

## Information about Merrill SICAV plc Conflict of Interests

### 1. Preamble

- 1.1. This document is prepared and published in accordance with the Part B – Standard Licencing Conditions Part BII: Malta based UCITS Collective Investment schemes and MFSA conduct of business requirements.
- 1.2. This policy is not intended to create third party rights or duties or form part of any contractual agreement between the firm and any client or potential client.
- 1.3. This policy may be reviewed and amended at any time.

### 2. Purpose

- 2.1. The purpose of the conflict of interest policy and procedure is to aid in identifying apparent, actual, and potential conflicts of interest, and to manage such conflicts. The aim is to ensure that these conflicts do not improperly affect the activities or professional conduct of the company or its staff, and most importantly to ensure that the interests of the clients are not adversely effected.

### 3. Policy

- 3.1. The Company acknowledges that its clients' interests will always take priority at any and every stage of the provision of services to such clients. The directors are therefore committed to ensure that the company adopts an effective conflict of interest policy and procedure designed to prevent, detect, and control conflict of interests from adversely affecting client's interest. Where the Compliance Officer is of the opinion that a conflict of interest cannot be controlled adequately by the company, a disclosure shall be made to any clients concerned.

### 4. Procedure

#### 4.1. Identification of a Conflict of Interest Affecting Clients

- 4.1.1. The existence of any of the following conditions shall be treated as a conflict of interest:
    - a conflict between the interests of the company or any of its staff members, or any person directly or indirectly linked by control to the company, and the interests of the client in relation to which the company owes an obligation to such client;
    - a conflict between the different functions and departments of the company;
    - conflicts between the company and its employees or agents; and,
  - 4.1.2. The company keep a register of circumstances which potentially give rise to a conflict of interests and how these are minimised. The conflicts identified in the register were developed based on the following list of examples of potential situations giving rise to a conflict of interest:
    - A conflict of interest is likely to arise if the company or any of its staff members, or a person directly or indirectly linked by control to the company is likely to make a financial gain, or avoid a financial loss, at the expense of the client.
    - A conflict of interest is likely to arise if the company, or any of its staff members, or a person directly or indirectly linked by control to the company has an interest in the outcome of a service provided to the client, or a transaction carried out on behalf of the client, which is distinct from the client's interests in that outcome.
    - A conflict of interest is likely to arise if the company or any of its staff members, or a person directly or indirectly linked by control to the company has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client.
    - A conflict of interest is likely to arise if the company or any of its staff members, or a person directly or indirectly linked by control to the company carries on the same business as the client.
    - A conflict of interest is likely to arise if the company, or a relevant person, or a person directly or indirectly linked by control to the company 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.
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## 4.2. Disclosure by Staff Members

- 4.2.1. It is the duty of all staff members to disclose any actual or potential personal conflict of interest which might arise when carrying out their tasks for the company. A disclosure should be made in writing to the Compliance Officer as soon as these are identified.
- 4.2.2. It is the responsibility of each and every employee to familiarise themselves with this policy and to immediately disclose any actual or potential non-personal conflict of interest. Such disclosure should be made in writing to the Compliance Officer. This conflict of interest will then be recorded on the register and reported to the risk steering committee.
- 4.2.3. In any situation where a member of the staff is uncertain as to whether a particular situation may give rise to a conflict of interest, advice shall be sought from the Compliance officer.
- 4.2.4. A confidential record of all disclosures made shall be maintained by the Compliance Officer. Members of staff shall be required to provide updated information on request.
- 4.2.5. In the event that a conflict of interest or a potential conflict of interest has been disclosed, the individual concerned shall discuss a possible resolution with the Compliance Officer. Any unresolved matter shall be referred to the Board of Directors and a disclosure of the Conflict of Interest to the client or clients concerned shall be considered.
- 4.2.6. Identified conflicts shall be reviewed on an annual basis.

## 4.3. Managing Potential or Actual Conflict of Interests

- 4.3.1. Whenever a conflict of interest or possible conflict of interest is identified the Compliance Officer may take any of the following measures, additional or alternative measures in order to ensure an acceptable degree of independence:
  - Prevent or control the exchange of information between relevant persons engaged in activities involving likelihood of a conflict of interest.
  - Supervise any relevant person whose principal functions involve carrying out activities on behalf of, or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company.
  - Remove any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or the revenue generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities.

In the event that the conflict cannot be adequately managed or eliminated, full disclosure will be made of the conflicts and its potential impact.

## 4.4. Personal Transactions

- 4.4.1. The Compliance Officer shall ensure that no member of the staff, or service provider, who is involved in any activity that may give rise to a conflict of interest, or who has access to inside information or confidential information, undertakes any of the following activities:
  - enters into a transaction which is prohibited in terms of the Prevention of Financial Markets Abuse Act, 2005;
  - enters into a transaction which involves misuse of improper disclosure of confidential information;
  - enters into a transaction which conflicts or is likely to conflict with an obligation under the prevalent rules and regulations applicable to the financial investment sector in Malta, or with an obligation under this policy and procedures manual;
  - advising or procuring, other than in the proper course of his established duties, any other person to enter into a transaction in financial instruments which, if a personal transaction entered into by such person would be covered, either by the abovementioned points, or by the rules relating to Investment Research, or if such person misuses information relating to pending clients orders.
  - disclosing any information, other than in the proper course of his established duties, to a third party if the said person knows, or reasonably ought to know, that as a result of that disclosure, that third party will or would be likely either to enter into a transaction in financial instruments which, if a personal transaction

of the relevant person, would be covered by point the first three points above or by the rules relating to Investment Research a, or if such person misuses information relating to clients orders, or to advise or procure another person to enter into such a transaction.

- 4.4.2. In order to implement the above, the Compliance Officer shall on an ongoing basis monitor regularly members of the staff for any of the prohibited activities mentioned above.
- 4.4.3. The Compliance Officer shall also circulate an internal memo with reference to the above list to all members of the staff informing them that such activities are prohibited, and that if they are aware of any activity which may fall within such list, they shall inform the Compliance Officer promptly of the circumstances of such an activity.
- 4.4.4. Members may be required to countersign the internal memo thereby acknowledging that they are not involved or are not aware of the involvement of any member of the staff in any of the listed activities. Such acknowledgement shall be taken at least upon commencement of employment with the company and subsequently towards the end of each year during the staff performance review.
- 4.4.5. The Compliance Officer shall keep a record of individuals who carried out personal transaction and review any changes on an ongoing basis.

#### **4.5. Exemptions**

- 4.5.1. The above provisions dealing with personal transactions shall not apply to the following kinds of personal transactions:
  - personal transactions effected under a discretionary portfolio management service where there is no prior communication in connection with the transaction between the portfolio manager and the relevant person or other person for whose account the transaction is executed;
  - personal transactions in units in collective undertakings that comply with the conditions necessary to enjoy the rights conferred by the UCITS Directive or are subject to supervision under the law of a Member State which requires an equivalent level of risk spreading in their assets, where the relevant person and any other.

#### **5. Gifts Policy and Procedure**

- 5.1. As a general standard a gift should not be accepted where it could be seen by others as an open inducement or a reward that might place the company under any obligation.
- 5.2. Without prejudice to the above members of the staff are prohibited from accepting gifts from current or prospective clients the value of which exceeds the threshold of 100 Euros. For clarity's sake, food items or similar items, such as Christmas gift baskets, should in general be accepted. Likewise an invitation to dinner, sports/cultural event or other similar local function will be deemed to be under this policy's gift threshold.
- 5.3. Members of the staff shall report the fact that they have received a gift from a client to the Compliance Officer, and whether such gift was accepted or otherwise.
- 5.4. The Compliance Officer may ask a member of the staff who has received a gift to give an approximate estimation of the value of the gift. A record of substantial gifts received is kept by the Compliance Officer.
- 5.5. Small items, including trade show giveaways such as key chains, notepads, diaries etc., shall not be considered as gifts contemplated in this policy and procedure, and may be retained by the member of the staff without any obligation to report to the Compliance Officer.