

I. Introduction

FundShare Fund Management B.V. (hereafter “FundShare”), a licensed fund manager under Dutch law of AIFMD investment funds (AIF’s) and UCITS investment funds, has adopted and implemented the Principles of Fund Governance of the Dutch Fund and Asset Management Association (DUFAS). These principles are laid out in the so-called Fund Governance Code (hereinafter: the Fund Code).

The Fund Code is applicable to all investment funds for which FundShare performs the function of fund manager. Currently, these funds are:

- FundShare Fundamental Value Fund (AIF);
- FundShare Umbrella Fund (AIF); and
- FundShare Umbrella UCITS Fund (UCITS).

The main objectives of the Fund Code are to protect the interests of investors and to prevent conflicts of interest.

II. Periodic Review and Reporting

Periodic Review

FundShare has policies and procedures in place in order to ensure compliance with laws and regulations (specifically with respect to the AIFMD and UCITS Directive and its implementation into the Dutch Act on Financial Supervision). Compliance with these policies and procedures is subject to periodic review.

Furthermore, FundShare is audited on an annual basis by its external auditor Mazars. The investment funds of FundShare are also audited on an annual basis.

Reporting

The outcome of the review will be reported to the management board of FundShare, as well as to the board of directors of the parent company LPE Capital B.V. (hereafter ‘LPE Group’). Furthermore, the LPE Group has a board of advisors that acts as a sounding board and provides advice on a quarterly basis on pressing issues, including those of FundShare.

III. Governance

Compliance function

Through a service level agreement, the compliance function of FundShare is delegated to another entity in the same group agreement, who acts independently from operative functions of FundShare.

Managing conflicts of interest

FundShare has implemented a Conflict of Interest Policy, to manage actual or potential conflicts of interest between investors, FundShare, its employees and/or LPE Group subsidiaries, as well as conflicts among investor interests. In case of conflicts of interest, or other issues not covered by the Conflict of Interest Policy, FundShare will always try to act in the best interest of investors taking into account the principle of ‘conscientious consideration’.

Separation of duties

Separation of investment decisions (portfolio management), risk management, settlement of transactions, administration of transactions (by the fund administrator), and control (e.g. shadow accounting/reconciliations) is in place to prevent conflicts of interest. FundShare has created ‘Chinese Walls’ to manage the flow of price-sensitive information and other confidential market information.

Because FundShare is part of the LPE group of companies, organizational, physical and personnel segregation between FundShare and other entities of the group are also put in place. Hierarchically, employees report to their managers only and appropriate information-sharing barriers are in place to prevent dissemination of sensitive market information. No price-sensitive or confidential market information is exchanged between business units.

Furthermore, FundShare has outsourced the fund administration and NAV-calculations to a fund administrator. Moreover, FundShare has appointed KAS Trust as a depositary (and title holder) for the safekeeping of the funds’ assets, to secure the segregation of assets between the funds and the fund manager and for the independent oversight on the funds (as set out in the UCITS and AIFMD depositary tasks).

IV. Day-to-day-governance

Best Execution

During the execution of its investments decisions, FundShare takes all reasonable steps to ensure obtaining the best execution of securities transactions, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other relevant consideration. FundShare is at all times looking for opportunities to reduce the transaction costs without thereby adversely affecting the quality of its performance.

Valuation

Asset valuation and the calculation of the Net Asset Value (NAV) of a fund is performed independently from the portfolio management function through the outsourcing to a third party. Pricing policies are drafted for all investment strategies in the prospectus of the Fund.

Personal Account Dealing

FundShare has implemented a policy for private transactions in financial instruments by its employees. This policy is signed off by all employees. All employees are considered to be 'insiders' and have to comply with the same rules. The Compliance Officer monitors adherence to the policy.

Transparency

FundShare strives for maximum transparency towards investors by providing them with clear and understandable information in accordance with the applicable laws, regulations and the terms and conditions of the funds. This information includes accurate, clear, timely and fair information on investment policy, investments, risks, outsourcing, costs and fees, subscriptions and redemptions, affiliated parties, securities lending, voting rights, the meeting of participants and compensation in cases of an incorrect net asset value (NAV) calculation and can be found in the prospectus of the funds.

During the lifetime of an investor's investment it is possible that a fund's terms and conditions as set out in the prospectus may change. In case of a change in the terms and conditions of a fund as included in the prospectus, FundShare will inform the investors in time and in accordance with applicable laws, regulations and terms and conditions of the fund. If the changes in terms and conditions lead to decreased rights or increased obligations for investors (e.g. a rise in fees) or to a change in investment policy, investors will be granted a reasonable period of time (one month) for redemption of participations at prevailing conditions.