



Conflicts of Interest Policy

Owner: Head of RBC BlueBay Compliance Advisory UK

Next Review Date: April 2025

Effective from: April 2024

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Most Recent Changes

<i>Date</i>	<i>Amendments</i>
April 2023	Establishment of policy for the applicable business activities of BlueBay Asset Management LLP, that will be combined with RBC Global Asset Management (UK) Limited upon legal integration of those activities with RBC Global Asset Management (UK) Limited.

1 Summary Statement

This Policy establishes the minimum standards to be followed by RBC BlueBay UK in order to meet applicable FCA, SEC and other rules and regulations governing the management of Conflicts of Interest, and to ensure that Clients receive fair treatment in their dealings with RBC BlueBay UK.

2 Rationale

This Policy has been adopted in order to enable RBC BlueBay UK to:

- Identify potential or actual Conflicts of Interest that might arise;
- Demonstrate that adequate policies and procedures exist to prevent, manage, or otherwise mitigate, as appropriate, such Conflicts;
- To ensure Conflicts are adequately recorded; and
- Ensure appropriate senior management consideration is given to the control environment.

3 Scope

This Policy applies to all Employees.

4 Applicable Regulations

- Commission Delegated Regulation (EU) of 25 April 2016, supplementing Directive 2014/65/EU;
 - Articles 33-35
- FCA Handbook
 - Principles for Business (PRIN 2.1.1)
 - Senior Management Arrangements, Systems and Controls (SYSC 10.1)
- Investment Advisers Act of 1940
 - Section 206
- CFTC Rule 1.71 (Introducing Brokers)
- NFA Compliance Rules
 - Rule 2-9
 - Rule 2-36
 - Interpretive Notice 9051 (Ethics Training)

5 Relevant Policies and Procedures

RBC BlueBay UK utilises RBC Enterprise Policies, local Compliance Policies, business procedures, industry best practice, Compliance involvement and the committees described in this policy to identify and manage the Conflicts of Interest in the business it conducts.

RBC Enterprise and RBC BlueBay UK Policies adopted to address Conflicts of Interest include:

- **Enterprise Conflicts of Interest Policy** – This Policy sets out the Enterprise minimum requirements to identify conflicts of interest and either eliminate or satisfactorily manage them.
- **Employee Code of Conduct (Enterprise)** – This Code establishes standards of honesty and ethical behaviour amongst Employees. All Employees are required to attest to having read this policy upon joining and are periodically tested on their knowledge of the Policy.
- **Inducements Policy** – This Policy sets out the regulatory requirements placed on RBC BlueBay UK in relation to the receipt from, or the provision of, to third parties, any fee, commission, monetary benefit or non-monetary benefit.

Local Compliance Policies (available on GAMSpace):

- **Code of Ethics** – This Code sets out RBC BlueBay UK's policies and procedures designed to ensure it meets its fiduciary responsibilities to Clients in accordance with the US Investment Advisers Act of 1940 and to incorporate RBC Enterprise requirements for staff behaviour regarding personal relationships and financial arrangements between Employees.

- **Outside Activities and External Directorships** – This Policy requires pre-approval of any Employee wishing to take up an outside employment (including a directorship or trusteeship), whether remunerated or not. Approval will not be granted if the proposed appointment presents a Conflict with our business or our Clients (for example, a directorship at a competitor firm is unlikely to be approved).
- **Financial Promotions Policy** – This Policy seeks to ensure that financial promotions provided by RBC BlueBay UK to Clients or potential Clients comply with regulations and RBC policies, and also reflect RBC core values, purpose, and brand promise.
- **Gifts and Entertainment Policy** – This Policy places restrictions on the type and value of gifts and entertainment received or given by Employees, in order to prevent Employees from being improperly influenced in the performance of their duties.
- **Personal Account Dealing Policy** – This Policy is designed to prevent Conflicts which might otherwise arise where Employees trade on their own account in securities which RBC BlueBay UK might buy or sell on behalf of Clients. The policy requires Employees to follow strict internal rules, including pre-approval, when they wish to trade in securities on their own account.
- **Market Abuse Policy** – This Policy sets out the expected market conduct and in particular with regard to the regulatory and criminal offences of market abuse. It also places tight restrictions on the ability to share Client, portfolio and trading information amongst different parts of RBC. As such, it facilitates the effective management of Conflicts arising where RBC BlueBay UK deals with other RBC group companies, for example:
 - By enabling RBC BlueBay UK to route Client orders through RBC entities as a broker on an arm's length basis, subject to meeting our Trading Policy, which addresses best execution, as well as applicable regulations.
 - By preventing the situation where confidential information received by another part of RBC becomes known within RBC BlueBay UK, thereby potentially affecting its ability to act in the best interests of its Clients.
 - By ensuring confidentiality and independence between RBC's principle investing activities and RBC BlueBay UK's fiduciary activities.
- **Trading Policy** – This Policy sets out the requirements for trading activity to meet the requirements of the FCA and other regulatory rules and regulations. These include, inter alia, trade aggregation and allocation rules, including side-by-side management, designed to reasonably ensure that no one Client is favoured over another.

6 Definitions

BlueBay Platform – investment accounts, systems and staff within the historic BlueBay business.

Client – Any person or entity RBC BlueBay serves, or whom RBC BlueBay is preparing to serve, as an investment adviser, sub-adviser or an equivalent role. Where RBC BlueBay provides services to a fund, collective investment vehicle or other similar entity, that entity and not its underlying investors, is RBC BlueBay's Client.

Compliance – RBC BlueBay's Chief Compliance Officer or their delegate.

Conflicts of Interest, of Conflicts – Situations where:

- the interests of RBC BlueBay UK (or of other entities within the RBC Group), including its managers, Employees and appointed representatives, or any person directly or indirectly linked to them by control, and the interest of the Client do not align; or
- the interests of one Client of the firm do not align with the interests of another Client of the firm, including those caused by the receipt of inducements from third parties or by the firm's own remuneration and other incentive structures.

A Conflict shall not exist purely because RBC BlueBay UK may gain a benefit if there is not also a possible disadvantage to the Client; or because one Client to whom the firm owes a duty may make a gain or avoid a loss without there being a concomitant possible loss to another such client.

Conflicts of Interest Heatmap - A list of all systemic Conflicts of identified between or within RBC BlueBay UK's business activities, as well as relevant systems and procedures which are in place to manage such Conflicts.

Conflicts of Interest Register - A register of specific business and personal Conflicts of Interest identified by the business.

Employee – Any person who works for, or otherwise represents the entities within scope of this document, and includes:

- an officer, director, non-executive director or employee within the entity; and
- consultants, contractors, part-time employees, or agents of the entity.

Policy – A set of broad goals, rules or principles outlining boundaries within which employees must act, without dictating a detailed course of action. To be considered binding on applicable employees.

Procedure – Documented processes and actions to be followed to implement a policy, to perform a function or to accomplish an objective.

RBC BlueBay– the legal entities representing the business of RBC Global Asset Management in the EMEA and APAC regions.

RBC BlueBay UK – RBC Global Asset Management (UK) Limited and BlueBay Asset Management LLP.

RBC GAM Platform – investment accounts, systems and staff within the historic RBC GAM UK and RBC GAM Asia businesses.

7 Requirements

7.1 Identification of Conflicts of Interest

RBC BlueBay UK must identify types of Conflicts of Interest that arise, or may arise, in the course of providing a service to a Client, and whose existence may damage the interests of a Client.

In relation to the investment services provided by RBC BlueBay UK, Conflicts of Interest may arise, for example, where:

- RBC BlueBay UK undertakes fund management activities for other Clients;
- RBC BlueBay UK acts as agent for a client in relation to trades in which it is also acting as agent for the account of other Clients;
- An Employee holds or deals in securities of, or is otherwise interested in, any company whose securities are held or dealt in on behalf of a Client;
- An Employee is a director of a fund which is managed by RBC BlueBay UK;
- A trade is effected in securities in respect of which an Employee is contemporaneously trading and has either a long or short position;
- RBC BlueBay UK may match an order of its client with an order for another client, for which it is acting as agent;
- RBC BlueBay UK interest conflicts with the interests of the RBC enterprise, its shareholders or any affiliated companies;
- RBC BlueBay UK Employees have personal relationships or family connections with other Employees, which may lead to a potential conflict; and
- A trade is effected in securities issued by a Client UK.

In identifying Conflicts, RBC BlueBay UK shall take into account, by way of minimum criteria, whether RBC BlueBay UK or a relevant person, or a person directly or indirectly linked by control to RBC BlueBay UK, is in any of the following situations:

- RBC BlueBay UK, or that person, is likely to make a financial gain, or avoid a financial loss, at the expense of the Client;
- RBC BlueBay UK, or that person, has an interest in the outcome of a service provided to the Client or of a transaction carried out on behalf of the Client, which is distinct from the Client's interest in that outcome;
- RBC BlueBay UK, 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 Client;
- RBC BlueBay UK, or that person, carries on the same business as the Client; or
- RBC BlueBay UK, or that person, receives, or will receive from, a person other than the Client, an inducement in relation to a service provided to the Client, in the form of monetary or non-monetary benefits or services.

In assessing any Conflicts, Employees must take into account any circumstances which may exacerbate the risk presented by the Conflict. This will include, without limitation, where Employees are working remotely and those with whom they are living may represent a potential Conflict. Where there is a potential exacerbating factor, Employees must disclose to RBC BlueBay UK Compliance and agree any proposed mitigating solutions.

Key event triggers that may warrant consideration of new/emerging Conflicts may include:

- Changes to the firm's strategy, business model or operation;
- Business continuity arrangements;
- Remote working;
- Organisational or personnel changes;
- New or amended products or services; or
- Changes to distribution models.

In particular, RBC BlueBay UK should consider any arrangement with affiliated entities who provide different services to their Clients, or where RBC BlueBay UK provides more than one type of service to Clients.

It is important to note that a Conflict of Interest may arise, even where no improper or unethical behaviour occurs.

If Employees identify a potential Conflict of Interest, they must disclose the details to Compliance.

7.2 Management of Conflicts of Interest

RBC BlueBay UK must manage Conflicts of Interest effectively, which includes preventing Conflict of Interest, where possible. Effective Conflicts management involves:

- Establishing appropriate measures, procedures and systems to deal with identified Conflicts; and
- Maintaining those measures, procedures and systems in order to prevent Conflicts from adversely affecting the interest of its Clients.

RBC BlueBay UK has arrangements in place to prevent and manage conflicts, which includes:

- Governance arrangements, including but not limited to RBC BlueBay UK's Conflicts of Interest Committee;
- Embedding FCA's Treating Customers Fairly principles throughout RBC BlueBay UK's culture, policies and procedures;
- Clearly defined and documented reporting lines and responsibilities;
- Segregation of duties to avoid Conflicts, wherever possible;
- Alignment of firm and Employee interests with Client interests through linking of remuneration to Client portfolio performance;
- Portfolio risk management arrangements to monitor levels of risk taking;
- Reporting to senior management of action taken to manage actual Conflicts arising and to minimize the risk of recurrence of the Conflict;
- Contractual obligation on all Employees to comply with the Compliance and HR policies designed to mitigate conflicts and to report Conflicts arising;
- Training on regulations, and the policies implemented to promote compliance with those regulations; and
- Recording of potential and actual Conflicts and regular review of the effectiveness of RBC BlueBay UK's management of Conflicts.

7.3 Disclosure of Conflicts

If arrangements to manage Conflicts of Interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a Client will be prevented, RBC BlueBay UK must clearly disclose the general nature and/or sources of Conflicts of Interest to a Client in writing, in appropriate detail, and in a durable medium, before undertaking business for the Client, in order to allow the Client to make an informed decision relating to its interests. Disclosure of Conflicts is a measure of last resort and over-reliance on disclosure of Conflicts of Interest would be considered a deficiency in RBC BlueBay UK's management of Conflicts of Interest.

Any such disclosure will:

- Clearly state that the organizational and administrative arrangements established by the investment firm to prevent or manage that Conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented; and
- Include specific description of the Conflicts of Interest that arise in the provision of services, taking into account the nature of the Client to whom the disclosure is being made, and explaining the general nature and sources of Conflicts of Interest, as well as the risks to the client that arise as a result of the Conflicts of Interest, and the steps undertaken to mitigate these risks, in sufficient detail to enable that Client to take an informed decision with respect to the investment or ancillary service in the context of which the Conflicts of Interest arise.

8 Responsibilities

8.1 Board responsibilities

The responsibilities of the boards of directors of RBC BlueBay UK entities include:

- Evaluating and managing business with a view to minimizing the risks presented by Conflicts;
 - Seeking advice/counsel in respect of Conflicts that expose RBC to significant reputation, legal, regulatory, accounting or tax risk;
 - Instigating reviews of relevant systems and controls designed to manage Conflicts;
 - Providing strategic advice on management information; and
- Ensuring the culture of the firm reflects the need to mitigate and manage Conflicts.

8.2 Conflicts of Interest Committee Responsibilities

To assist the board in discharging its responsibilities, the Conflicts of Interest Committee may, subject to its Terms of Reference and those matters reserved expressly for the board, on a day to day basis, act for the board to facilitate the discharge of its responsibilities set out above.

8.3 Compliance Responsibilities

Compliance's responsibilities include:

- Advising the Board/Conflicts of Interest Committee and senior management in carrying out their responsibilities;
- Maintaining a Conflicts of Interest Policy, which is (i) appropriate to the size and organization of RBC BlueBay UK and the nature, scale and complexity of the business; and (ii) includes at least the minimum content required by regulation;
- Assessing and periodically reviewing, on at least an annual basis, the Conflicts of Interest Policy, and taking all appropriate measures to address any deficiencies in the Policy;
- Maintaining the Conflicts of Interest Heatmap and Conflicts of Interest Register, and providing the Conflicts of Interest Heatmap to the Board at least annually; and
- Reviewing, on at least an annual basis, with Management, the Conflicts of Interest Heatmap and Conflicts of Interest Register.

8.4 Employee Responsibilities

Best practice requires RBC BlueBay UK to keep its assessment of actual and potential Conflicts within and across all of its business lines up to date and to take account of new business initiatives, changes in regulation and market practice. Accordingly, it is imperative that there is a process in place to enable new arrangements or circumstances in which Conflicts may exist to be considered.

Appropriate checks must be incorporated in change management processes. However, at an individual level, all Employees should refer matters of concern from a Conflicts of Interest perspective to their manager or to Compliance in the first instance.

In case of any doubt or queries arising as to either the materiality, identification or priority of a potential Conflict, Employees should refer the matter to Compliance.

9 Record Keeping

RBC BlueBay UK must retain documentary evidence of the following, which must be retained for a period of seven years:

- Conflicts identified by the business, and action taken to address them;
- Key documentation related to the identification and management of Conflicts within RBC BlueBay UK; and
- Records and information related to the disclosure of actual, or potential, Conflicts.

Compliance will maintain records of the Conflicts of Interest Heatmap and Conflicts of Interest Register.

10 Exceptions, Breaches and Escalation

All requests for exceptions to this Policy must be escalated to the owner of this Policy.

Failure to adhere to this Policy may result in disciplinary action, which could result in the termination of employment.

All violations or breaches of this policy should be escalated and reported to your line. Failure to follow these escalation steps if you have breached the policy or are aware of an Employee that has breached the policy could result in disciplinary action.

11 Approval, Responsibility and Review Schedule

Responsibility for this Policy: RBC BlueBay UK Compliance

Policy Review and Approvals:

Review Cycle: Annual

Next Review Due: April 2025

Approved By: Head of Compliance, RBC Wealth Management Europe and RBC BlueBay

Approval Date: August 2024

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