (b) has an interest in the outcome of a service/activity provided to the Fund or its investors or to another client or of a transaction carried out on behalf of the Fund or another client, which is distinct from the Fund’s interest in that outcome;
- (c) has a financial or other incentive to favour:
  - (i) the interest of another fund, client or group of clients over the interests of the Fund;
  - (ii) the interest of one investor over the interest of another investor or group of investors in the same Fund;
- (d) carries on the same activities for the Fund and for another fund, client or clients which are not collective investment schemes; or
- (e) is in receipt of inducements in the form of monies, goods or services, other than the standard commission or fee for that service.

2.5 A conflict of interest which could damage the interests of the Company may also arise as a result of the integration of Sustainability Risks in the Company’s processes, systems and internal controls. Those conflicts may include:

- (a) conflicts arising from remuneration or personal transactions of relevant staff,
- (b) conflicts of interest that could give rise to greenwashing, mis-selling or misrepresentation of investment strategies and conflicts of interests between different Funds managed by the Company; and
- (c) conflicts where the Company (including its managers, employees and wider group), has a financial or other interest in the outcome of a service or an activity provided to, or transaction carried out on behalf of a Fund that is not aligned with the Company’s sustainability-related considerations that are present as a result of the integration of sustainability risks into the Company’s processes, systems and internal controls.

2.6 Article 32 of AIFMD Level 2 Regulation requires the Company to identify, manage and monitor conflicts of interest arising between investors wishing to redeem their investments and investors wishing to maintain their investments in the AIF, and any conflicts between the Company’s incentive to invest in illiquid assets and the AIF’s redemption policy, in cases where the Company manages open-ended AIFs.

2.7 The Company has established procedures which are designed to identify and prevent or manage conflicts of interests that may give rise to a material risk of damage to the interests of the Funds or its investors. Since the Company is a member of a group, scenarios which may give rise to a conflict of interest resulting from the structure and business activities of other members of the group should also be considered as outlined further in Section 3.

- 2.8 Every effort is made to avoid conflicts of interests occurring. When any such conflicts of interest are unavoidable, the Board seeks to ensure that the relevant Fund is managed appropriately, in the best interests of its investors, and that the conflict is resolved fairly.
- 2.9 The following are examples of the arrangements for managing these conflicts:
- (a) the organisational arrangements implemented by the Company provide for the segregation of duties and so prevents conflict arising through preventing and ensuring that no one individual can exercise undue or inappropriate influence over a particular process;
  - (b) effective procedures to prevent or control the exchange of information between relevant persons engaged in collective portfolio management activities involving a risk of a conflict of interest where the exchange of information may harm the interests of one or more funds or their investors;
  - (c) the separate supervision of persons whose principal functions involve carrying out collective portfolio management activities on behalf of, or providing services to, clients or to investors whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Fund;
  - (d) segregation of key duties to provide control and oversight of processes, to include specific functions assigned to the compliance, risk, internal audit and legal functions, as appropriate, for the oversight of adherence to the Company's sustainability-related considerations that are present as a result of the integration of Sustainability Risks into the Company's processes, systems and internal controls;
  - (e) the removal of any direct link between the remuneration of persons principally engaged in one activity and the remuneration of, other revenues generated by, different persons principally engaged in another activity where a conflict of interest may arise in relation to those activities;
  - (f) measures to prevent or restrain any person from exercising inappropriate influence over the way in which a person carries out collective portfolio management activities;
  - (g) measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate collective portfolio management activities where such involvement may impair the proper management of conflicts of interest;
  - (h) in any matter for consideration before the Board where a director believes that a conflict may arise affecting them personally (unless otherwise generally disclosed in accordance with the provisions under the Declarations of Interest section below), they shall disclose such conflict to the Board before the issue is considered by the Board.
- 2.10 In cases where a director or officer of the Company has an interest in a contract (declared pursuant to Declarations of Interest below), they may not be involved in managing or monitoring the contracted party, for example, in terms of direct unilateral facility to approve invoices, or terminate the contract. An example of this can occur where a director is an employee or member of the investment manager.
- 2.11 If ongoing conflicts of interest arise, which are considered by the Board to be impacting the ability of the Board to act in the best interests of investors, consideration shall be given to changing the membership of the Board.
- 2.12 Where conflicts of interest arise at board meetings these shall be noted in the minutes.

- 2.13 In considering directors' appointments, the Board shall assess and document its consideration of any possible conflicts of interest arising from the potential appointment of that individual as a director.
- 2.14 The foregoing list is not exhaustive and may be amended from time to time as the directors see fit.
- 2.15 The Company shall maintain and keep up to date a record of the types of activities undertaken by or on behalf of the Company in which a conflict of interest involving a material risk of damage to the interests of one or more funds or its investors has arisen or, in the case of an ongoing activity, may arise. The Board shall receive an annual update, at a minimum, on such reports.

### **3 Connected Party Transactions and Intra-Group Appointments**

- 3.1 The Company shall ensure that the Funds may only enter into a transaction with its service providers, any of their members, directors, officers, employees, agents and connected persons and the directors and any person or company with whom they are affiliated or by whom they are employed (each a "**Connected Party**") where it is negotiated at arm's length and where transactions are in the best interests of the Fund and its investors and;-
- (a) a certified valuation of such transaction by a person approved by the Depositary (or in the case of any such transaction entered into by the Depositary, the directors) as independent and competent has been obtained; or
  - (b) such transaction has been executed on best terms obtainable on an organised investment exchange under its rules; or
  - (c) where (a) and (b) are not practical, such transaction has been executed on terms which the Depositary is (or in the case of any such transaction entered into by the Depositary, the directors are) satisfied conforms with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length and are consistent with the best interests of the investors.
- 3.2 Transactions with a Connected Party may include, but are not limited to;-
- (i) Purchase of shares in the Fund by Connected Parties;
  - (ii) Purchases by the Fund of investments in Connected Parties or with or involving Connected Parties;
  - (iii) Fees paid to Connected Parties (other than those disclosed in the prospectus);
  - (iv) Derivative transactions (including but not limited to FX trades); and
  - (v) Affiliations of those charged with governance with Connected Parties.
- 3.3 Consideration should be given to the use of intra-group entities services/products. For example, consideration could be given by the Company to the appointment of EnTrust Global Partners Offshore LP as delegate investment manager to the Funds.
- 3.4 When assessing intra-group appointments such as these, elements of good practise that the Company could consider and document include:
- (a) That the relationship is managed at arm's length and with standard commercial terms;

- (b) The Company can justify the use of an intra-group entity over an external party;
- (c) That there is adequate separation of activities between group entities; and
- (d) Use of group services and any benefit accruing to the Company, are clearly disclosed to clients.

3.5 These policies should be read in conjunction with the Portfolio Transactions and Conflicts of Interest section of the relevant fund prospectus.

#### **4 Declarations of Interest**

4.1 In any matter for consideration before the Board where a director believes that a conflict may arise affecting them personally, unless otherwise generally disclosed in accordance with applicable laws, they shall disclose such conflict to the Board before the issue is considered by the Board.

##### **4.2 Declaration of Interest in Contracts or Proposed Contracts**

- (a) A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company to declare the nature of their interest. A director cannot assume that all other directors know of their interest in a particular matter.
- (b) A director must disclose their interest at the meeting of the directors at which the contract is first discussed or at the first meeting held after the director first becomes interested.

##### **4.3 Notification of Directors' and Secretaries' Interests in Shares and Debentures**

- (a) It is a duty of a director and/or secretary to disclose any interest in shares or debentures that they, their spouse or civil partner or minor children hold in the Company or entity of the same group.
- (b) It is the responsibility of the director to make such disclosure. In circumstances where a director is unsure as to whether or not such an interest requires to be disclosed, they should defer to the secretary for guidance and advice.

#### **5 Directors' Time Commitments**

5.1 The Board shall satisfy itself that each director has sufficient time to devote to their role as a director of the Company including all associated responsibilities.

5.2 The Board expects that a director of the Company shall; (i) be available to attend board meetings; and (ii) ensure that they have sufficient time to devote to the role of director together with all the associated responsibilities (including but not limited to consideration of all relevant Board papers in advance of each meeting).

5.3 In the event that exceptional or extraordinary items arise during the term of a director's appointment which require a director to dedicate significant unexpected additional time to the affairs of the Company, each director shall have a duty to re-evaluate their aggregate time commitments and make any adjustments thereto as are necessary to ensure that the affairs of the Company receive adequate attention.

## **6 Specific Sustainability-related Considerations**

- 6.1 In addition to the sustainability-related considerations outlined above, the following potential conflicts of interest have been identified and mitigated against by the Company;
- 6.2 The Company acknowledges that with increased investor interest in financial products that take Environmental, Social and Governance ("**ESG**") considerations into account, the Company may have commercial incentives to promote its ESG credentials and the ESG credentials of a particular Fund in order to attract more investors.
- (a) This presents the risk that ESG considerations may be over-stated or misrepresented, either inadvertently or deliberately. The Company employs a framework across its compliance, risk and legal functions for the oversight of adherence to the Company's sustainability-related considerations that are present as a result of the integration of sustainability risks into the Company's processes, systems and internal controls. In particular, a compliance monitoring framework is in place to ensure ESG-related statements made in any materials or external client engagement can be checked and validated and is, in all cases, aligned consistently with statements contained in the relevant prospectus/pre-contractual documents.
- 6.3 For a specific client, the Company may commit to ensuring that it will only invest in companies which follow good governance practices.
- (a) This could give rise to a scenario where the Company has a conflict in deciding whether to refrain from investing in a company with a poor record on governance that would be otherwise eligible for investment for that Fund and may provide a positive financial performance for the Fund. Where a potential conflict of this nature arises, this will be resolved in accordance with the investment guidelines of the Fund whereby, generally, it will be expected that the Company's sustainability-related considerations will prevail in determining how the Company makes investment selection decisions.
- (b) This could also result in a scenario where the Company has a conflict in deciding whether to vote against a resolution at a general meeting of shareholders of a company (for example to reappoint non-independent directors) while understanding that this could negatively affect the ability of the Company's portfolio management team to engage and communicate with the company's management or otherwise affect the Company's relationship with the company. Where a potential conflict arises in consideration of a resolution/corporate action of an investee company as a result of sustainability-related considerations, this will be resolved in accordance with the Company's exercise of Proxy Voting Policy and Procedures. Assuming this is consistent with the Company's exercise of voting rights policy and the investment guidelines of the Fund, it will be expected that the Company's sustainability related considerations will prevail in determining how the Company exercises its vote.

## **7 Annual Review**

- 7.1 The Board generally aims to review compliance with this Policy at least annually. Should the Board find that the Policy is not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Funds or the investors of the Funds as a result of conflicts of interest are being prevented, the directors shall take any necessary decision to ensure that this Policy and the associated procedures shall be amended as appropriate, taking into account the best interests of the Funds and the investors.