

Conflict of Interest Policy

1. Introduction

*BOV Asset Management Limited (“**BOV AM**”) is required to conduct its business according to the principle that it must manage conflicts of interest fairly, between its management, relevant person or any person directly or indirectly linked to BOV AM, BOV AM’s clients or between one client and another. Furthermore, as BOV AM is a subsidiary within the Bank of Valletta Group, BOV AM and its Relevant Persons are bound by the Group’s Conflict of Interest Policy.*

For the purposes of this policy a “Relevant Person” shall include a director, committee member and/or an employee of BOV AM

2. Objective

This policy establishes the standards designed to prevent violations of applicable conflicts of interest regulations and enables BOV AM to identify and adequately manage conflicts of interest in the best interest of the clients.

3. Scope

This policy applies to those Conflicts of Interest that may give rise to a risk of damage to the interests of a Client in the course of providing an Investment Service. Conflicts of Interest may arise between:

- *BOV AM and a Client;*
- *BOVAM and another member within the Bank of Valletta Group;*
- *BOVAM and a Relevant Person;*

4. General Guidance

For the purposes of identifying the types of conflicts of interest that may arise in the course of providing investment services that may materially damage the interests of a client, BOV AM shall take into account, the question of whether itself or a Relevant Person, or a person directly or indirectly linked by control to it, is in any of the following situations, whether as a result of providing investment services or otherwise:

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

When identifying the types of conflicts of interest the existence of which may be detrimental to the interests of the funds managed by BOV AM, BOV AM shall identify those conflicts of interests which arise as a result of the integration of sustainability risks in its processes, systems and controls. For this purpose, "sustainability risks" refers to any environmental, social or governance event or condition that, if it were to occur, could cause an actual or a potential material negative impact on the value of the funds managed by BOV AM.

Insofar as BOV AM's discretionary management services are concerned, the "interests of a Client" would include the sustainability preferences of a Client. In this context, BOV AM shall, when identifying the types of conflicts of interests, the existence of which may damage the interests of clients or potential clients, identify those conflicts of interests that stem from the integration of the Client's sustainability preferences. For this purpose, "sustainability preferences" refers to a client or potential client's choice as to whether and, if so, to what extent, any of the financial instruments referred to in Article 2(7) of Commission Delegated Regulation (EU) 2017/565 are integrated into his or her investment.

5. Examples of Potential Conflicts of Interest

Hereunder is a list of examples of what may be considered typical conflicts of interest that may arise. Conflicts of interest may not always be clear-cut and easy to define and this is a non-exhaustive list and is provided only for indicative purposes. A conflict of interest occurs when:

- A Relevant Person's private interest may interfere with the interests of BOV AM and its Clients. Such a conflict may result in divided loyalties, and in situations when loyalties are divided, it is hard to be objective about a decision;*

- *BOV AM relevant persons and other members of the Bank of Valletta Group are, or may be, involved in other financial, broking, investment or other professional activities which, in the course of their business, will on occasion give rise to Conflicts of Interest with the Collective Investment Schemes managed by BOV AM;*
- *BOV AM may wish to make investments for its own account in securities in which the Clients are also seeking to invest;*
- *BOV AM may trade for its own account in an instrument which is issued by the Client;*
- *Investment decisions in relation to fund of funds which invest in other funds managed by BOV AM;*
- *A Relevant Person is in receipt of gifts/inducements which will make it hard to be objective about a decision;*

6. Identifying and Managing Conflicts of Interest

BOV AM endeavors to manage any Conflicts of Interest which may arise from time to time, promptly and fairly. In this respect, BOV AM has in place policies and internal procedures aimed at ensuring that:

- *there are effective controls in place to manage the exchange of information where, otherwise, the risk of a Conflict of Interest may prejudice a Client's interest;*
- *supervisory arrangements provide for separate supervision of employees where necessary for the fair management of conflicts of interest;*
- *there are adequate controls in place to identify and manage cross-board membership and outside business interests of Relevant Persons;*
- *BOV AM Staff adhere to the Staff Code of Conduct;*
- *Relevant Persons adhere to the Personal Transactions Policy adopted by BOV AM;*
- *the remuneration of Relevant Persons principally engaged in one activity is not directly linked to the remuneration of or revenues generated by different Relevant Persons principally engaged in another activity. BOV AM has to adhere to its Remuneration Policy;*
- *A Chinese Wall information barrier is implemented within the firm to separate and isolate persons who make investment decisions from persons who are privy to undisclosed material information which may influence those decisions;*
- *In those cases where, BOV AM is also a Director of the Schemes that it manages, adequate disclosure is included in the relevant Prospectus. BOV AM as Director is also bound to adhere to the Conflict of Interest Procedures applicable to Directors of Retail Schemes and Conflict of Interest Procedures applicable by virtue of any agreement entered into with the Company.*

7. Adoption of a “Need to Know” approach

BOV AM respects the confidentiality of Clients’ information and operates a “Need to Know” approach. This principle means that information has to be disclosed only to those people who have a legitimate business need for the information and access rights to that information allocated according to that need. Additionally, BOV AM is bound by applicable laws and regulations such as Data Protection and Professional Secrecy, relating to the handling and processing of Clients’ information.

8. Disclosure and Reporting of Conflicts of Interest

BOV AM requires that Relevant Persons disclose to the Company any situations that reasonably would be expected to give rise to a Conflict of Interest. Relevant Persons are reminded that if they have a Conflict of Interest, or are in a situation which may be perceived by others as a conflict of interest, this should be reported to the Compliance Officer by disclosing the circumstances of the case. The Compliance Officer is required to keep a record of any circumstances in which a conflict of interest has arisen, the remedial action taken and of any recommendation for improvement in controls.

All staff must raise concerns with the Compliance Officer as soon as possible if there is reason to believe or suspect that a conflict of interest has occurred, or may occur in the future.

Notwithstanding that BOV AM has taken measures to protect the Client’s interests from conflicts that might arise from its own activities, circumstances may arise where a conflict of interest remains. Where any arrangements made by BOV AM to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to Client interests will be prevented, BOV AM shall disclose the nature and/or the sources of Conflicts of Interest to the Client before proceeding with the transaction.

9. Impact of Failure to Comply

Failure to comply with this Policy will be considered a breach may lead to disciplinary action and/or dismissal.