



CONFLICTS OF INTEREST POLICY

1. SCOPE

As per article 313-20 of AMF general regulation, John Locke Investments (JLI) has established a conflicts of interest policy, presented in this document:

Investment services providers shall establish and maintain an effective conflicts of interest policy, set out in writing and appropriate to their size and organisation and to the nature, scale and complexity of their business.

Where an investment services provider is a member of a group, its conflicts of interest policy must also take into account any circumstances, of which it is or should be aware, that may give rise to a conflict of interest as a result of the structure and business activities of the other members of the group.

The present document, as well as its updates, if any, is available on John Locke Investments website: <http://www.jl-investments.com>

2. APPLICATION

Potential conflicts of interest may occur:

- ü Either between JLI, its affiliates, or any person directly or indirectly linked to it by control, on the one hand, and its clients, on the other hand;
- ü Or between two clients.

Potential conflicts of interest result in:

- ü JLI, its affiliates, are likely to make a financial gain or avoid a financial loss, at the expense of the client;
- ü JLI, its affiliates, have an interest in the outcome of a service provided to a client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- ü JLI, its affiliates, have a financial or other incentive to favour the interest of another client or group of clients over the interest of the client to whom the service is being provided;
- ü JLI, its affiliates, carry on the same business as the client;
- ü JLI, its affiliates, receive or will receive from a person other than the client an inducement in relation to a service provided to the client in any form whatsoever, other than the commissions or fees usually charged for such service.



3. PREVENTION POLICY

John Locke Investments prevention policy on conflicts of interest relies on:

- ü A code of ethics
- ü A set of procedures and associated controls
- ü Information to the employees regarding the primacy of the client's interest
- ü The autonomy of activities and functions

Regarding the measures taken by John Locke Investments in order to avoid conflicts of interest, the exercise of a single activity, the style of investment policy (systematic trading) and the traded instruments (futures only) lead to the limitation of potential conflicts of interest:

- ü Conflicts of interest regarding the investment policy

The generation order software has defined pre-allocation rules. The audit track-record records each step in the life of each order.

- ü Conflicts of interest regarding direct and indirect received payments

The frequency of trades is determined by statistical models, and John Locke Investments does not receive any commission on trades that are executed.

John Locke Investments receives a part of the performance generated, through incentive fees. Those incentive fees are calculated through a defined formula while portfolio leverage is pre-determined and cannot be modified without prior formal approval of investment managers and risk manager.

- ü Conflicts of interest due to organisation failure or procedure default

One single activity limits potential conflicts of interest that may occur in case of several different activities. The nature of traded instruments allows to limit and control undue circulation of inside information.

- ü Conflicts of interest regarding proprietary trading

John Locke Investments does not run trades on futures instruments for proprietary trading. There is a set of procedure to control employee trading for their own account.

- ü Conflicts of interest between clients

The primacy of each client's interest is guaranteed by pre-allocation of orders, segregation of accounts in the books of brokers, automated order generation through pre-determined statistical and mathematical rules.



ü Conflicts of interest in relation with brokers

The choice of intermediaries is made independently in the interests of holders, through a policy of selection and evaluation of those intermediaries.

John Locke Investments does not receive any soft commissions.

4. RESOLUTION OF CONFLICTS OF INTEREST

In case a conflict of interest would occur despite the above mentioned policy, immediate and full information is delivered to the compliance officer. The compliance officer is in charge of organising the conflict of interest comity with the top management of JLI, in order to achieve a fast resolution of this conflict in a fair way for the client.

At discretion, the comity can decide:

- ü Inform the client of the conflict of interest with all relevant information
- ü Collect client formal approval after having delivered information about the nature and the source of the conflict
- ü Refuse the deal