

# **Conflicts of Interest Policy**

**ANCILE (LUXEMBOURG) FUND S.A., SICAV-SIF**  
(the “**Company**” or the “**Fund**”)  
2, Place de Paris  
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*Updated at November 2023*

## Reference Regulations

Pursuant to:

- Article 42 bis of the Law of 17 February 2007 on Specialised Investment Funds (as amended),
- Ch III of CSSF Regulation No 15-07 dated 31 December 2015 relating to the conflicts of interest policy and management of risks (the “**CSSF Regulation**”) for SIF;
- art. 13 of the Law of 12 July 2013 (the “**AIFM Law**”);
- Chapter III section 2 (Conflict of Interest) of the Commission Delegated Regulation (CDR) 231/2031 as amended by the CDR 2021/1255 of 21 April 2021;
- EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR) and Level 2 RTS
- section 5.5.7 of the CSSF Circular **18/698**.

## Purpose and Definitions

The Fund’s board of directors (the “**Board**”) herein communicates its conflicts of interest policy.

The Fund is a self-managed alternative investment fund (the “**AIFM**”) registered under the legal form of a SICAV-SIF that is currently offering shares of Sub-Fund created within of its Fund’s structure (each the “Sub-Fund” and together the “Sub-Funds”). The active Sub-Funds are listed in the Company’s Prospectus.

The Board, considering the nature of the Fund, its size, scale and complexity, also relies on the conflicts of interest policies that have been established at the level of the service providers. The Board undertakes the Permanent Compliance Function of the Company (the “**PCF**”) to review these policies on a regular basis<sup>1</sup>.

For its own purposes, the Board has also adopted a conflicts of interest policy that aims to monitor and manage (potential) conflicts of interest within its direct scope, as well as to monitor the relevant conflicts of interest policies, and potential occurrences, at the level of the service providers.

The principles are supervised by the Luxembourgish Supervisory Authority (the “**CSSF**”). The Fund’s Board maintains a Conflicts of Interest Policy to which the Officers of the Company and the Senior Managers adhere to and manage conflicts.

The Board has verified and agreed that the different service providers and delegated functions have proper procedures in place for dealing with conflicts of interest:

- SS&C (Luxembourg) SARL;
- INOKS Capital S.A.;
- EFG Bank (Luxembourg) S.A.
- Société Générale Luxembourg S.A.
- Baker Tilly Audit & Assurance S.A.

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<sup>1</sup> Reference is made to point 377 of the CSSF Circular 18/698 and to art 31 of CDR 231/2031

The Board considers the following definition of Conflicts of Interest: those situations whereby any person or organisation associated with the Fund<sup>2</sup>:

- could incur or realise a financial gain or avoid a financial loss;
- has an interest in the outcome of a service, activity or transaction provided to the Fund or another client;
- has an incentive to favour the interests of another client who is not the Fund;
- exercises the same activity for the Fund and other clients;
- receives from persons not related to the Fund advantages other than fees normally charged; at the detriment of the Fund;
- ensure that their mandate is and remains compatible with their other professional occupations; and
- may damage the interest of the Fund as result of the integration of the sustainability risk in the processes, systems and internal controls of the Fund .

In compliance with the point 67 of the CSSF Circular 18/698, the Board members must inform the PCO of the mandates they have outside the AIFM at least annually by mean of a self-declaration form. Then the PCO produces a report, called “Conflict of Interest Register”, which, at least annually, is submitted to the Board.

The AIFM must then identify the conflicts of interest, which could result from this organisation and strive to avoid them in accordance with the procedures provided for in this conflict of interest policy of the AIFM<sup>3</sup>.

The relevant PCF or the Senior Manager responsible for Compliance, shall maintain records pertaining to cases that might give rise to a conflict of interest. (Potential) conflicts of interest are a recurring topic during the Board meetings; board members declare (if any) at the beginning of each meeting any (potential) conflicts. In case where actual conflicts of interest arise, the Board will be informed and appropriate action will be taken, such as refraining from the discussion and/or decision making.

The Board members undertake to carry out their functions with loyalty and integrity. Each Board member shall, pursuant to the law, use his best judgment in order to avoid or resolve any potential conflicts of interest.

In compliance with point 384 of the CSSF Circular 18/698 and art 36 of CDR 231/2031, in the prospectus, in the annual financial statements and Company’s website shareholders are informed of certain inherent and potential conflicts of interest between the Manager, its affiliates and their employees and principals, on the one hand, and the Sub-fund and its shareholders, on the other hand.

In cases where the conflicts of interest policies were insufficient to ensure against the risk of damage to either the Fund or its shareholders, the Board will inform shareholders of such cases and any reason for subsequent decisions, by mentioning such cases in the annual report.

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<sup>2</sup> Ref is made to art 30 of CDR 231/2013

<sup>3</sup> Ref is made to point 373 of CSSF Circular 18/698

## General Policy and Responsible Person

The responsibility to assess the compliance of the Fund's managers and other staff with the conflict of interest procedure stay at the PCF of the Company.

The procedures and measures provided here below ensure that the directors and the relevant persons (hereafter both mentioned as "**Relevant Persons**") who engage in different business activities that may involve a potential conflict of interest, carry on those activities at a level of independence appropriate to the size and activities of the specialised investment fund and of the group to which it belongs, and to the extent of the risk of damage to the interests of the specialised investment fund.

In particular, the Senior Manager in charge or the PCF must control that the procedure is respected and must notify the Board of Directors of any breach or violation he notices or is made aware of in the normal course of his assessment procedure. This director maintains the register that is updated when required. At the same time, the first item for discussion at Board meetings is declaration of any conflicts of interest with regards to the proposed agenda. All conflicts, potential or real are identified and reported in the most transparent manner.

Potential conflicts of interest detected by employee staff member of the Fund have to be reported immediately to the chairman of the Board, which will report to other directors as soon as possible.

The Board will take note of such conflicts and insofar necessary make further enquiries on the conflict situation and, thereafter decide on further proceedings.

If a conflict of interest cannot be avoided by other measures, the Fund will disclose the nature and the source of the remaining conflict of interest to investors in form of a communication of annual report of the directors and, in accordance with the terms of the commercial law, require for the approval. The means of such communication are agreed by the Board.

The Company keeps and regularly update a record of the types of activities undertaken by or on behalf of the Company in which a conflict of interest entailing a material risk of damage to the interests of one of more UCIs or its investors has arisen or, in the case of an ongoing activity, may arise. This record must be specific to the organisation and activities of the IFM. It is recommended that the record covers at least the following:

- the description of the conflict of interest (whether potential or actual);
- the identification of the person or units concerned by the conflict of interest;
- the date on which the conflict of interest occurred or was discovered;
- the potential or actual impacts of the conflict of interest;
- the description of the envisaged solutions, controls and mitigating measures;
- where appropriate, the arrangements for informing investors.

## Relevant Person Definition

To the extent of this procedure, the following subjects are considered as relevant persons<sup>4</sup>:

1. Directors and partners that, based on the interest held can be in a situation of conflict of interest, managers or agents of the Fund;
2. Employees and any other individual whose services are available and under the supervision of the Fund and by sub-delegation service agreement and who participate in the provision of investment services and activities as well as the Fund;
3. Any other individual who is directly involved in the provision of services to the Fund on the basis of an outsourcing agreement having as its object the provision of investment services and activities provided by the Fund.

### General Conflicts of Interest Identified

This section identifies any situation where a potential conflict of interest might arise in consideration of the Fund's structure and activity.

The following table does not report the real conflict, as being these ones reported in the dedicated register, but the potential sources from where a conflict of interest could be originated in consideration of the Company's structure and of the activities, functions and responsibilities of the Relevant Persons.

Issue/Relevant Person	Potential Conflict	Mitigating Controls
Outside Business Activities and / or Directorships	Employees and / or senior managers / the members of the Board may undertake outside business activities which may conflict with the interests of the AIF. Conflicts may arise in terms of time required in order to perform duties and attend meetings.	Outside activities are regularly disclosed and conflicts of interest (if any) are declared at each Board meeting.  Senior managers is committed to provide as much time as is required.
Independent performance of risk management function	The risk management function should operate independently from other business functions, in particular, portfolio management.	Risk management and oversight activity is conferred to a separate member who is hierarchically and operationally independent from the portfolio manager and reports directly to the Board.

<sup>4</sup> Relevant and applicable situation taken from point 374 of CSSF Circular 18/698

Issue/Relevant Person	Potential Conflict	Mitigating Controls
Personal Account Dealing	Where employees / senior managers undertake personal securities transactions while potentially in receipt of material non-public information or front run client accounts.	In view of the size and complexity of the AIF and its investments this is not considered an issue. Personal investments in the AIF are disclosed.
Gifts and Inducements	Where gifts and inducements given to or received by brokers/service providers in the form of monies, goods or services, other than the standard commission or fee for that service that may influence the business relationship to the detriment of the client.	All gifts received should be reported to management. Risks are furthermore mitigated by minimal personal communication with the service providers.
Investment Management Decisions	Potential influence on investment decisions.	The Investment Management activity is delegated to a third party. This segregation makes it possible that decisions related to the investment management stay defined within the boundaries of the delegated entity.
Trade Allocation and Best execution	The manager could potentially give priority in trade allocation to one client over other clients.	Implementation of the pari-passu investment policy set by the delegated IM to equally treat all the clients at the same level.
Management and performance fees	A failure to properly disclose the amount and basis of calculation of, the fees and commission charged on a particular fund, could give rise to a conflict of interest between the interests of the AIFM, its Clients and those of Investors.	The calculation of management & performance fees is independently done by the Delegated Administrative Agent and reviewed by the statutory auditors of the AIFM.
Personal account trading	Personnel may trade on personal account in an inappropriate manner or exploit privileged information taking to the market abuse.	Staff is required to report existing/new trading accounts and is required to declare if holding relevant participation in other companies.  The relevant threshold is 5% for non-listed companies and 1% for listed ones.
Remuneration of employees	Remuneration structures may be created that incentivise personnel to conduct their role within the AIF in a manner that conflicts with the AIF's regulatory obligations.	The AIFM adopted a remuneration policy, the personnel's remunerations are not linked to the Fund's performance.
Influence over other employees	Responsibilities are not apportioned effectively or Personnel inadequately supervised to avoid collusion or undue influence over others.	There are clear segregations of responsibilities with regards to the activities of the fund and proven availability of enough personnel. Transparency and open communication with the board are also key in this and in case of change of the situation.
Board Member of the AIFM and of the Investment Manager	The Board Member of the AIFM is also Board member of the IM company. Conflict of interest may arise in case of resolution concerning the adoption or the change of contracts and agreements at the sole advantage of the IM (e.g. inducements, rebates, costs and fees).	The relevant person shall report and declare to the AIFM's Board and, whereas necessary, disqualify himself from the relevant resolution

Issue/Relevant Person	Potential Conflict	Mitigating Controls
Investment Advisor, which also invests in the Fund	<p>The Investment Advisor might invest into the Fund</p> <p>A potential conflict of interest arises from the fact that the Investment Advisor might authorize a non-compliant transaction because of the potential economic benefit of a high-yielding investment to the shareholders of the Investment Manager (performance fee).</p>	<p>The initiative for proposing any transaction lies with the Investment Manager which is the ultimate decision taker, thus the Investment Advisor has no power whatsoever to impose a transaction. The only conflict arises from a situation where a proposed transaction is unduly facilitated by the Investment Advisor.</p> <p>Any transaction proposed by the Investment manager has already been pre-screened for Shari’ah compliance by the Investment manager. The decision regarding Shari’ah compliance will be taken by the Advisory Committee where the Investment Manager has a vote. This reduces the risk of non-compliant transactions being approved.</p> <p>Companies related to the Investment Advisor and investing in the Fund have clearly aligned interests as the other shareholders.</p>
Directors and Associates of INOKS CAPITAL SA	Conflicts of interest may arise from related-party transactions, where an employee of the Investment Manager, the Investment Advisor, a shareholder, a Director or any party in direct or indirect contractual relationship with the Company, might be related to the Investee.	<p>The AIFM adopted its own code of conduct, and the in-house rules, in order to describe the implemented procedures in accordance with the code of conduct. In these documents COI are regulated too.</p> <p>As part of the due-diligence process (initial and ongoing), the responsible, checks any proposed transaction for the risk of a related-party conflict of interest.</p> <p>Information between the AIFM and the Investment Manager are regularly exchanged in order to verify if the detected conflicts are relevant for the same Company.</p> <p>Any such conflict will be escalated to the Board of the Fund.</p>
Valuation Function and Portfolio Management activity	Because of the investment policy of the Fund some assets are internally valuation. This valuation may be influenced by the portfolio manager to obtain an higher remuneration.	The internal assets’ valuation policy follows strict procedures, which delegated the accounting activity to a third party (the delegated central administrator), the control and vetting of the corrective elements to the AIFM and the review of the valuation model by the auditors.
The beneficial owner of the investment and the investee.	It might happen that the beneficial owner of an investment is a related party with the IM or the investment advisor or shareholder of the fund	<ul style="list-style-type: none"> <li>• KYT through the DD process;</li> <li>• AML/KYC control procedures;</li> <li>• Register of related participation;</li> <li>• The company operates only with regulated and authorized entities as service providers, which duty is also to enforce strict non-related party dealings.</li> </ul>

Issue/Relevant Person	Potential Conflict	Mitigating Controls
Valuation function and Risk Management function	The AIFM structure makes possible that the person in charge of the assets' valuation can also be risk manager.	<p>The assets' valuation activity of the valuator, in consideration of the specificities of investments and of the type of contracts, basically consists in the control of the respect of the procedures and of the regular flow of information, which taking to the determination of the accruals and of the receivable determining the value of the credit facility at each NAV valuation.</p> <p>Consequently, the same person by executing his function of RM integrates the valuator's activity by using RM tool to monitor the regular activity.</p>
Overlap of the allocation of the areas of responsibility of the Senior Managers and the permanent officer.	The Senior Manager which is in charge of the Risk Management Function, is also Risk Manager, Compliance officer and MLRO.	<ul style="list-style-type: none"> <li>• The whole activity is supervised by the Board;</li> <li>• The other Senior Manager monitors the activity performed by the relevant person, they organize monthly meeting and equally distribute the workload, and in particular the controlling activities;</li> <li>• The size of the AUM, the number of the sub-fund and of the assets makes possible to manage the load of work.</li> </ul>
The beneficial owner of the investment and the investee.	It might happen that the beneficial owner of an investment is a related party with the IM or the investment advisor or shareholder of the fund	<ul style="list-style-type: none"> <li>• KYT through the DD process;</li> <li>• AML/KYC control procedures;</li> <li>• Register of related participation;</li> <li>• The company operates only with regulated and authorized entities as service providers, which duty is also to enforce strict non-related party dealings.</li> </ul>
Syndication of the investments	The Fund participates to financing project to investees jointly with other parties. Some of these can be related to the Investment Manager of the AIFM. There might be a conflict on the equal treatment of all the participants.	<ul style="list-style-type: none"> <li>• The AIFM and the delegated Investment Manager adopted pari-passu realancing process. i.e. a rigorous loan accounting procedure that, following the asset pooling of the co-invested assets, aims to grant equal distribution of the risks and of the profits for all the participating co-investors on the selected investees.</li> </ul>
The Investment Manager and the calculation of the attained objectives	<p>The Company adopted its ESG policy, which in order to quantify the attainment of the Do Good and Do not Harm objectives, in compliance with the art 9 of the SFDR, relies on a series of sustainability indicators used to measure the attainment of each of the social and environmental Impact objectives.</p> <p>These sustainability indicators collected and provided by the same investment manager.</p>	<ul style="list-style-type: none"> <li>• The remuneration of the Investment Manager is not linked to the sustainability indicators. These represent compliance objectives to respect at every time.</li> <li>• It is not possible to change the sustainability indicators in an improvised way. These remain fixed and verifiable.</li> <li>• On regular basis, the Permanent Risk Officer of the Company controls the relevance, the completeness, the accuracy, the consistency and the transparency of the indicators publicly released;</li> </ul>



		<ul style="list-style-type: none"><li>• The external auditors of the company controls the correctness and the accuracy of the data reported in the SFDR integrative note of annual financial statements.</li></ul>
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