

Mirae Asset Investment Managers (India) Private Limited

Conflict of Interest Policy

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1. Statement of Principle

Mirae Asset Investment Managers (India) Private Limited (the “AMC”) conducts its business according to the principle that it must manage conflicts of interest fairly, both between itself and its investor and between one investor and another.

2. Introduction

As a part of a global asset management company, the AMC faces actual and potential Conflicts of Interest periodically.

The AMC’s policy is to take all reasonable steps to maintain and operate effective organizational and administrative arrangements to identify and manage relevant conflicts.

Senior management within the AMC are responsible for ensuring that the AMC’s systems, controls and procedures are adequate to identify and manage Conflicts of Interest. The Compliance and Legal Department of the AMC assists in the identification and monitoring of actual and potential Conflicts of Interest.

The AMC has in place business-specific procedures that address the identification and management of actual and potential Conflicts of Interest that may arise in the course of the AMC’s business.

SEBI vide its circular no. CIR/MIRSD/5/2013 dated 27th August, 2013 mandated all the registered intermediaries to put in place comprehensive guidelines for elimination of their conflict of interest and their associates.

3. Objective

The AMC is required to take all reasonable steps to identify and adequately manage Conflict of Interests entailing a material risk of damage to an Investor’s interest. This policy specifies the requirement for the AMC, at group and divisional level, to have in place appropriate procedures and measures in order to identify and manage any such material Conflicts of Interest.

4. Scope

a) Conflict of Interests

For the purposes of this document this policy applies to those Conflicts of Interest that may give rise to a material risk of damage to the interests of an Investor. Conflicts of Interest may arise between:

- the AMC and an Investor;
- a Relevant Person and an Investor;
- the AMC Vendor and an Investor.

Examples have been included in Section 8 of this policy to illustrate a range of possible Conflicts of Interest that might arise in a financial services provider.

b) Investors

For the purposes of this policy, Investors include:

- existing Investors of the AMC;
- potential Investors (where the AMC is seeking individually to enter into a contractual relationship in respect of Regulated Business services); and
- past Investors where fiduciary or other duties remain in place.

c) Regulated Business

For the purposes of this policy, “Regulated Business” means any business which is directly regulated by SEBI such as fund management, investment advisory to offshore funds and/or any other activity carried out to promote that business like marketing of schemes of the mutual fund, investor education, etc.

d) Relevant Person

For the purposes of this policy, “Relevant Person” means any of the following: (a) a director, partner or equivalent, manager or appointed representative (or where applicable, tied agent) of the AMC; (b) an employee of the AMC or of an appointed representative (or where applicable, tied agent) of the AMC; as well as any other natural person whose services are placed at the disposal and under the control of the AMC or a tied agent of the AMC and who is involved in the provision by the AMC of regulated activities; (c) a natural person who is involved in the provision of services to the AMC or its appointed representative (or where applicable, tied agent) under an outsourcing arrangement for the purpose of the provision by the AMC of investment services and activities.

e) Application

This policy applies globally to all divisions within the AMC. It also applies to Relevant Persons. This policy sits, together with the Mirae Asset Core Principles, above all existing AMC policies and procedures referencing the identification and management of potential Conflicts of Interest and forms the basis for any divisional-specific procedures.

f) AMC Vendor Relationship

For the purposes of this policy, a “AMC Vendor Relationship” means a relationship that the AMC has with a service provider, including but not limited to entities providing outsourcing facilities to the AMC, where services are being provided to the AMC.

5. Rules and Regulations

SEBI vide its circular no. CIR/MIRSD/5/2013 dated 27th August, 2013 has issued general guiding policy regarding Conflicts of Interest. The AMC’s policy is to adhere to such rules and guidance where applicable. This policy sets out the minimum standards that the AMC will meet to comply with such rules and guidance. It does not replace the AMC’s requirement to observe any additional regulatory requirements when identifying and managing Conflicts of Interest.

6. General Guidance

In identifying Conflicts of Interest, the AMC will consider all of the factual circumstances and the AMC will take into account, inter alia, whether the AMC, Vendor or a Relevant Person:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the Investor;
- has an interest in the outcome of a service provided to the Investor or of a transaction carried out on behalf of the Investor, which is distinct from the Investor's interest in that outcome;
- receives or will receive from a person other than the Investor an inducement in relation to a service provided to the Investor, in the form of monies, goods or services, other than the standard commission or fee for that service.

7. Conflict of Interest Committee

The AMC shall have a Conflict of Interest Committee comprising of the following:

CEO, CIO – Equity and Debt and Head-Compliance, Legal & Company Secretary

All matters pertaining to conflict of interest may be referred to the Committee. The minutes of such meetings shall be preserved.

8. Potential Conflicts of Interest

In an AMC set up, conflicts of interest may arise in a variety of situations. Areas of concern include:

- investment management of the scheme(s) of the mutual fund;
- investment advisory to third party funds;
- investment of AMC's own funds;
- Entering into transactions where directors or employees are interested.

Below are ***non-exhaustive examples*** of what may be considered typical conflicts of interest that may arise in relation to investment services provided by the AMC:

- **The AMC may invest its own fund into the scheme(s) which they are managing**

The AMC may, from time to time, invest into their own funds which they are managing. It is therefore pertinent that the AMC does not charge the investment management fees to the funds as this would lead to conflict of interest. Moreover, the same has been also provided for in the SEBI (Mutual Funds) Regulations, 1996.

- **The AMC advises third party funds vis-à-vis managing its own fund**

The AMC may, from time to time, act as investment managers or advisers to other companies or funds which follow similar investment objectives to those of the funds which they are managing. It is therefore possible that the AMC may in the course of their business have potential conflicts of interest with the Company or a particular Fund. The AMC will, however, have regard in such event to its obligations under the AMC and/or the Investment Advisory Agreement respectively and, in particular, to its obligation act in the best interests of the all the investors, having regard

to its obligations to other investors when undertaking any investment where potential conflicts of interest may arise.

There may be other areas where potential conflict could arise and to which this policy shall apply with immediate effect and for which necessary entries shall be made in the Register which is maintained for identification of Conflict of Interest.

9. Identifying and Managing Conflicts of Interest

Should a Conflict of Interest arise, it must be managed promptly and fairly. Some of the measures we have adopted to manage identified conflicts are set out below. We consider them appropriate to our efforts to take reasonable care that, in relation to each identified conflict, we act independently to avoid material risk of damage to the interests of the investors.

A. Policies and procedures:

The AMC and its affiliates have adopted policies and procedures throughout its businesses to manage conflicts of interests. These policies and procedures will be subject to normal monitoring and review processes. In order for the AMC to be in a position to identify potential conflicts, material transactions involving Investors, Relevant Persons or the AMC are logged internally and analysed against existing AMC relationships and transactions. The AMC:

- i. has laid down, with active involvement of senior management, policies and internal procedures to identify and avoid or to deal or manage actual or potential conflict of interest, developed an internal code of conduct governing operations and established standards of appropriate conduct in the performance of their activities, and ensured to communicate such policies, procedures and code to all concerned;
- ii. shall at all times maintain high standards of integrity in the conduct of their business;
- iii. shall ensure fair treatment of their clients and not discriminate amongst them;
- iv. ensure that their personal interest does not, at any time conflict with their duty to their clients and client's interest always takes primacy in their advice, investment decisions and transactions;
- v. ensure that the AMC does not deal in securities while in possession of material non published information;
- vi. shall not communicate the material non published information while dealing in securities on behalf of others;
- vii. shall not in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities;
- viii. shall not have an incentive structure that encourages sale of products not suiting the risk profile of its investors;
- ix. shall not share information received from investors or pertaining to them, obtained as a result of their dealings, for their personal interest;

B. Information Barriers

The AMC respects the confidentiality of information it receives about its Investors and operates on a “Need to Know” approach and complies with all applicable laws with respect to the handling of that information. Access to confidential information is restricted to those who have a proper requirement for the information consistent with the legitimate interest of an Investor or the AMC. The principal way in which the AMC structures its business to manage Conflicts of Interest is through the maintenance of information barriers (“Chinese Walls”) in accordance with the AMC’s Chinese Wall policies which are designed to restrict information flows between different areas of the AMC.

To accentuate, the AMC has established physical and electronic Information Barriers which are designed to prevent the exchange or misuse of material, non-public information obtained by various “insider” divisions of the AMC. Employees within an “insider” (or Access Group) division unit are prohibited from inappropriately passing on sensitive information to those in an “outside” (Non-access group) business unit who cannot access the information. An Information barrier means that employees sit in separate premises with access and security control and Compliance/Risk Department monitoring.

C. Separation of functions

If a business with two functions within the AMC would lead to conflicts of interest, it may separate the functions into two separately managed businesses or ensure that they are managed by different senior members of staff. For instance, the AMC manages the schemes of Mirae Asset Mutual Fund and also advises third party funds, however the AMC ensures that there is no conflict between the two activities.

D. Payments or gifts from / to others:

The purpose of business entertainment and gifts is to promote good relationships and not to gain unfair advantage with vendors and customers. Under no circumstances any gift or other favors be offered, given, provided or accepted that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud or opportunity for the commitment of any fraud. Specifically, such gifts or favors if given must be:

- of nominal value
- not in cash
- consistent with customary business practice
- not construed as a bribe or payoff
- not in violation of any laws or regulations.

The AMC has in place a “Gift and entertainment Policy” which consist of provisions describing how to deal with anything which is of monetary value received by an employee either directly or indirectly. “Gift and entertainment” shall not be accepted by any employees or associates irrespective of the value and occasion if they are receiving it due to official engagement and capacity. However, edible items such as sweets, chocolates, health bars, tea/coffee sachets etc and souvenir gifting items of nominal value may be accepted by the employees.

E. Personal account dealing

To prevent conflicts arising from the use of information obtained from clients, and market abuse generally, all employees are subject to personal account dealing rules and policy. In addition, designated employees are required to pre-clear their transactions which are only permitted in limited circumstances.

F. Declining to Act

Where we consider that the conflict of interest cannot be managed in any other way, we may decline to act for an investor.

G. Blanket bans on investments in certain cases

The schemes of Mirae Asset Mutual Fund do not intend to invest in group companies or associate companies of the sponsor.

H. Clear segregation of voting function and client relations/ sales functions

The AMC has a clear segregation of the voting function and the sales function. The voting rights are exercised by the Investments team in line with the Voting Rights Policy.

I. Persons to recuse from decision making in case of the person having any actual/potential conflict of interest in the transaction

In case of actual/potential conflict of interest, the interested person shall recuse from decision making process with respect to the transaction.

On analysis of the proposals, if any conflict of interest is identified with the AMC's voting policy, then the same shall be alerted to the Chief Investment Officer.

J. Disclosure

Additional conflicts that are identified by the AMC in the future will be included within appropriate mechanisms or systems in order to manage those conflicts. Where the AMC consider that there are no other means of managing the conflict or where the measures in place do not sufficiently protect the investors' interests, the specific conflict will be disclosed to enable an investor to make an informed decision whether to continue with the AMC's service in that particular situation.

10. Maintenance of Register

The AMC keeps and regularly updates a record of the types of Regulated Business activities carried out by or on behalf of the AMC in which Conflicts of Interest entailing a material risk of damage to the interests of one or more Investors has arisen or, in the case of an ongoing Regulated Business service or activity, may arise.

The information contained within the register facilitates the effective identification and management of any potential Conflicts of Interest.

11. Review by Board of AMC and Trustee

The Conflict of Interest policy shall be reviewed periodically by the Board of AMC and Mirae Asset Trustee Company Private Limited.

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