

ERSEL GESTION INTERNATIONALE S.A.

Luxembourg

ERSEL
Conflicts of Interests
Policy

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1. Introduction

1.1. Regulatory Framework

following legal and contractual obligations are applicable to this procedure:

- The articles 23 to 26 of the RGD of the 13th July 2007;
- The articles 18-22 of the Grand-Ducal regulation 10-4 of the 22nd December 2010;
- The article 109-1-b and the article 111-d of the Law of 17th December 2010;
- CSSF Circular 11/508.

1.2. ERSEL Group Framework

ERSEL group Internal Code of Conduct provides in 4. “*Restrictions and conditions concerning conflicts of interest transactions*”:

“4.1. CONFLICTS OF INTEREST

A conflict of interest may arise when the interests of the company, or any of the group’s companies or any of the individuals being part of the Group, do not coincide with the clients’ interest.

In establishing the existence of a conflict of interest the following must be taken into account:

- the company is likely to generate a return or exclude a financial loss to the detriment of the client;
- in the result of the service provided or transaction carried out, the company’s interests and the client’s interests do not coincide;
- the company receives a financial incentive or a similar benefit in order to facilitate the interests of another client or group of clients to the detriment of the concerned client;
- the company is involved in the same business activity as the client;
- the company receives an incentive (in the form of money, goods or services) by a third party other than the client, other than the usual fees and commissions normally invoiced for the service provided to the client.

4.2. GENERAL OBLIGATIONS

In order to avoid any actions or activities that may penalise the client all staff must:

- take all reasonable measures to identify any conflict of interest between the company (including senior managers, employees, associated agents or any other subjects, either directly or indirectly linked to the company) or any of the group’s companies and the client or between two different clients;
- directly inform the clients on the nature and/or source of the conflicts, should the corporate and administrative provisions already adopted be insufficient to establish with reasonable certainty that the risk of damaging the client’s interest is to be avoided;

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- take into account the minimum criteria for determining the type of conflict that may arise when providing the services or carrying out the investment activities or any other ancillary functions;
- act in such a way as to avoid that the same party has responsibility over different institutions which may lead to the interests of each individual client being damaged;
- devise, implement and maintain an effective conflicts of interest management policy which should be in writing, enable operators to identify the specific circumstance that may generate a conflict and define the procedures to follow and the measure to implement in order to properly manage conflicts. This document has been approved by the Boards of Directors Ersel Sim, Ersel Asset Management, Ersel Hedge and OnLine Sim on 28/11/2007;
- ensure that the procedures and measures set forth in the conflict of interest management policy guarantee a certain degree of independence to the relevant parties involved in professional activities that may entail a conflict of interest, taking into account that the procedures must:
 - avoid or limit the exchange of information among relevant parties;
 - contemplate a separate supervisory unit for relevant parties;
 - eliminate all direct links between compensations to relevant parties who carry out different activities;
 - avoid or limit the practice whereby a third party inappropriately influences the way the relevant party carries out the investment activity;
 - avoid or limit the simultaneous or consecutive participation of the relevant party in investment services or activities or other ancillary functions;
 - Keep and regularly update a special register to record the type of investment services or activities for which a conflict of interest has or may have arisen with the risk of seriously damaging the interest of one or more clients.

1.3. Scope of application

The present policy and the above Ersel Group Rules apply 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.

The present policy applies to ERSEL own activity as well as its activity in respect to the funds it manages, e.g. Globersel, Leadersel and Ersel Sicav ("ERSEL Funds").

1.4. Objectives

The purpose of this Conflicts of Interest Policy is:

- to identify by reference to the specific services and activities carried out by (or on behalf of) ERSEL the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more clients;

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- to define procedures in order to manage such conflicts. Those procedures are then detailed in the Conflict of Interest operating Procedure ;
- and to communicate this information to all staff.

It is the responsibility of all staff to familiarise themselves with the policy and report conflicts of interest through the appropriate channels to the Compliance Officer.

2. Potential conflicts of interest

See above ERSEL Group framework in 4.1. CONFLICTS OF INTEREST.

In addition it is precised that conflicts of interest may arise in the following situations:

- Between the interest of ERSEL (including its managers and employees) and its duties owed to its clients;
- Between differing interests of two or more of its clients, to each of whom ERSEL owes specific duties;
- Between ERSEL Group funds and a client.

As ERSEL is member of a Group, this conflict of interest policy also take into account any circumstances, of which ERSEL 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.

3. Definitions

Conflict of interest means a situation where different parties have interests that conflict with each other. Such conflicts may arise between different functions and/or units of ERSEL but also between different functions, units and/or companies of the Group, (including the Group managers, employees and tied agents, or any person directly or indirectly linked to them by control) and ERSEL as well as between one Client or group of Clients and another Client or group of Clients.

4. Obligations in Conflict of Interest

According to Law, ERSEL has established, implemented and maintained an effective conflicts of interest policy as described in this policy and in the conflict of interest operating procedure. Such Procedure is appropriate to the size and organisation of ERSEL, the nature, scale and complexity of its business.

In terms of obligations in case of Conflict of Interest, above ERSEL Group framework, 4.2. General Obligations apply.