



## CONFLICTS OF INTEREST POLICY

<b>Version No</b>	<b>Particulars</b>	<b>Department/Team</b>	<b>Approver</b>	<b>Review Date</b>	<b>Next Review Date</b>
<b>1</b>	<b>Conflict of Interest Policy</b>	<b>CEO, CIO, COO, Compliance &amp; Risk</b>	<b>BOD of AMC &amp; Trustee</b>	<b>8.11.2024</b>	

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## I. Introduction

1. Securities and Exchange Board of India (SEBI), vide Circular dated August 27, 2013, on General Guidelines for dealing with Conflicts of Interest of Intermediaries, Recognised Stock Exchanges, Recognised Clearing Corporations, Depositories and their Associated Persons in Securities Market, has prescribed that registered intermediaries will lay down, with the active involvement of senior management, policies and internal procedures to identify and avoid or to deal or manage actual or potential conflict of interest, develop an internal code of conduct governing operations and formulate standards of appropriate conduct in the performance of their activities, and ensure such policies, procedures and code are communicated to all concerned.
2. Further, the Fifth Schedule of SEBI (Mutual Funds) Regulations, 1996 [SEBI MF Regulations] prescribed for Asset Management Companies and Trustees requires that the 'Trustees and Asset Management Companies must avoid conflicts of interest in managing the affairs of the schemes and keep the interest of all unitholders paramount in all matters'.
3. Furthermore, SEBI vide its circular dated Circular No. CIR/CFD/CMD1/ 168 /2019 dated December 24, 2019 on Stewardship Code stated that Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.
4. SEBI vide Master Circular Number SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024 in para 2.6.2.1 and Annexure 10 - Stewardship Code for all Mutual Funds in relation to their Investment in Listed Equities also mandated the requirement of 'Conflict of Interest ' policy.

### **Objective:**

- To identify and avoid or to deal or manage actual or potential conflict of interest
- Develop an internal code of conduct governing operations
- Formulate standards of appropriate conduct in the performance of the activities of employees

As an asset management company, Unifi Asset Management Private Limited ("Unifi AMC") will place a high priority on investors' interests. As conflicts of interest affecting investors' interest could undermine the integrity and professionalism of

Unifi AMC's business, any such conflict situations must be identified as early as possible. Unifi AMC's policy is to take all reasonable steps to maintain and operate effective organizational and administrative arrangements to identify relevant conflicts and potential areas of conflict and resolve / address the same.

Further, Unifi AMC is a wholly owned subsidiary of Unifi Capital Private Limited (UCPL) and UCPL and its associates / subsidiaries are engaged in various activities and providing financial services.

**Key Risks:** Failure to identify conflict situation and non-disclose to unitholder /stakeholders , material risk of damage to the interests of investors of mutual fund schemes.

## II. Definitions

1. **Relevant Persons:** Directors and employees of Unifi AMC and Unifi Mutual Fund Trustee Private limited (Trustee Company).
2. **Clients:** The Clients of Unifi AMC include existing Clients, potential Clients, and previous Clients in respect of whom certain obligations apply.

## III. Conflict of Interest

A conflict of interest arises when an actual or potential interest may influence anyone to not act fairly, independently and objectively in the interest of the investors ("Conflict of Interest" or "Conflict").

Generally, a "conflict of interest" is a situation in which Unifi AMC / Trustee company or its employees have an actual or potential interest that may influence the objective or performance of Unifi AMC's / Trustee Company's obligations towards the investors or prevent employees of Unifi AMC from rendering an unbiased and fair financial service to the investors.

Such conflicting interest may be direct or indirect economic interest, which could be cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship or other incentive or valuable consideration.

A conflict of interest may arise / exist between the parties stated below and these conflicts may be detrimental to the interests of the investors/unitholders. In such scenarios, it is expected employees & AMC will:

- I. at all times maintain high standards of integrity in the conduct of its business;
- II. ensure fair treatment of investors across various businesses and not discriminate amongst them;
- III. ensure that its personal interest does not, at any time conflict with its duty to its investors and that investor's interest always takes primacy in its advice, investment decisions and transactions. The AMC will ensure that there is no conflict of interest between the manner of deployment of its networth by the asset management company and the interest of the unit- holders and report to trustees on quarterly basis. The trustees will ensure that there is no conflict of interest between the manner of deployment of its networth by the asset management company and the interest of the unit- holders.
- IV. make appropriate disclosure to the investors of possible sources or potential areas of conflict of interest which would impair its/his/her ability to render fair, objective and unbiased services;
- V. endeavour to reduce opportunities for conflict through prescriptive measures such as through information barriers to block or hinder the flow of information from one department/ unit to another, sharing of information on a need-to-know basis, etc.;
- VI. place appropriate restrictions on transactions in securities while handling a mandate of issuer or investor in respect of such security to avoid any conflict;
- VII. not to deal in securities while in possession of material unpublished information;
- VIII. not to communicate the material unpublished information while dealing in securities on behalf of others;
- IX. not in any way contribute to manipulating the demand for or supply of securities in the market or to influence the prices of securities;
- X. ensure that financial incentive should not form the basis for recommending any particular scheme or transaction to any investor;
- XI. not to share the information received from investors/unitholders or pertaining to them, obtained as a result of their dealings, for personal interest or for interest of others.

#### IV. POTENTIAL AREAS OF CONFLICT

Unifi AMC will endeavour to identify the conflicts of interest that exist in its businesses and ensure that appropriate procedures / policies are adopted to minimize / avoid such conflicts. Some of the conflicts identified are stated below:

##### **A. Conflicts principally resulting from the fact that Unifi AMC / its employees may have their own interest over the interest of the investors. To illustrate:**

- i. a director or employee of Unifi AMC / its group company, is a director of, holds or deals in securities of, or is otherwise interested in any company whose securities are held or dealt in on behalf of the schemes of the Fund and/or other business activities being undertaken;
- ii. Unifi AMC may venture into other businesses like providing Portfolio Management Services (PMS), asset management services to Alternative Investment Funds (AIF) or any other services as approved by Regulator from time to time, which could lead to potential conflicts between investors under these varied businesses unless the manner of operations is clearly segregated in accordance with the stipulated regulations;
- iii. Employees of Unifi AMC may invest in their own personal account in securities that are traded and / or held in the portfolio of the schemes of the Fund and/or under PMS and AIF;
- iv. Allocation of deals / trades between various schemes by the fund manager could have a potential conflict if they are not in line with policies and procedures adopted by Unifi AMC including offering documents of specific mutual fund schemes / PMS/ AIF;
- v. Gifts other than customary in nature, may on occasions be offered to / by employees of Unifi AMC by / to investors, distributors or others who provide services to or receive services from Unifi AMC that may appear to be of material value as defined in Gift & Entertainment policy;
- vi. Any other potential conflicting areas may arise / be identified from time to time.

##### **B. Conflicts principally resulting from the fact that Unifi AMC is part of a group wherein the companies are engaged in various services in the financial sector.**

Unifi AMC is a subsidiary of Unifi Capital Private Limited (sponsor). The sponsor is engaged primarily in Portfolio Management Services and AIF business. The sponsor also has other subsidiaries engaged in other financial services. Conflict of interest may arise on account of (a) investment in group/associate companies (b) utilizing

the services of group companies (c) investments made in companies in alignment or contra position taken with group or associate companies (d) any other transactions with group or associates.

### **C. Conflicts principally resulting at the level of employees**

The employees that provide services to the Fund may have additional responsibilities for other business activities, projects and clients to the extent permissible under the extant regulations. Accordingly, they may have conflicts of interest in allocating management time and other resources amongst the Fund and such other business activities, companies, projects and client.

### **D. Conflicts principally resulting at the level of members of various governance bodies**

The members of the committee of Unifi AMC, in addition to their responsibilities for the Fund, will have responsibilities for other business activities, projects and clients. Accordingly, allocating management time and other resources among the Fund and such other business activities, funds, projects and clients can be a challenge that the members should responsibly address, in the best interest of the investors and the company.

### **E. Conflicts principally resulting at the level of Unifi AMC in various roles as an investment manager and potentially other business activities viz. portfolio manager and asset manager to an alternative investment fund**

The investment teams managing the Mutual Fund will be separate from the one managing / advising the alternate businesses/other businesses as permitted. Because of different objectives or other factors, a particular investment may be sold by the Mutual Fund or Unifi AMC at the same time such investment may be purchased by the alternate business depending on various other factors.

### **F. Conflicts principally resulting at the level of various service providers vis-à-vis various activities**

Conflicts principally result from the fact that Unifi AMC outsources or delegates certain functions (such as transfer agency, fund administration) to outside third-

party providers who may seek to engage in other activities that could conflict with Unifi AMC or its investors.

## **V. MANAGEMENT OF CONFLICTS**

Unifi AMC will depending on the situation adopt various measures to manage potential conflict areas, some of which are:

- i. The Employees will comply with the code of conduct and Employees Trading Policy of Unifi AMC.
- ii. Unifi AMC will not give any undue or unfair advantage to any associate or deal with any of its associates in any manner that is detrimental to interest of the unitholders under the schemes of the Fund as required under Regulation 25(22)(b)(ii) of the of the SEBI MF Regulations. Transactions related to Group & Associate Companies will be placed before AMC & Trustees on quarterly basis.
- iii. The Trustees will ensure that Unifi AMC has not given any undue or unfair advantage to any associates or dealt with any of the associates of the asset management company in any manner detrimental to interest of the unitholders as required under Regulation 18(6) of the of the SEBI MF Regulations
- iv. All Related Party transactions ("RPT") would be executed at arm's length and should be properly documented basis the RPT policy adopted by Unifi AMC and placed before AMC & Trustees.
- v. As a matter of commitment to manage conflict, Unifi AMC employees will not be allowed to invest or trade in equity or derivative markets directly unless the required permissions are obtained in accordance with the Employees Trading Policy of Unifi AMC.
- vi. Trustees will ensure that Unifi AMC will manage the schemes of the Fund independently of other activities and take adequate steps to ensure that the interests of investors of one Scheme are not being compromised with those of any other scheme or of other activities of Unifi AMC as required under Regulation 18(8) of the SEBI MF Regulations.
- vii. On a quarterly basis, all transactions carried out between the Fund, Unifi AMC and its associates will be placed before the trustees for review as required under Regulation 18(17) of the SEBI MF Regulations.
- viii. The manner of deployment of its mandatory net worth by Unifi AMC and the interest of the unit holders as required under Regulation 18(20) of the SEBI MF Regulations, will be placed before AMC & Trustee Board on Quarterly basis.
- ix. Implementation of a "Chinese Wall", between those areas which routinely have



- access to confidential information like dealing room, investments department, research (considered as inside areas) and from those areas providing support services such as Operations / Sales / Investor relations/Marketing, etc. (considered as public areas), will take into the following considerations:
- monitoring of the effectiveness of the Chinese walls by the Compliance Officer.
  - strict and carefully defined procedures for dealing with situations where it is thought the wall should be crossed, and the maintenance of proper records where this occurs and
  - emphasis on ensuring that confidential information is not divulged under any circumstances.
- x. investment/dealing team will ensure that there is no broker level concentration on trades executed beyond 5% of aggregate purchase & sales by the mutual fund in all its schemes in a block of 3 months. However, if the percentage is exceeded, the same will be recorded in writing with justification and reported to the Boards of AMC and the Trustee company. Further, in case AMC is having any formal soft dollar arrangement with any empaneled broker, the same will be disclosed in the website as required under regulation. The research reports provided by such brokers will be used in the best interest of the investors for undertaking investments across various business activities.
- xi. Pursuant to the Code of Conduct for Fund Managers and Dealers specified in PART – B of the Fifth Schedule of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, the Fund Managers and Dealers of Unifi AMC will identify existing or potential conflicts of interest as per Unifi AMC's policies and report to Investment Committee. Further, the Fund Managers and Dealers of Unifi AMC will not offer or accept any inducement in connection with the affairs or business of managing the funds of unitholders which are likely to conflict with the duties owed to the unitholders. On quarterly basis, Compliance team will take confirmation on this and will be placed before Board of AMC & Trustees.
- xii. No schemes of Unifi AMC will make any investment in—
- (a) any unlisted security of an associate or group company of the sponsor; or
  - (b) any security issued by way of private placement by an associate or group company of the sponsor; or
  - (c) the listed securities of group companies/Associate companies of the sponsor.
- xiii. Employees are generally not permitted to take interest in any business if such activities result in dereliction of duty or in discrediting the organization's image / reputation or abuse of the organization's resources. Approval of CEO /HR to be obtained for entering into any business/ activity.

- xiv. Any marketing material is issued only post obtaining prior approval from the Compliance team.
- xv. All third parties to whom any material activity is outsourced (for example the Registrar and Transfer Agent, Custodian and the Fund Accountant) are subject to a due diligence process as outlined in Unifi AMC's 'outsourcing policy'. Further, legal agreements/SLA's are in place with such entities will ensure that the conflict of interest with respect to third parties is mitigated. Further, these entities are subject to a regular review by the respective functional Heads/ teams on an ongoing basis.
- xvi. The remuneration of an employee in the mutual fund division of Unifi AMC will be based on their individual roles and responsibilities and will not be linked to any revenue generated from other divisions of AMC(if any) or group.
- xvii. The Employee(s)/Directors are required to report to Compliance Department of any actual, apparent or potential conflicts of interests. Unifi AMC will allow for the employee(s)/directors to recuse themselves from decision-making in case of the employee(s)/directors have any actual/potential conflict of interest in the transaction / decision-making process.
- xviii. All employees should strictly comply with Service Rule Agreement and Code of Conduct signed during employment.
- xix. All employees will not solicit, employ, hire, or engage in any services from another organization that may result in conflict of interest with activities of the Unifi AMC. Further, the employee should avoid any directorship, position or office of profit with any other organization which may give rise to a conflict of interest with operations carried out by Unifi AMC.
- xx. Segregation of duties is critical because it ensures the separation of different functions and defines the authority and responsibility for processes and transactions, in an effective internal control. No single employee would be permitted to initiate, authorize and review the same action. The role has been segregated amongst employees to reduce conflict of interest with adequate supervisory and monitoring mechanism.
- xxi. In case of conflict arising out of additional responsibilities, the employees will resolve such conflicts by allocating time (reasonably required in their best judgement) towards their obligations in respect of the Fund and their other responsibilities towards other business activities, companies, projects and clients.

Apart from the conflicts highlighted in this policy, there could be other conflicts that may arise/ be identified. Unifi AMC will put in place appropriate procedures and processes in place to manage such conflict of interests in due course.

Unifi AMC considers that the procedures and processes put in place are appropriate to its efforts to take reasonable care that, in relation to each identified conflict, Unifi AMC acts independently to avoid material risk of damage to the interests of its investors.

Unifi AMC has also summarized a few sources of potential conflicts of interest at various levels within the organization and how each conflict situation is being proposed to be mitigated/addressed as **Annexure A**.

### **Responsibility**

CEO, CIO ,COO, CCO, CRO will be jointly responsible for implementation and supervision of this policy. They will take necessary steps to identify, monitor, document and analyse the key and potential conflicts that the company may face in a day-to-day business.

### **Conflict of Interest Resolution**

In case a potential conflict is not addressed by pre-approved internal procedures and an employee comes across such a conflict, such a conflict needs to be reported to the respective Functional Head, who would in turn, report the same to CRO, Executive Risk Management Committee & Audit Committee of Unifi AMC and Unit Holders Protection Committee, which will decide the future course of action. In case of instances of any significance suggested by Audit Committee , the same will be reported to AMC & Trustee Board.

Unifi AMC will make appropriate disclosure (brokerage, commission payments to Group/Associate Companies) to the investors as required under the applicable law.

### **VI. Review**

The policy will be reviewed atleast once in a year by the Compliance Department and placed in Unit Holders' Protection Committee (UHPC) to ensure that all conflicts are adequately managed and/or disclosed as stated in the policy. The formal approval should be obtained from the Board of Directors of AMC & Board of Trustees for (a) Replacing any section (b) inserting new sections and (c) any changes to the policy. The changes/developments will be communicated to the relevant persons as and when necessary, in accordance with the Regulations. All amendments to this policy

would be carried out with disclosure of changes & effective dates in version controls table (Refer Page 1).

**Annexure -A : Summary of potential areas of conflict and mitigation measures:**

Sr. No.	Level	POTENTIAL AREAS OF CONFLICTS	HOW THE CONFLICTS ARE MITIGATED
1.	<b>Employee level</b>	Personnel Security Transaction	Employees Trading Policy of Unifi AMC
		Using information obtained as a result of their position within the Company for personal gain for	
		a. Investing in companies which are associate	Adherence to Stewardship Policy of the Unifi AMC and MF Regulation.  Investment in group/associate companies will not be done as per Investment Policy.
		b. Investing in companies which is part of the group companies	
		c. Investing in companies which are vendor/ service providers of Unifi AMC	
		Acceptance of gift	Gift and Entertainment Policy
Order allocation among various Schemes / Portfolios	Trade Order and Execution Policy & Dealing Room Policy		
2.	<b>Director level</b>	Serving on board of different companies	Board level disclosure and adherence to Companies Act, 2013
		Director's remuneration	Only Independent Directors are paid sitting fees. Remuneration related to WTD will be governed by the

Sr. No.	Level	POTENTIAL AREAS OF CONFLICTS	HOW THE CONFLICTS ARE MITIGATED
			Companies Act'2013.
		Personal Interest in a matter	Adherence to Companies Act, 2013 and not forming part of decision making on such matters.
		Personal securities dealing/transaction	Adherence to PIT regulation and code of conduct (Part A of Vth Schedule) & Employees Trading Policy of Unifi AMC.
3.	<b>Group Company/Associates</b>	Common shareholders for different business activities	Adherence to applicable clauses of SEBI Regulations for transactions with group and associate companies/entities.  No investment will be made in group / associate companies as per Investment policy.
		Flow of confidential information to nominated /associated directors	Trade/investment details or data will be strictly restricted & will not be passed on to any director excepting whole time director.
4.	<b>Distributor level</b>	Interest of potential investor in the Schemes compromised because of commission practices which unduly influences distributors to recommend Unifi product.	Disclosure of commission to investors  Adherence to AMFI code of conduct. Due Diligence and enhanced due diligence process to be followed.
5.	<b>AMC(Company) level</b>	Engagement in different activities/business	Chinese Wall between group

Sr. No.	Level	POTENTIAL AREAS OF CONFLICTS	HOW THE CONFLICTS ARE MITIGATED
			companies' activities & MF division.
		Financial interest taking over the Investors and client's interest	Adherence to code of conduct and Investment Management Agreement and SEBI Regulation. Quarterly declaration with respect to Fifth Schedule to be taken from Fund Managers, Dealers.
		Brokerage for securities Transaction	Broker Empanelment process & brokerage sign of by CIO and adherence to disclosure requirement by SEBI.
		Commission transactions not at arm's length	Distributor empanelment policy & Commission sign off process & adherence to disclosure Requirement mandated by SEBI.
		Investment by one Scheme in other Scheme managed by Unifi MF	Board oversight and adequate disclosures in the offer document.
		Proxy Voting	Voting Policy
		Buy and Sell execution process	Trade Order and Execution Policy