

Conflicts of Interest Policy

February 2025

Owner:	Compliance Officer
Department:	Legal & Compliance
Reference:	PP2
Detail:	Annual review
CO approval:	26.02.2025
BoD approval:	05.05.2025

TRACKING:

Version	Date	Detail	Preparer	Reviewer
V2.0	31.01.2020	Manual of policies update	PwC Luxembourg	J. Jacobson
V2.1	12.06.2020	Review for BoD approval	M. Poisson	J. Jacobson
V2.2	26.11.2021	Annual review	M. Poisson	J. Jacobson
V2.3	11.02.2022	Include some additional situations which constitute or may give rise to the conflicts of interest	G. Montenegro	M. Poisson
V2.4	17.03.2022	Review for BoD approval	David Edoardo Calò	M. Poisson
V.2.5.	12.07.2023	Review for BoD approval	Compliance Officer Loreta Zenevic	Board of Managers
V2.6	11.07.2024	Review for BoD approval	Compliance Officer Loreta Zenevic	Board of Managers
V2.7	11.07.2024	Annual Review	Compliance Officer Barbara Pelini	Board of Managers

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1. Glossary

Term	Description
AIF	Alternative investment fund or a sub-fund thereof managed by the AIFM
AIFM	Alternative Investment Fund Manager
Board of Managers /Board	The Board of Managers of the AIFM
Employee	Any individual, being part of management or employee of the AIFM
AIFM	WRM Capital Asset Management S.A.R.L.
Conducting Officer	Person who effectively conduct the business of the AIFM
Compliance Officer	The person appointed by the Board as compliance officer
CSSF	The Luxembourg regulator of the financial sector (Commission de Surveillance du Secteur Financier)
Delegate	A natural or legal person who is directly involved in the provision of services to the AIFM under a delegation arrangement
Relevant Persons	Refers to employees, the Conducting Officers and Board Members of the AIFM
Financial Instruments	As defined in Directive 2014/65/EU Section C
SFDR	Sustainable Finance Disclosure Regulation
Sustainability Risks	Any environmental, social or governance event or condition that, if it occurring, could cause an actual or a potential material negative impact on the value of the investment.

2. Applicable regulations

Law	Law of 12 July 2013 on Alternative Investment Fund Managers
Regulation	CSSF Regulation No 10-04 as amended transposing Commission Directive 2010/43/EU of 1st July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organizational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depository and a management company
	Commission Delegated Regulation (EU) 2021/1255 of 21 April 2021 amending Delegated Regulation (EU) No 231/2013 on the sustainability risks and sustainability factors to be taken into account by Alternative Investment Fund Managers
Circular	CSSF 18/698 circular on authorisation and organisation of Luxembourg Investment Fund Managers

3. Introduction

WRM Capital Asset Management S.A.R.L. (“WRM CAM” or the “Company”) is an alternative investment fund manager (“AIFM”) authorised by the Luxembourg regulator of the financial sector (Commission de Surveillance du Secteur Financier; “CSSF”) in Luxembourg under Article 5 of Law of 12 July 2013 relating to AIFMs providing in addition to the activities referred to Annex I, services covered by Article 5 (4) of the aforementioned law (“AIFM Law”).

In accordance with the CSSF Circular 18/698, Article 20 of CSSF Regulation 10-4 as amended, and Article 31 of Delegated Regulation (EU) 231/2013, the Company has established, implements and maintains an effective conflict of interest policy (the Policy).

The purpose of the **Policy** is to identify, prevent and, as the case may be, mitigate any potential or actual conflict of interest arising in the course of the Company activities. The Company defined this **Policy**, which it considered appropriate to the size, organisation, scale and complexity of its business, and the materiality of the risk of damage to the interest of clients (as defined hereafter).

4. Purpose and scope of the policy

The Management Committee (“MC”) of WRM Capital Asset Management S.A.R.L. (“AIFM”) has established these conflicts of interest policy (“the **Policy**”) to identify any situation in which activities carried out could constitute or may give rise to conflicts of interest, entailing risks of damage of the funds managed by the AIFM (the “**Funds**”), also taking into account the relationships with other members of the AIFM’s group (the “**Group**”).

This Policy describes the processes established by the AIFM in relation to the identification, management and disclosure of such situations.

This Policy details:

- How conflicts of interest are identified and managed;
- The escalation process;
- The conditions and characteristics of the disclosure of conflicts of interest to investors; and
- The recordkeeping of the conflicts of interest.

5. Identification and management of conflicts

The circumstances which could result in a conflict of interest are described below (non-exhaustive list):

- Conflict of interest arisen from the internal organisation of the Company.

- Conflict of interest between the Company (including its directors, employees or any person directly or indirectly linked to the Company by control) and the Fund or the investors in that Fund.
- Conflict of interest between a Fund or the investors in this Fund and another Fund or the investors in that other Fund.
- Conflict of interest arisen from the relationship with depositaries.
- The AIFM, an employee or one or more of the Group entities, is likely to make a financial gain, or avoid a financial loss, at the expense of a Fund;
- The AIFM, an employee or one or more of the Group entities has an interest in the outcome of a service provided to, or transaction carried out on behalf of the Funds managed by the AIFM which is distinct from the Funds interests;
- An employee is involved in a business that is the same as the Funds' businesses;
- The AIFM or an employee has financial or other incentive to favor the interests of one Fund or group of Funds over the interests of another Fund or group of Funds;
- The AIFM or an employee receives or will receive from a person other than the Fund(s) or its investors an inducement in relation to collective portfolio management activities provided to Funds in the form of monies, goods or services, other than the standard commission or fee for that service.
- The relevant persons may be given benefits and paying remuneration by current or potential service provider,
- The relevant persons may obtain information which is not open to the public;
- The relevant persons may have board assignments and ownership in competitors of the fund, the AIFM or companies who otherwise have interests that are contrary to the interests of the fund and the AIFM
- Potential conflicts of interest between funds;
- Potential conflicts of interest arising from intra-group transactions between related parties indicated in the related party list maintained and updated by the company;
- Potential conflicts of interest related to the redemption of investments;
- Potential conflicts of interest related to benefits, gifts and compensation,
- Potential conflict of interest arising from sustainability risks (for example, conflicts arising from remuneration or personal transactions of relevant persons as well as any sources of conflicts that could give rise to greenwashing, misselling, misrepresentation of investment strategies or churning);
- Potential conflict of interest arising from an employee or third party having a financial or other incentive to under-estimate the level of sustainability risks or promote Funds with sustainability risks or characteristics in a misleading manner at the expense of one of the Funds or its investors.

6. Identification of Conflict of Interest

In order to identify potential or actual conflict of interest, the Company will consider all of the factual circumstances and will take into account whether the Company, its officers or employees, a person directly or indirectly linked by way of control of the Company or a delegate:

- **is likely to make a financial gain, or avoid a financial loss, at the expense of a Fund or its investors;**
- **has an interest in the outcome of an activity provided to a Fund or of a transaction carried out on behalf of a Fund, which is distinct from the Fund interest in the outcome;**
- **has a financial or other incentive to favour the interest of a Fund over the interest of another Fund or third-party fund;**
- **carries on the same activities for a Fund and for another Fund or third-party fund; and/or**
- **receives, or will receive, from a person other than the Fund or its investors an inducement in relation to portfolio management services provided to the Fund, in the form of monies, goods or services, other than the standard fee for that service.**

7. Prevention measures

Conflicts of interest are generally prevented by ensuring that actions taken by the AIFM are in best interests of the Funds and are taken independently of the interests of the AIFM and/or of the Group or of other Funds where relevant.

The conducting officer in charge of the compliance function of the AIFM (“**the Compliance Officer**”) and whenever necessary the Board of Managers of the AIFM (the “**Board of Managers**”) will identify and manage an actual or potential conflict of interest, which could materially affect the interests of the Funds and / or the AIFM.

Where an employee becomes aware of circumstances, which he/she believes could constitute a conflict of interest, and is likely to have a material impact on the interests of a Fund managed by the AIFM, he/she shall report the matter to the Compliance Officer.

4.1. Control of the exchange of information

As a principle, any employees of the AIFM refrain from sharing information that may be detrimental to the interests of a Fund.

In particular, where an employee is employed by another legal entity within the AIFM group and/or by another entity in addition to its employment contract with the AIFM, the latter

should be aware of the obligation to preserve secrecy and does not exchange information with the legal entity within the Group and/or the other entity, where the exchange of that information could harm the interest(s) of one or more Fund.

4.2. Remuneration principles

The AIFM has adopted a remuneration policy and ensures that principles for remuneration to employees, especially incentive compensation, do not conflict to the interests of the Funds, promote a sound and prudent risk management and do not give rise to a conflict of interest.

In particular, the remuneration policy of the AIFM ensures that any direct remuneration link is removed between persons principally engaged in one activity and the remuneration of, or revenues generated by, different persons principally engaged in another activity, where a potential conflict of interest may arise in relation to those activities (e.g. the remuneration of the employees working for the internal audit function is not linked to the performance of the compliance and risk management functions).

The remuneration of employees is not connected to the evaluation of risks, and more specifically sustainability risks. More specifically, the variable remuneration is not linked to the performance of a Fund or to the level of risks (including sustainability risks, which may also have an impact on the return of the investment) assessed within a Fund. Therefore, there is no incentive to under- or over-estimate the level of risk (including sustainability risks) within a Fund, ensuring sound and effective risk management.

4.3. Personal transactions

The AIFM has also adopted a standard procedure for personal transaction to ensure that employees trading in securities for themselves and closely related persons' account do not give rise to any conflicts of interest.

4.4. Delegation

The AIFM has a number of counterparties, service providers and commercial partners. These may or not belong to Group. As a rule, any delegation of function or appointment of business partner will be assessed ex-ante and on an ongoing basis in order to ensure that:

- The delegation relationship does not create a conflict of interest situation at the AIFM level;
- The delegate has established an adequate conflicts of interest monitoring process.

To avoid any rise of potential or actual conflicts of interest, the AIFM ensures that all functions, which are delegated to any legal entity within the Group, are on an arm's length basis.

4.5. Inducements related to collective portfolio management activities

The AIFM is not regarded as acting honestly, fairly and professionally in accordance with the best interests of the Funds it manages or the investors in these Funds if, in relation to the activities performed when carrying out its functions, it pays or is paid any fee or commission, or provides or is provided with any non-monetary benefit, other than the following:

- A fee, commission or non-monetary benefit paid or provided to or by the Funds or a person on behalf of the Funds;
- A fee, commission or non-monetary benefit paid or provided to or by a third party or a person acting on behalf of a third party, where the following conditions are satisfied:
 - i. The existence, nature and amount of the fee, commission or benefit, or, where the amount cannot be ascertained, the method of calculating that amount is clearly disclosed to the Funds in a manner that is comprehensive, accurate and understandable, prior to the provision of the relevant service; and
 - ii. The payment of the fee or commission, or the provision of the non-monetary benefit is designed to enhance the quality of the relevant service and not impair compliance with the AIFM's duty to act in the best interests of the Funds it manages or the investors in the Funds.
- Proper fees which enable or are necessary for the provision of the relevant service, including custody costs, settlement and exchange fees, regulatory taxes or legal fees, and which, by their nature, cannot give rise to conflicts with the AIFM's duties to act honestly, fairly and professionally in accordance with the best interests of the fund it manages or the investors in the fund.

The AIFM ensures that the assessment of sustainability risks does not interfere or is not linked to the fees, commissions or non-monetary benefits paid or provided to or by the Funds. This includes any fee, commission or non-monetary benefit paid or provided by the Funds or a person on behalf of the Funds that are linked to the performance of risk level (incl. sustainability risks) of the Funds.

For the purposes of point i. above, the AIFM discloses the essential terms of the arrangements relating to the fee, commission or non-monetary benefit in summary form, provided that the AIFM undertakes to disclose further details at the request of the Funds' investors.

4.6. Independence of the Funds' depositary function

The AIFM ensures that no person may at the same time be both:

- A director of the AIFM and a member of the Board of Managers of the depositary;
- A director of the AIFM and an employee of the depositary;
- A member of the Board of Managers of the depositary and an employee of the AIFM;

The AIFM has established and maintains a decision-making process for selection and appointing the depositary, which is based on objective pre-defined criteria and meet the interests of the Funds and its investors.

Where the AIFM or the Funds appoint a depositary to which it has any link or group link, it shall in particular:

- Keep documentary evidence of an assessment comparing the merits of appointing a depositary with the link or group link with the merits of appointing a depositary which has no link or no group link with the AIFM or the Funds, taking into account at least the costs, the expertise, financial standing and the quality of services provided by all depositaries assessed;
- Justify to the investors of the Funds, upon request, the choice of the depositary.

Furthermore, in order to satisfy independence requirements, where a group link exists between the AIFM and the depositary, at least one-third of the members or two persons, whichever is less, on the Board of Managers and on the Board of Managers of the depositary shall be independent.

4.7. Independence of internal functions

In order to prevent conflicts of interest in the split of internal functions, the AIFM shall utilise the below as a guide when organising its internal functions. Please note that in accordance with the provisions of § 202 of the CSSF 18/698 Circular, the tasks of the person responsible for the permanent risk management function can be exercised directly by a member of the board of managers, to the extent that the latter is at the same time acting as conducting officer of the AIFM in charge of the risk management function.

	Director	Conducting Officer	Portfolio Manager	Risk Manager	Compliance Officer	Internal Auditor	Internal Valuer	Accounting Function
Director								
Conducting Officer								
Portfolio Manager								
Risk Manager								
Compliance Officer								
Internal Auditor								
Internal Valuer								
Accounting Function								

N/A
 Incompatibility
 Compatibility

4.8. Review of the mandates of the members of the Board of Managers and of the members of the management meeting

Every member of the Board of Managers is responsible for continuously ensuring compliance with the principles laid down in section 4.1.3 of the CSSF circular 18/698. In this context, the members of the Board of Managers must ensure that their mandate is and remains compatible with their other professional occupations. The members of the Board of Managers must inform the Board of Managers of the mandates they have outside the AIFM in order to allow for the identification of the potential conflicts of interest which arise from such situation.

In this context, each member of the Board of Managers shall ensure that (i) the number of hours spent fulfilling professional engagements does not exceed 1920 hours per year; and (ii) that the number of mandates in regulated entities and in operating companies does not exceed 20 mandates unless duly justified in accordance with the provisions of § 70 of the CSSF Circular 18/698.

In accordance with the provisions of annex 2.3 of the CSSF Circular 18/698, the Compliance Officer of the AIFM will provide the CSSF with an annual update of the list of mandates held by the members of the Board of Managers. It is understood that the Compliance Officer shall review such list in order to identify potential conflicts of interest before to share them with the regulator.

The above applies to mandates of the conducting officers of the AIFM.

The continuous compatibility of the mandates of the board members with any other positions and interests that those members may have shall be assessed, discussed and documented during the board meetings.

The company shall monitor and review the independence requirements applicable to the IFM, in particular considering the below::

- No person is at the same time both a member of the Managing body / Governing body of the IFM and of the Managing body / Governing body of the depositary
- No person is at the same time both a member of the Managing body / Governing body of the IFM and an employee of the depositary
- No person is at the same time both a member of the Managing body / Governing body of the depositary and an employee of the IFM
- Where the Managing body / Governing body of the IFM is not in charge of the supervisory functions within the IFM, that there is no more than one third of the members of its body in charge of the supervisory functions that consist of members who are at the same time members of the Managing body / Governing body, body in charge of the supervisory functions or employees of the depositary
- Where the Managing body / Governing body of the depositary is not in charge of the supervisory functions within the depositary, there is no more than one third of the members of its body in charge of the supervisory functions that consist of members who are at the same time members of the Managing body / Governing body of the

IFM, or the body in charge of the supervisory functions of the IFM or employees of the IFM?

Additional requirements when there is a Group link with the depositary

- Where the Managing body / Governing body of the IFM and the Managing body / Governing body of the depositary are also in charge of the supervisory functions within the respective companies, at least one third of the members or two persons, whichever is lower, on the Managing body / Governing body of the IFM and on the Managing body / Governing body of the depositary shall be independent
- Where the Managing body / Governing body of the IFM and the Managing body / Governing body of the depositary is not in charge of the supervisory functions within the respective companies, at least one third of the members or two persons, whichever is lower, on the body in charge of the supervisory functions within the IFM and within the depositary shall be independent.

5. Escalation

Any employee who (i) would be uncertain of how to act in a particular circumstance and whether or not a situation gives rise to a conflict of interest or (ii) identify a conflict of interest not already monitored, consults the Compliance Officer, who will then assist with the assessment of a possible conflict of interest.

The Management Committee, after being informed by the Compliance Officer shall then submit to the Board of Managers an adequate proposal on the management of any potential conflicts of interest, which includes:

- Disclose the conflict of interest;
- Choosing a solution that is in the Fund or/and its investors interests;
- Refraining from any action if the previous solution cannot be implemented.

Based on the proposed action, the Board of Managers will decide on the measure(s) to be taken and its/their implementation.

6. Disclosure

Where, in case of a specific conflict of interest, the AIFM is not reasonably confident that the measures adopted under this instruction will prevent the risk of material damage to the Fund and its investors, the general nature or source of the conflict of interest shall be disclosed to the Fund's investors concerned. Such disclosure is a last resort and should only be adopted in specific cases where the measures otherwise put in place are judged inadequate to prevent the risk of material damage.

The disclosure must :

- be made in a durable medium (such as the prospectus or subsequent written notification in the form of an email to existing investors);
- include sufficient details, taking into account the nature of the Fund's investors, enabling to take an informed decision with respect to the service in the context of which the conflict of interest arises;
- indicate the reasons of the decision to disclose the conflict of interest.

In case the AIFM would identify a conflict of interest before undertaking business, the AIFM shall disclose the relevant conflict of interest, giving sufficient information to enable the relevant party(ies) to take an informed decision on whether or not to proceed with the proposed business.

7. Recordkeeping

In accordance with section 5.5.7.2 of the CSSF Circular 18/698, the Compliance Officer maintains and regularly updates a record of the types of activities undertaken by or on behalf of the AIFM in which a conflict of interest has arisen or, in the case of an ongoing activity, may arise, entailing a material risk of damage to the interests of one or more Funds or investors.

The record covers at least the following elements (in the form of a conflict of interest register):

- the description of the conflict of interest (including potential conflicts of interest);
- the identification of the person or unit involved in the conflicts of interest;
- the date of occurrence or discovery of the conflicts of interest;
- the potential or ascertained impacts of the conflicts of interest;
- the description of the envisaged solutions and of the chosen measures; and where appropriate, the arrangements for informing the investors.

The template of record of conflicts of interest of the AIFM is attached as Appendix 1 to this Policy. Upon request, such report might need to be provided to the CSSF.

8. Review

This Policy will be reviewed annually, and especially in case of any major change to the organisational structure of the AIFM, to the content of the Group relevant policies, and in case of amendment to any laws, regulations and guidelines applicable to the AIFM.