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1. Background

The present policy applies to Accunia Credit Management ("ACM"). ACM denotes the Accunia Group, consisting of Accunia Fondsmæglerselskab A/S (an investment firm), ACM Forvaltning A/S (a manager of AIFs) and the group holding company Accunia A/S.

ACM is specialized as an asset manager group within structured credit. The Group provides through ACM Forvaltning A/S a number of investment funds (AIFs) mirroring the Group's various investment strategies.

ACM endeavours to provide a competent and trustworthy treatment of its clients where all clients must be treated equally if circumstances are the same. Conflicts of interest or suspicion thereof must, to the largest possible degree, not happen. If it happens these conflicts should be handled correctly.

The fundamental idea of ACM is doing business on market terms with no hidden costs: No earnings on client transactions, and all products are fully transparent. ACM does not receive retrocession from third parties and the funds ACM manages does not carry distribution fees etc.

Additionally, ACM supplies structured products in the form of bonds based on ACM's investment strategies. This type of products is typically made especially to the clients of ACM and thus no alternative products are available.

ACM is collateral manager on a number of CLO structures which all carries the name "Accunia", and ACM has fee income related to this activity. The CLO notes has been offered to the clients of ACM via investment advisory and portfolio management. In all cases, these CLO notes - originating from a structure managed by ACM - are selected and recommend based on the same criteria and credit analysis as other CLO notes, and the portfolio maximum exposure constraints on manager/issuer apply equally on these notes. ACM does not issue new CLO structures.

On this background, ACM does not perceive conflicts of interests in connection with selling Accunia CLO notes to ACM clients.

2. Purpose

The purpose of this policy is to be able to identify the types of conflicts of interests which arises in connection when providing investment service which could harm the clients of ACM, including alternative investment funds (AIF) managed by ACM and the investors in these (in the following "clients and investors"). This is a legal requirement, mentioned in ia. the AIFM legislation and the Investment Company Act.

This policy identifies circumstances which might be a conflict of interests or which could lead to a conflict of interest with significant risk of endangering clients' and/or investors' interests.

Furthermore, the policy defines business procedures and other measures to identifying, managing, and handling of potential conflicts.

This policy has been approved by the boards of directors of the ACM Group and is controlled by Group Compliance.

3. Conflicts of interests

ACM has identified various circumstance which might result in conflicts of interests which potentially but not necessarily would be averse to the interests of clients and investors. A conflict of interests might happen if an ACM company or a person who directly or indirectly is controlled by the ACM Group or a client might be able to get a return or avoid a financial risk at the cost of another client or investor. This could, for instance, be the case if the ACM Group or an employee:

- are able to achieve a financial return or avoid a financial loss at the expense of investors or clients
- has other interests than clients or investors in the result of a financial service
- has a financial or other incentive to put the interest of another client's or group of clients' interests above the interests of other clients or investors
- receives - or would from another person than clients or investors receive - an incentive in connection with a service which is supplied to clients or investors in form of a monetary payment, goods or services in excess of the standard payment for the relevant service.

In Appendix A, a list of potential conflicts of interest is presented together with a description of how these are handled in ACM.

4. Prevention

Employees of ACM must not act contrarily to ACM's rules for the personal transactions of the employees of ACM. Furthermore, the employees must not act in a way which includes improper disclosure of private information, execute own trades in an AIF managed by ACM, or act so that a trade is executed at a price than that which external investor would have trade to, or which could be contrary to obligations which ACM has due to financial or other regulation.

No employee with a personal interest in an AIF must participate in portfolio management of actives of other AIFs which might influence the afore mentioned AIF's valuation. However, this is permitted if a competent third party ensures that the said portfolio investment takes place at market value.

Neither the ACM Group or employees receives or pay provisions (retrocession)

5. Information duty of employees

Every employee is obliged immediately to communicate to Compliance if the employee has knowledge or suspicion related to actual or potential conflicts of interests no matter the form or magnitude.

Furthermore, every employee must inform Compliance if the employee himself or herself has acted or is aware of other actual or potential actions which would be breaches of the rules for personal transaction of ACM employees.

The management of ACM must continuously evaluate whether the above mentioned transactions have involved a conflict of interest. Breaches must be reported to the relevant board of directors.

6. Processes for handling of conflicts of interests

Considering what is necessary and appropriate in order to maintain the necessary independence, the management of ACM and Compliance evaluates each actual and potential conflict of interest and decides upon which actions to implement.

7. Duty to inform the AIFs and investors

ACM do always inform clients and investors if these might be adversely affected about conflicts of interests which might go against the said clients and investors interests, and in connection with the information, ACM will inform about measures taken to counteract the conflict of interests.

This kind of information must be clearly formulated, in writing, and on a durable medium. It must be given before an investor transaction is executed.

8. List of services or activities which leads to conflicts of interests

Compliance is responsible for the list (and its updates) of the types of services or other related activities where conflicts of interests have occurred or might occur which might result in significant risk for adverse affects for clients or investors.

9. Reporting to the board of directors

Every conflict of interest which have been reported to the management of ACM and those which are of importance must be reported to the board of directors.

10. Control of the policy

Compliance controls the compliance with the present policy and will evaluate it as to whether ACM has the necessary business procedures in place in order to minimize and handle conflicts of interest.

Compliance advises the Management whenever necessary.

Compliance is responsible for the list of conflicts of interests, as well as the afore mentioned reporting to the Management and the board of directors.

11. Updates and evaluation of this policy

This policy must be evaluated by the board of directors or Compliance whenever necessary, however at least once annually.

Approved by the board, 19 August 2024

Peter Aandahl

Jørgen Clausen

Allan Gross-Nielsen

Carsten Gomard

Jens Nødskov

Henrik Hoffmann

Accepted by the Management Board

Henrik Nordby

Jacob Jensen

Appendix A – Examples of potential conflicts of interests

Situation #1 – Recommendation to advisory clients or undertaking discretionary portfolio management for clients with financial instruments where ACM has an interest in fee revenues originating from the same instruments.

The conflict of interest might be potentially opposite interests between ACM and the client, including focusing on the own interest of ACM.

The conflict of interest is handled by ACM's business procedures on advisory client services, especially as regards recommendations. The clients' interest must be prioritized. Suitability tests are made.

Advisory clients are explicitly told that products are ACM inhouse products whenever these products are marketed and recommended. For portfolio management clients, ACM products are included in the portfolio as a small part of well diversified portfolios.

Compliance controls the above by random tests.

Situation #2 – Conflicts between clients and ACM and/or opposite interests between two clients where the company favours one of the clients.

Certain interests might make it more interesting to ACM to prioritize one client over another.

The conflict of interest is handled, i.e., by executing transactions at market value (best execution).

The best execution documentation is controlled by Compliance (random tests).

Situation #3 – ACM and the client do not have the same interest in the result of the service supplied to the client

The conflict of interest consists in that the client might be buying a product which is not suitable for her or him.

The conflict of interest is handled by ACM's business procedures for advising clients. Suitability tests are made. The documentation is filed in the electronic client files.

Compliance regularly controls the files (random tests).

Situation #4 – In case Accunia receives fees linked to investment results (performance fee), ACM might run unnecessary risk on behalf of the client in order to optimize ACM earnings in the short-term.

The conflict of interest is handled in the client contracts as ACM only is able to charge fees related to performance when a high-watermark is in place. Thus focus on long-term returns are prioritized over short-term returns.

Situation #5 – Employees' remuneration is linked to ACM's fees on certain financial instruments.

The conflict of interest consists in that employees of ACM potentially might recommend products where the revenue to ACM is largest.

The conflict of interest is handled by arranging recommendations to advisory clients as "project transactions". This means that the client executives does not decide which products are marketed towards clients.

Situation #6 – Employees in ACM might potentially execute personal trades in a financial instrument where one or more clients have an interest

The conflict of interest consists in that ACM employees and clients might have opposite interests.

The conflict of interest is handled by internal rules and business procedures for employees' own trades.

Compliance receives notice on employees' own trades.

Potential conflicts of interest specifically related to ACM activities as FAIF (Manager of AIFs)

Situation #7 – ACM might potentially favour investors who wish to exit AIF investment at the expense of the remaining investors in an open-ended AIF (an AIF in which regular or continuous entry and exit are possible).

This potential conflict of interest is handled in the articles of association for each AIF. The so-called double pricing method is applied in general on the managed AIF of ACM. This means that all investors are charged a fixed add-on/reduction in order to cover the trading costs. All investors are treated equally. In rare circumstances the add-on/reduction might be calculated specifically after the entry/exit is executed. This is done where the size of the transaction is deemed to justify using a specific calculation instead of the standard add-on/reduction.

Situation #8 – Situation of exit pressure might occur where the liquidity in a AIF portfolio might turn out insufficient. Exiting investors might be favored if illiquid assets are sold at a price which is under fair market price.

This potential conflict of interest is handled by procedures where ACM has the possibility of 1) temporary widening of the add-on/reduction, and 2) temporary suspension of exit possibility. Both actions are made to ensure that all investors are treated equally.

Situation #9 – ACM is a relatively small group, and the employees are typically having a dual employment in the two operational companies of the Group. This might lead to conflicts of interest.

These potential conflicts of interest are handled by a clear organizational structure and division of responsibilities in the Group. No employee in control functions (compliance, finance, and risk management) are involved in operational tasks related to investment services (portfolio management, investment advisory and trading in financial instruments). At rare occasions, it might be decided that Compliance intensifies its control with a function in order to ensure that the risk for conflicts of interests in the special situation is reduced/eliminated.

Situation #10 – Some of the managed AIF are listed on NASDAQ Copenhagen, and situation might occur where employees in ACM have insider knowledge regarding AIFs and potentially could trade on this information.

ACM has clear rules which prevent this situation, and it additionally points out that it is illegal according to Danish legislation to trade on insider knowledge or to induce others to do so.