



ING Solutions Investment Management

CONFLICT OF INTERESTS POLICY

This policy sets out the legal & regulatory requirements, as well as the related actions, which ING Solutions Investment Management S.A., “ISIM” (below the “ManCo”) complies with in order to meet its obligations, in the area of conflicts of interests, as Management Company authorised under Chapter 15 of the Law of 17 December 2010 relating to undertakings for collective investment (the “2010 Law”) and Alternative Investment Fund Manager authorised under the law of 12 July 2013 on alternative investment fund managers (the “AIFM Law”), which manages undertakings for collective investment subject to Part I of the 2010 Law and other types of funds which qualify as alternative investment funds.

Contents

CONFLICT OF INTERESTS POLICY	1
1. Purpose of the Policy	2
2. Scope of the Policy	2
3. Regulatory Background	3
4. Independence in the Management of Conflicts of Interest	3
5. Summary of the Requirements	4
5.1 Identifying Conflicts	4
5.2 Types of Conflicts	4
5.3 Segregation of functions	5
5.4 As Member of a Group	5
5.5 Conflicts of Interest in the case of outsourced activities	6
5.6 Disclosure of conflicts to clients	6
5.7 Responsibilities of staff of the ManCo	6
6. Situations in which Conflicts of Interest could arise	7
7. Arrangements for managing conflicts	8
7.1 Governance	8
7.2 Segregation of functions	8
7.3 Remuneration/Compensation Arrangements	8
7.4 Approval & Availability	8

Last update March 2016

ING Solutions Investment Management S.A., ISIM
48, Route d'Esch
L-2965 Luxembourg

E : info@ing-isim.lu
T : +352 26 02 17 20



ING Solutions Investment Management

1. Purpose of the Policy

The purpose of this Conflict of Interests Policy is:

- To identify by reference to the specific services and activities carried out by (or on behalf of) the ManCo potential and existing conflict of interests entailing a risk of damage to the interests of a Fund or its shareholders; and
- To specify procedures to be followed and measures to be adopted in order to manage such conflicts in an independent manner, and
- To communicate this information to all employees in the ManCo

2. Scope of the Policy

The Management Company establishes, implements, maintains and applies an effective conflicts of interest policy. This policy is set out in writing and is appropriate to the size and organisation of the ManCo and the nature, scale and complexity of its business.

Where the ManCo is a member of a group, the policy also takes into account any circumstances of which the ManCo is or should be aware which may give rise to a conflict of interest arising as a result of the structure and business activities of other members of the group.

The conflicts of interest policy established includes the following:

- 1.1. with reference to the activities of collective portfolio management carried out by or on behalf of the ManCo, including activities carried out by a delegate, sub-delegate, external valuer or counterparty, identification of the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of the funds or their investors, taking also into account the relationships with other members of the group;
- 1.2. procedures to be followed and measures to be adopted in order to prevent, manage and monitor such conflicts.

At the moment of its authorisation, the ManCo confirms that the written procedures regarding conflicts of interest have been put in place. These procedures are regularly updated so as to adapt them to the evolution of the ManCo's activity. The CSSF reserves the right to demand a written copy of these written procedures at any moment.

Last update March 2016

ING Solutions Investment Management S.A., ISIM
48, Route d'Esch
L-2965 Luxembourg

E : info@ing-isim.lu
T : +352 26 02 17 20



ING Solutions Investment Management

3. Regulatory Background

UCITS

In accordance with the articles 109 (1) b) and 111 d) of the Law of 17 December 2010 concerning Undertaking for Collective Investment, a Management Company shall be required to be structured and organised in such a way as to minimise the risk of UCITS or clients' interests being prejudiced by conflicts of interest.

The ManCo shall try to avoid conflicts of interests and, when they cannot be avoided, ensure that the UCITS it manages are fairly treated.

Moreover, the CSSF Regulation 10-4 specifies in its Chapter III, from article 18 to article 23, the measures which the Management Companies are required to take in order to comply with the conflicts of interest safeguards defined in the above articles 109 (1) b) and 111 d).

Ultimately, the CSSF Circular 12/546 in its section 5.2.6. introduces effective clarifications on the implementation of:

- a Conflicts of Interest Policy
- a strategy for the exercise of voting rights

AIF

In accordance with the article 13 of the law of 12 July 2013, AIFM must take all reasonable steps to identify conflicts of interest, including maintain and apply an effective organisational and administrative arrangements.

In case of the use of a Prime Broker, AIFM must exercise due skill, care and diligence in their selection and in the writing of the contract.

4. Independence in the Management of Conflicts of Interest

The ManCo has appointed a Compliance Officer, who is responsible as an independent position for active management of conflicts of interest. Compliance assist in the process of management but it is each employees responsibility to manage conflicts.

Active management of conflicts of interest is understood to mean in particular the following tasks:

- Identification of actual and potential conflicts of interest

Last update March 2016

ING Solutions Investment Management S.A., ISIM
48, Route d'Esch
L-2965 Luxembourg

E : info@ing-isim.lu
T : +352 26 02 17 20



ING Solutions Investment Management

- Mitigating conflicts of interest
- Resolution of conflicts of interest
- Maintenance of a conflicts of interest register (“Register”)
- Initiating the disclosure of unresolved conflicts of interest
- Monitoring of conflicts of interests for outsourced activities
- Regular reporting to the Board of Directors
- Disclosure to investors

5. Summary of the Requirements

5.1 Identifying Conflicts

The article 109 (1) b) of the Law of 17 December 2010 concerning Undertakings for Collective Investment and the article 13(1) of the law of 12 July 2013 on AIFM require a Management Company to take all reasonable steps to identify conflicts of interest between:

- the Management Company (including its managers, employees or any person directly or indirectly linked to the Management Company by way of control) and its clients,
- between two of its clients,
- between one of its clients and a Fund,
- between two Funds or
- between any of the above entities

that arise or may arise in the course of providing any services.

5.2 Types of Conflicts

The article 19, paragraph 1 of CSSF Regulation 10-4 requires that Management Company takes all reasonable steps to identify conflicts of interest that may arise in the course of providing services and activities and whose existence may damage the interests of a Fund. The ManCo shall take into account, by way of minimum criteria, the question of whether the ManCo or a relevant person, or a person directly

Last update March 2016

ING Solutions Investment Management S.A., ISIM
48, Route d'Esch
L-2965 Luxembourg

E : info@ing-isim.lu
T : +352 26 02 17 20



ING Solutions Investment Management

or indirectly linked to the ManCo by way of control, is in any of the following situations due to a conflict of interest:

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

If the Compliance Officer determines that one or more of the abovementioned criteria apply, the conflict of interest thus identified is documented in writing in a conflicts of interest register and included in the active management of conflicts of interest.

5.3 Segregation of functions

The Management Company is required to segregate the duties of the senior management so as to avoid conflicts of interests as required by the article 21 of CSSF Regulation 10-4.

5.4 As Member of a Group

In compliance with article 20 paragraph 1 of CSSF Regulation 10-4, as member of the group ING, the Management Company policy shall also take into account any circumstances of which the company is or should be aware which may give rise to a conflict of interest resulting from the structure and business activities of other members of the group.

The conflicts of interest policy established in accordance shall include the identification, with reference to the collective portfolio management activities carried out by or on behalf of the management company, of the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of the Funds or one or more other clients;

Last update March 2016

ING Solutions Investment Management S.A., ISIM
48, Route d'Esch
L-2965 Luxembourg

E : info@ing-isim.lu
T : +352 26 02 17 20



ING Solutions Investment Management

5.5 Conflicts of Interest in the case of outsourced activities

With regard to the activities of third parties that perform delegated tasks of the Management Company, the adherence to the principles of this conflicts of interest policy are checked and documented in the context of the due diligence audits and outsourcing controls.

5.6 Disclosure of conflicts to clients

Article 22, paragraph 3 of CSSF Regulation 10-4 and Section 5.2.6.1 of the CSSF Circular 12/546 requires that where the arrangements made by the Management Company are not sufficient to ensure with reasonable confidence that the risk of damage to the interests of the Fund or its shareholders will be prevented, the Management Company:

- a) must clearly disclose, the general nature and source of the conflict of interest to the client before undertaking business for the client; and
- b) must provide sufficient detail to enable that particular client to take an informed decision in relation to the service offered

5.7 Responsibilities of staff of the ManCo

It is the responsibility of all employees to familiarise themselves with this Policy and to report conflicts of interest to their line manager who will in turn report them to the Compliance Officer. Failure to adhere to this policy can be taken to be a breach of an employee's contract.

In principle, the staff is employed by the ManCo. By exception, the entire or only part of the staff may be either on secondment or made available by an undertaking belonging to the same group or by a non-affiliated company. In this case, the contract governing this secondment or this availability stipulates rules concerning the management of conflicts of interest between the staff concerned and the entity. The staff thus made available or on secondment are reachable in Luxembourg during normal business hours.

The staff of the ManCo may assume multiple functions. The exercise of multiple functions does not and is not likely to prevent the relevant persons from discharging any particular one of these functions soundly, honestly and professionally.

Long term absences or resignations of staff do not prevent, at end, the good functioning of the ManCo.

Overall responsibility for Conflicts of Interest lies with the Board of Directors. The Compliance Officer is responsible for the day-to-day administration of the Policy.

Last update March 2016

ING Solutions Investment Management S.A., ISIM
48, Route d'Esch
L-2965 Luxembourg

E : info@ing-isim.lu
T : +352 26 02 17 20



ING Solutions Investment Management

The Compliance Officer will work with line management to identify Conflicts of Interest, record conflicts and the mitigating action in the Conflicts Register and report the situation to the Board of Directors for consideration.

The Board of Directors via the Compliance Officer has responsibility for ensuring that staff is aware of the aspects of the Policy relevant to them.

All employees have a responsibility for carrying out aspects of the policy that are relevant to them.

The exhaustive rules, including those in relation to the conducting officers of the ManCo are available to the registered office of the ManCo.

6. Situations in which Conflicts of Interest could arise

The purpose of this section is to set out typical situations in which conflicts of interest arise and are managed in the course of the Management Company's day-to-day business so that employees are better equipped to identify, report and assist in eliminating or managing conflicts.

The most frequent situations which give rise to the possible conflict of interest are in relation with:

- Acquisition of control of a company
- Redemption of investments
- Governing bodies of the ManCo, eg when the depositary bank has a qualifying holding in the ManCo
- Compliance and internal audit functions
- Risk management function
- Personal transactions
- Possible inducements
- Voting rights
- Remuneration policy
- Delegation of functions
- Valuation functions
- Depositary function

Last update March 2016



ING Solutions Investment Management

7. Arrangements for managing conflicts

7.1 Governance

- a) The Management Company has robust governance arrangements. Key business decisions are taken by the Board of Directors and are recorded.
- b) The Compliance Officer reports directly to the Board
- c) The Management Company has rules laid out in the standard employment terms and conditions, governing employee conduct, including Personal Account Dealing (refers to the Code of Ethics, section Personal Trading Policy) which control and mitigate conflicts of interest. The Management Company also maintains a Conflicts of Interest Register (see Appendix I).

7.2 Segregation of functions

Segregation of functions are met by segregating duties as appropriate to avoid conflicts of interest wherever possible. These duties are set out via job descriptions, procedure manuals and organisation charts. Ensuring these duties remain segregated is the responsibility of line managers as advised by the Compliance Officer.

7.3 Remuneration/Compensation Arrangements

- a) Potential conflicts arising and arrangements for controlling/mitigating them are identified in the Conflicts of Interest Register. (Appendix I)
- b) The Management Company has a Compensation Policy in line with CSSF circular 10/437.

7.4 Approval & Availability

This Policy is approved by the Board and the Board of Directors is informed on an ad hoc basis on the occurrence of (potential) conflicts of interest.

This current up-to-date Policy as well as the detailed related actions to fulfil legal & regulatory requirements can be obtained by investors free-of-charge on request to the Management Company.

Last update March 2016