

ERSEL GESTION INTERNATIONALE S.A.

Luxembourg

ERSEL
Inducements
Policy

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1. Introduction

1.1. Regulatory Framework

The following legal obligations are applicable to this procedure:

Article 32 of the Grand-Ducal regulation 10-4 of the 22nd December 2010:

Managing companies are not acting honestly, fairly and professionally in accordance with the best interests of a UCITS if, in relation to the provision of management and administration services of the investments for the UCITS, they pay or are paid any fee or commission, or provide or are provided with any non-monetary benefit, without following certain conditions.

1.2. Scope of application

The present policy applies to Ersel Gestion Internationale SA (hereafter ERSEL) head office and London branch in the extent that they do not contradict local laws and regulations and that they are applicable, given the nature of the tasks performed in each location.

2. Objectives

As a principle, ERSEL does not accept any concealed payments or other inducements from third parties to ERSEL or any of its staff.

However, some inducements to ERSEL are in the investors' interest and are thus used for this purpose. This applies, for example, to broker research which may be incorporated into fund management, if, after analysing the facts and opinions stated therein, ERSEL finds them to be of interest.

Such advantage should in no way be a reason to direct trades to such broker away from other cheaper or better performing. The choice of a broker for a specific trade is exclusively based on service cost/quality considerations.

3. Inducement to ERSEL - Principles

The provisions related to the benefits paid or received by ERSEL are narrowly linked to the conflicts of interests policy described in the related procedure. The structural organisation of ERSEL, its systems, the division of duties and activities and, more generally, its policy for managing conflicts of interest described in the procedure, are intended to avoid any bias in the selection of investments or of brokers.

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The negotiation of the inducements is managed independently from the commercial and investment activity. As investment decisions may not be influenced by inducements paid or received, ERSEL always acts to the best of the interest of the UCITS and Investors.

Further details on the nature, amount of inducements, if any, or, when this amount cannot be fixed, of its calculation method, may be obtained from the UCITS and Investors on request by the Customer.

ERSEL does not receive or pay fees or commissions (monetary or in kind) unless these are disclosed in its accounting, financial statements and clear to the UCITS and Investors. At no time may payments of this nature impair the best interests of the UCITS. The fees and/or commissions ERSEL receive/pay must be reasonable in terms of the value of the service being provided. Record of inducements must be kept and retained for five years

When ERSEL provide services, ERSEL must receive compensation for such services. Such compensation may also be paid by third parties. In our case, ERSEL generally receive investment management and performance fees directly from the funds managed. For more detailed information, please refer to the relevant agreements or the prospectus

If a fund managed directly or by delegation by ERSEL invests in other funds (target funds) managed also directly or by delegation by ERSEL, then ERSEL will not receive any management and performance fee in respect to the portion of the fund invested in those target funds.

ERSEL may also receive from third parties managers of target funds a rebate or trailer fee which is usually a percentage of the management fee collected by such managers. These fees must be repaid to the ERSEL managed fund which has invested in such target funds, unless ERSEL has no mean to relate the fee to a particular ERSEL fund.

On the other hand, ERSEL has to pay fees for services rendered to it in different areas: outsourcing functions, professional advises, audit, management fees to delegated managers, fees to distributors and negotiators who introduce clients to ERSEL. Such fees are paid out of ERSEL own resources and are generally a percentage of the management fees collected by ERSEL from the funds it manages.

4. Inducement to staff / Gifts

Employees may not accept from a client/ provider or potential client/provider or intermediary a gift or benefit of €300 or more, unless written permission from the Compliance Officer.

There may be situations where a gift may be offered in circumstances where it is not possible to consult the Compliance Officer in advance, such as in a meeting. In such situations the employee must resort to its best judgment about whether or not to accept it. However if the employee accept a gift or benefit the Compliance Officer may required to return it.

Annexe 1 : Inducements

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