Conflict of Interest Management Policy

DNCA Finance may face situations of conflicts of interest that can arise between the various entities of DNCA Finance, the employees and the clients during the provision of investment services or in the course of its activities.

The present Conflict of Interest Management Policy is established in accordance with the applicable regulations in France and aims to outline the measures adopted by DNCA Finance for the detection, prevention, and management of these conflicts of interest.

DEFINITION OF A CONFLICT OF INTEREST

A conflict of interest can be defined as the situation in which the interests of DNCA Finance and/or its employees and/or its clients may be in competition and consequently, this situation presents a risk that the interests of one or several of these clients may be adversely affected.

Thus, potential conflicts of interest can be classified into three categories:

- Conflicts involving multiple clients;
- Conflicts between DNCA Finance and the clients;
- Conflicts between the employees of DNCA Finance and one or several clients.

IDENTIFICATION OF CONFLICTS OF INTEREST

In order to identify situations of conflicts of interest that may arise during the provision of investment services and in the course of its activities, DNCA Finance pays particular attention to the following situations:

- When DNCA Finance or its employees are likely to make a financial gain or avoid a financial loss at the expense of a client;
- When DNCA Finance has an interest in the outcome of a service provided to the client or a transaction carried out on behalf of the client that is different from the client's interest in the result;
- When DNCA Finance and/or its employees are incentivized, for financial or other reasons, to favor the interests of another client over the interests of the client to whom the service is provided;
- When DNCA Finance receives or will receive from a person other than the client an advantage in connection with the service provided to the client, in any form, other than the commission or fees normally charged for this service.

The list above is not exhaustive and is not intended to cover all situations that could arise.

IDENTIFYING AND PREVENTING CONFLICTS OF INTEREST

The system for preventing conflicts of interest is based both on organisational measures and on procedures designed to identify and prevent situations that could give rise to a conflict of interest.

Organisational arrangements

DNCA Finance adopts organisational measures aimed at preserving the degree of independence required of employees in the performance of their duties and at taking measures to detect and prevent conflicts of interest.

The detection and prevention of conflicts of interest is organised as follows:

- A map of potential conflicts of interest to ensure that appropriate preventive measures are in place;
- Deontological principles and professional ethics, applicable to all employees, set out in DNCA Finance's Code of Ethics, which focuses in particular on the primacy of customers' interests, compliance with the rules on gifts and benefits, personal transactions and external activities and corporate offices;
- A remuneration policy defined in such a way as to avoid situations of conflict of interest and to establish an appropriate remuneration framework so that employees are not encouraged to take risks that are incompatible with the interests of customers;
- Supervision of people involved in activities that may give rise to a conflict of interest, with the obligation to conduct their activities independently and autonomously (separation of activities and functions, appropriate reporting lines);
- A whistleblowing system enabling employees to report any potential or actual conflict of interest situation;
- Internal committees that take full account of the need to protect customers' interests and ensure they are treated equally in their decisions;
- Training courses for employees to raise awareness of the risks of conflicts of interest and to remind them of the relevant procedures.
- When exercising the voting rights attached to the securities held in the portfolios it manages, DNCA Finance may be confronted with situations of conflicts of interest due to its relations with issuers. As a result, specific rules for preventing and managing such conflicts of interest have been defined and described in the voting and engagement policy.

Permanent control system

DNCA Finance has implemented a permanent control system to ensure compliance with the system for preventing and managing conflicts of interest and protecting customers' interests.

The Compliance, Internal Control and Risk functions use their controls to ensure that customer interests are systematically taken into account and that internal procedures to prevent and manage conflicts of interest are correctly applied.

Policies and procedures

DNCA Finance has put in place procedures applicable to all employees in order to provide a framework for activities, products and services that could generate conflicts of interest.

These policies and procedures may relate to actual conflicts of interest or to situations already identified as part of the mapping of conflicts of interest, in which case they describe how to detect, prevent and manage them.
They may also concern potential conflicts of interest, in which case they define the applicable rules and measures to be followed to avoid them.

They mainly concern ethical rules (gifts, benefits, personal transactions, corporate offices and external activities, etc.), financial management activities (best selection, commissions, remuneration and benefits, order processing, inter-portfolio transactions, proprietary trading, etc.), investment advice and the marketing of UCIs.

MANAGING CONFLICTS OF INTEREST

When the preventive measures have not eliminated any significant risk of harm to clients' interests, measures to manage the conflict of interest are put in place and adapted according to the level of risk incurred by clients.

In response to an identified conflict of interest situation, DNCA Finance may decide :

- Either not to carry out the transaction giving rise to the conflict of interest if it involves a particularly significant risk;
- or to carry out the transaction giving rise to a conflict of interest but to take the necessary measures and steps to manage the conflict without harming the interests of the client concerned.

If the measures envisaged to manage a conflict of interest are not sufficient to guarantee, with reasonable certainty, that the risks of harming the client's interests will be avoided, DNCA Finance will clearly inform the client of the nature and source of this conflict, as well as the measures taken to mitigate these risks, so that the client can make an informed decision prior to the envisaged transaction.

Conflicts of interest are managed under the supervision of DNCA Finance's Compliance function, which maintains a register of conflicts of interest. This register records the situations in which a conflict of interest involving a significant risk of harm to the interests of clients or UCIs has arisen or is likely to arise, as well as the measures adopted to prevent and manage them.

POLICY UPDATE

This Policy is updated regularly to take account of the entry into force of legislative and regulatory amendments or professional standards, changes impacting DNCA Finance's activities and lessons to be learned from cases of conflict encountered.

Updated on 01/06/2023