

**NOVA INVESTMENT MANAGEMENT LIMITED**  
**CONFLICTS OF INTEREST POLICY**

**Approval and Sign-off**

Approved by	Position	Version	Date
Board of Directors		1	22 December 2023

## TABLE OF CONTENT

1	INTRODUCTION .....	3
2	SOURCES AND REFERENCES .....	3
3	CONCEPT OF CONFLICT OF INTERESTS AND IDENTIFICATION OF RELEVANT SUBJECTS.....	4
4	ROLES AND RESPONSIBILITIES .....	10
5	PURPOSE OF THE CONFLICTS OF INTEREST MANAGEMENT POLICY ADOPTED BY THE COMPANY 12	
6	CONFLICT OF INTERESTS REGISTER.....	12
7	DISCLOSURES.....	12
8	MONITORING AND REVIEW OF THE MANAGEMENT OF CONFLICTS OF INTEREST AND REVIEW OF THE POLICY .....	13
9	ANALYSIS, IDENTIFICATION AND MANAGEMENT OF CONFLICTS OF INTEREST .....	14
10	APPLICATION OF POLICY – IDENTIFICATION AND REPORTING OF BREACHES OR ISSUES .....	14
	COI POLICY APPENDIX 1 – CONFLICTS OF INTEREST REGISTER.....	ERROR! BOOKMARK NOT DEFINED.
	COI POLICY APPENDIX 2 – CONFLICTS OF INTEREST MAPPING .....	ERROR! BOOKMARK NOT DEFINED.

## 1 INTRODUCTION

The identification, management and monitoring of conflicts of interest situations is of paramount importance for the activities of Nova Investment Management Limited. In this context, the present document defines the policy for the managing of conflicts of interest adopted by Nova Investment Management Limited (hereinafter referred to as the "Company") taking into account the services and activities performed, the current regulatory framework and the guidelines issued by the Parent Company, Azimut Holding S.p.A. In line with the current regulations, the document is subject to updates based on the evolution of the Company's operations and the possible emergence of new actual or potential conflicts of interest situations.

## 2 SOURCES AND REFERENCES

- Directive 2009/65/EC as may be amended updated of supplemented from time to time (the "UCITS Directive");
- Irish Statutory Instrument No. 352 of 2011 - European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as may be amended updated of supplemented from time to time (the "Irish UCITS Regulations");
- Irish Statutory Instrument No. 230/2019 - Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 as may be amended updated of supplemented from time to time (the "CBI UCITS Regulations");
- Central Bank's Fund Management Companies Guidance December 2016 ("FMC Guidance")

As well as any further amendments and any additional transposition of the above framework into the Irish legislation, where relevant.

### **3 CONCEPT OF CONFLICT OF INTERESTS AND IDENTIFICATION OF RELEVANT SUBJECTS**

#### **3.1 CRITERIA FOR THE IDENTIFICATION OF THE CONFLICT OF INTEREST WHILE ACTING AS UCITS MANAGEMENT COMPANY**

The Company when acting as UCITS Management Company shall take all reasonable steps to identify conflicts of interest that arise in the course of providing services and activities as UCITS Management Company and whose existence may damage the interests of a UCITS. The Company shall take into account, by way of minimum criteria, the question of whether the Company or a relevant person, or a person directly or indirectly linked by way of control to Company, is in any of the following situations, whether as a result of providing collective portfolio management activities or otherwise:

- (a) the Company or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the UCITS;
- (b) the Company or that person has an interest in the outcome of a service or an activity provided to the UCITS or another client or of a transaction carried out on behalf of the UCITS or another client, which is distinct from the UCITS interest in that outcome;
- (c) the Company or that person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the UCITS;
- (d) the Company or that person carries on the same activities for the UCITS and for another client or clients which are not UCITS;
- (e) the Company or that person receives or will receive from a person other than the UCITS an inducement in relation to collective portfolio management activities provided to the UCITS, in the form of monies, goods or services, other than the standard commission or fee for that service.

In addition, the Company shall, when identifying the types of conflict of interests, take into account:

- (a) the interests of the Company, including those deriving from its belonging to a group or from the performance of services and activities, the interests of the clients and the duty of the management company towards the UCITS, and
- (b) the interests of 2 or more managed UCITS.

### **3.2 RELEVANT PERSONS**

The Company has identified the following figures as relevant persons, who from time to time may be affected by individual conflicts in view of the activity carried out by them:

- a director on the Board of Directors of the Company (the “Board”);
- an employee of the Company and any other natural person whose services are placed at the disposal and under the control of the Company and who is involved in the provision by the Company of collective portfolio management, or
- a natural person who is directly involved in the provision of services to the Company under a delegation arrangement to third parties for the purpose of the provision by the Company of collective portfolio management. This will include the investment management team of Azimut Investments Limited (“AZL”) within the Azimut Group as AZL are intended to be appointed as a delegate discretionary investment manager to a number of UCITS sub-funds that are managed by the Company. Further information on this is outlined in the conflict of interest mapping (“COI Mapping”).

### **3.3 IDENTIFICATION, MAPPING AND MITIGATION.**

The Company conducts an exercise to identify any existing potential conflicts of interest and as part of this exercise. Given the relatively low level of complexity of the Company’s business and organisational structure, the Board believes any potential conflicts are straightforward to identify and manage.

In this regard, the identification, mapping, and the measures adopted to manage the potential conflict of interest is detailed in the Appendix 2 (COI Mapping). Where a conflict is identified it is included in the COI Mapping and where a conflict cannot be mitigated accordingly then it will be included in the register of conflicts of interest.

In addition, in the context of the Board and the COI Mapping, the Directors are required to act in the best interests of the UCITS under management and of their unitholders. They should also avoid placing themselves in a position in which their personal interests or duties to others are likely to conflict with their duties to the relevant UCITS. This would include situations outlined in the COI Mapping. The Company’s Constitution allows a Director to participate in a decision of the Board notwithstanding a conflict of interest in the matter being discussed, if the existence of the conflict is disclosed to the rest of the Board, and even to retain any personal benefit that might result from the decision.

The Board has accordingly adopted a policy that a Director should declare any interest he or she may have in any matter to be discussed by the Board, before the discussion takes place, and that the Director should not participate in any discussion of the matter and abstain from any decision where relevant. In respect of the CEO of the Company who is also a Director of the Company, and who may be on the board of directors of a service provider to be appointed by the Company, the CEO need not abstain from any Board decisions in respect of the service provider and may participate in the discussions with the Board. However, the CEO shall follow the relevant conflicts of interest policy in place at the service provider, which may result in the CEO, in their role as a director in the board of directors of the service provider, abstaining from any decisions by the board of the service provider to be made in respect of the appointment of the service provider by the Company.

Once a Director becomes aware of a possibility of a conflict of interest in any matter to be discussed at a Board meeting, he/she should disclose the nature of the interest to other Board members at the meeting ensuring that it is noted in the minutes of the meeting. A declaration may also be made in advance of the meeting by notification to the Chairperson or Company Secretary. In case of doubt, a Director may seek the advice of the Chairperson or another Director.

Directors may make a general declaration of interest in any matters to be discussed in the future, such as contracts that may be entered into with a specific third party, for example where the Director is an employee or shareholder of that third party.

A declaration of an interest should include sufficient details of the potential conflict, including any monetary values involved, where relevant and appropriate, to enable the other Directors to gauge the true nature, size and potential impact of the conflict on the Company or any UCITS and the ability of the Board to exercise its powers of decision making.

Once a declaration is made, the Designated Person for Regulatory Compliance will be requested to record the declaration alongside the COI Mapping which will be available for review by the members of the Board at any time. The Company Secretary will also be asked to include a record of the procedure followed by the Board in considering the matter in relation to which the declaration is made in the minutes of the meeting.

Furthermore, on appointment, each Director must complete a declaration in accordance with section 231 of the Companies Act 2014 (as may be amended, updated or supplemented from time to time). This declaration

should be maintained by the Company Secretary and kept up to date with an annual declaration by all Directors where no changes have taken place or indeed been advised.

There are certain conflicts which should be avoided at all times irrespective of the adoption by the Board of any procedures for disclosure and subsequent handling of conflicts. These are as follows:

- (1)** Entering into an agreement with a third party that may restrict the ability of a Director to exercise decision making powers for the benefit of the Company or a UCITS under management. This includes but is not limited to legally binding contracts etc. but does not preclude making decisions that are aimed at ensuring the Company is able to comply with contractual obligations it has properly entered into.
- (2)** Incurring any other obligations or liability to a third party that may similarly inhibit the exercise of a Director's functions. Directors who are also directors, employees or shareholders of third parties that contract with the Company or a UCITS under management must ensure the third party understands and accepts that in the event of any conflict of interest between the Company and/or the UCITS under management and the third party that the Company's and the relevant UCITS' interests will take priority.
- (3)** Accepting gifts or benefits from third parties which are offered as a result of the Director's position on the Board. In general any offers of hospitality to discuss the affairs of the Company or a UCITS under management made by a third party to an individual Board member in the capacity as a Board member should be declined and subsequently declared to the Board. This does not preclude discussions between third parties and individual Directors acting on behalf of and with the knowledge of the Board or indeed the acceptance of hospitality at the same time which (a) is of a nature and level that is appropriate to the nature of the discussions; (b) is not at risk of placing the Board or any individual Directors under any obligation to the third party; (c) will not impair the Company's duty to act in the best interests of its UCITS under management and their unitholders; and (d) will not impact the Company's ability to comply with its legal or regulatory obligations.
- (4)** Taking personal advantage of information gained as a Director of the Company using a UCITS' assets for personal benefit or profiting from business opportunities identified through the Director's

position on the Board. Market abuse or misuse of insider information is a special case of this principle which could also involve criminal charges, civil claims or regulatory sanctions. Use of information which has been made public would normally not attract any form of external sanction but it is possible to envisage situations where a Director could have a conflict of interest as a result of using information which is not especially confidential.

Conflicts as listed above may not be adequately dealt with by disclosure to the Board because of the possibility that a Director's ability to act in the interests of the Company or any UCITS could be damaged or perceived to be damaged for a significant period of time or even permanently. The sensitivity surrounding some of these situations may also mean that there is a very low threshold before the conflict would be regarded as serious. In such circumstances the only way to resolve the conflict may be for the Director to resign.

Once a declaration of a potential conflict of interest is made in relation to a matter, the Director should not take part in any discussion of the matter, although further information may be provided on the nature of the conflict or on the matter being discussed if requested by the other Board members.

The conflicted Director should also not participate in any vote or decision on the matter, although the other Board members may decide to include the director in the quorum for the meeting if they believe it is appropriate and it is permitted by the Company's Constitution.

There may be occasions when all of the Directors present at a meeting will be conflicted but it will still be necessary for the Board to make a decision for example consideration of Directors' fees or common terms of appointment. In such circumstances it may be prudent to obtain benchmarking references or recommendations from external sources such as legal advisers and service providers.

Conflicts of interests are mapped on an ongoing basis in respect of all staff of the Company, from the outset of their employment with the Company, by the Company providing conflict of Interest training to all new staff, alongside a declaration to be signed by them relating to potential conflicts of interests. In addition, the Company provides annual training/awareness on conflicts of interest which is delivered to all staff and thereafter staff are required to complete a related test and disclose any additional potential to conflicts of interest. Moreover, the COI Mapping should be reviewed on an annual basis via face-to-face interviews with the collaboration of the departments in charge of the main impacted activities of the Company; this review



will assess any existing/ potential conflicts of interest to assess the appropriate mitigation measures to implement in order to reduce the risk.

The procedures and measures implemented by the Company to manage conflicts of interest have been designed to ensure that relevant persons engaged in activities involving a conflict of interest carry on those activities at a level of independence appropriate to the size and activities of the Company and of the Azimut Group to which it belongs and to the materiality of the risk of damage to the interests of clients. The procedures include:

- effective procedures (such as information barriers - physical and electronic information barriers which are designed to prevent, on a case by case basis and subject to proportionality principles, the exchange or misuse of material, non-public information obtained in the Company) to prevent or control the exchange of information between relevant persons engaged in collective portfolio management activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;
- the separate supervision of relevant persons whose principal functions involve carrying out collective portfolio management activities on behalf of, or providing services to, clients or to investors whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company;
- the removal of any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- measures (such as ensuring that conflicts of interest is a standing item on the agendas of each Board and Management Committee meeting, requesting where relevant that the corresponding members to abstain from taking part in debates or decisions on specific matters which may constitute a conflict of interests) to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out collective portfolio management activities;
- measures (such as ensuring that conflicts of interest is a standing item on the agendas of each Board and Management Committee meeting removing where relevant the person from the responsibilities or duties to which the conflict relates) to prevent or control the simultaneous or sequential

involvement of a relevant person in separate collective portfolio management activities where such involvement may impair the proper management of conflicts of interest;

Where the adoption or the practice of one or more of those measures and procedures outlined above does not ensure the requisite degree of independence, the Company shall adopt such alternative or additional measures and procedures which the Central Bank considers are necessary and appropriate for those purposes.

#### **4 ROLES AND RESPONSIBILITIES**

The responsibility for the management of conflicts of interest lies within:

- a) **The Board**, which shall have responsibility for the approval and overall implementation of this Policy on at least an annual basis;
- b) **The Head of Compliance** shall have responsibility for the application, maintenance and updating of this Policy, at least on an annual basis after the register of conflict of interests and the COI Mapping have been reviewed.

**The Board** will be responsible for approving the COI Mapping, which should be reviewed on an annual basis. The identification, management and monitoring of conflicts of interest involves the Company at all levels.

Senior Management is responsible for ensuring that the Policy is applied within each respective department and for reporting any conflict of interests situation to the Head of Compliance.

The Directors, management, the respective function managers as well as the employees are required, each for the area under their responsibility, to pay the utmost attention to and report any case of conflicts of interest and in particular the ones highlighted in the COI Mapping.

**The Head of Compliance** is responsible for:

- The logging and reporting of conflict of interests situation in the COI Mapping (as defined below) and in the conflict of interests register where a conflict cannot be mitigated accordingly (Appendix 1);
- The follow up of action/ implementation plans identified to remediate such situations;
- The review and update of the COI Mapping and Policy, in particular with the situations reported during the period which cannot be mitigated accordingly in the conflict of interests register;

- Ensuring that appropriate training is delivered to all staff;
- Reporting promptly to the Board where the organisational or administrative arrangements in the Company are not sufficient to prevent conflicts in order for the Board to take any necessary decision or action to ensure that the Company acts in best interests of the UCITS and its unitholders. Where reporting is required to be made to the Board in this regard, the situations subject to this reporting should then be reported to unitholders in the UCITS by any appropriate durable medium and the unitholders shall be given reasons for the Board's decision. This durable medium may include the Prospectus of the UCITS.
- Quarterly reporting to the Board on the identification, management and monitoring of conflicts in accordance with this Policy; and

**All Designated Persons** are responsible for:

- Confirming at each quarterly meeting with the Organisational Effectiveness Directors ("OED") that adequate consideration has been given to conflicts of interest affecting the Company and the UCITS under management in accordance with this Policy.

**The Director with responsibility for Organisational Effectiveness** is responsible for:

- Considering conflicts of interest affecting the Company and the UCITS under management as part of their role on an ongoing basis and when any new conflicts are identified they will ensure that appropriate action will be taken to document, escalate and manage any such conflict. The OED must also initiate action, such as escalation to the Board, where a conflict is having or are likely in the near future to have an adverse impact on the Company and/or the UCITS under management.

Finally, the Internal Audit Function periodically verifies the adequacy and effectiveness of the Company's systems, processes, procedures, and control mechanisms.

All employees are responsible for reporting any potential or actual conflict of interest as soon as it is discovered. These reports can be directed to the Head of Compliance for further investigation.

## **5 PURPOSE OF THE CONFLICTS OF INTEREST MANAGEMENT POLICY ADOPTED BY THE COMPANY**

This policy has been adopted for the management of conflicts of interest. It is considered proportionate with regard to the size and current organisation of the Company, as well as the nature, scale and complexity of the business of the Company.

## **6 CONFLICT OF INTERESTS REGISTER AND COI MAPPING**

The Company has set up a register (hereinafter, the “Register” in Appendix 1) in which are logged, in relation to the activities performed, the identified conflicts of interest situations, or in the case of an ongoing activity, the situations in which a conflict of interest may arise, that cannot be mitigated accordingly, all other conflicts of interest are included in the COI Mapping.

The Register and the COI Mapping is updated regularly by the Head of the Compliance.

In particular, the Register and the COI Mapping contain:

- Information about the relevant department of the Company and activity concerned;
- A description of the circumstances from which the conflict of interest arose;
- The specific remediation measures adopted in relation to the conflictual situation (in respect of the COI Mapping only);
- Whether the conflict cannot be mitigated accordingly (in respect of the Register only)
- A column confirming whether the Policy also needs to be updated;

The Head of Compliance is responsible for:

- Logging any reported conflict of interests situation in the COI Mapping and where relevant the Register;
- The follow up of action/ implementation plans identified to remediate the situations.

## **7 DISCLOSURES**

Whoever, within the Company, has potential conflicts of interest is required to disclose it to the Head of Compliance, including those which may have been inadvertently placed.

Where the existence of a certain conflict of interest has been brought to the attention of the Board by the Designated Person for Compliance and if it has been established that the Company cannot be reasonably confident that risks of damage to the interests of a UCITS under management will be prevented as a result of measures to be taken to mitigate conflicts of interest, the Company will clearly disclose to the UCITS: the general nature, the sources of conflicts of interest and the steps taken to mitigate those risks, before undertaking business on their behalf and developing appropriate policies procedures to do so.

In addition, the Company will include in the Prospectus of its UCITS under management a description of the potential conflicts of interest that could arise between the Company, any delegate investment manager and the UCITS and, where applicable, details of how such conflicts will be managed.

The Company shall, where applicable, include in the Prospectus of the relevant UCITS a description of soft commission arrangements that may be entered into by the Company or a connected person.

Where it is envisaged that a UCITS and connected persons may enter into transactions with each other, the Company shall ensure that the Prospectus discloses the fact that such transactions may occur.

“Connected person” has the meaning given to the term in the CBI UCITS Regulations. Please refer to the Connected Persons Transactions Policy for further information on the Company’s Policy in this regard.

## **8 MONITORING AND REVIEW OF THE MANAGEMENT OF CONFLICTS OF INTEREST AND REVIEW OF THE POLICY**

This Policy is reviewed at least on an annual basis or when:

- a) The structure of the Company or of the Azimut Group changes significantly;
- b) The Company launches new products, activities, or partnerships with a significant impact on the Company’s structure;

Appropriate measures will be taken to address any deficiencies in the Policy based on the review carried out. Based on the results of this review process, the Head of Compliance will update the Policy and submit the new version to the Board for approval and recommendations on the necessary measures to ensure management of conflicts of interest.

In the absence of any express amendment in light of any reviews carried out, requested by any Director or Head of Compliance, the Policy will be deemed renewed in its current version.

Should a new conflict of interest arise in the context of the activities and services provided, or in case of change of the circumstances from which identified conflicts of interest arose, the following process is applied:

- a) Reporting by the relevant person of the conflict of interest to Head of Compliance;
- b) Logging of the situation by the Head of Compliance in which the conflict arises or may potentially arise in the COI Mapping and where relevant the Register where the conflict cannot be mitigated accordingly;
- c) Identification of the measures and procedures for management and/or mitigation of the conflict;
- d) Consideration by the Head of Compliance for updating of this Policy on the basis of the measures and procedures identified under b) and c);
- e) Disclosure to UCITS under management and where relevant unitholders of the UCITS in accordance with this Policy.

## **9 ANALYSIS, IDENTIFICATION AND MANAGEMENT OF CONFLICTS OF INTEREST**

The analysis, identification, and management of existing/potential conflicts of interest is performed in accordance with section 3 of this Policy (see Appendix 2 for full details).

## **10 APPLICATION OF POLICY – IDENTIFICATION AND REPORTING OF BREACHES OR ISSUES**

Any clarification around this Policy or its application should be discussed with the Head of Compliance.

Confirmed breaches shall be reported by the Head of Compliance to Board.

The Head of Compliance is responsible for assessing any identified issues or findings related to this Policy or its implementation and for reporting them to the Board with an action plan to address the issue or finding.

In case of confirmed breaches, the Head of Compliance and the Board shall consider any remedial actions to prevent the re-occurrence of similar breaches in the future and consider whether further reporting to the authorities is required, in accordance with any relevant law/regulatory provisions.