

L&T FINANCIAL SERVICES

(“LTFS”)

CONFLICT OF INTEREST MANAGEMENT POLICY

Applicable to L&T Investment Management Limited

Version Control:

Version	Date of adoption	Change Reference	Owner	Approving Authority
1	July 2014	-	Compliance	Board of Directors
2	July 2015	-	Compliance	Board of Directors
3	July 2016	-	Compliance	Board of Directors
4	October 23, 2017	Reviewed and readopted	Compliance	Board of Directors
5	October 22 & 24, 2018	Reviewed and readopted	Compliance	Board of Directors
6	October 17 & 18, 2019	Reviewed and readopted	Compliance	Board of Directors
7	October 21, 2019	Reviewed and readopted	Compliance	Board of Directors
8	October 21, 2020	Reviewed	Compliance	Board of Directors
9	December 18, 2020	Reviewed and readopted	Compliance	Board of Directors
10	October 18, 2021	Reviewed and readopted	Compliance	Board of Directors

IMPORTANT INFORMATION

If at any point a conflict of interpretation / information between this Policy and any Regulations, Rules, Guidelines, Notifications, Clarifications, Circulars, Master Circulars issued by the Securities Exchange Board of India ("SEBI") arise then, interpretation of such Regulations, Rules, Guidelines, Notification, Clarifications, Circulars, Master circulars issued by SEBI shall prevail.

TABLE OF CONTENTS

IMPORTANT INFORMATION	2
A. INTRODUCTION.....	4
B. OBJECTIVES.....	4
C. SCOPE	4
D. CONFLICT OF INTEREST.....	4
E. POTENTIAL AREAS OF CONFLICT IDENTIFIED	5
F. MANAGEMENT OF CONFLICTS.....	6
G. Amendment to the Policy	7
H. Maintenance of Records.	7
I. Review of Policy.....	7

A. INTRODUCTION

As an asset management company, L&T Investment Management Limited (“LTIM”) places a high priority on Investors’ interest. As conflicts of interest affecting investors’ interest could undermine the integrity and professionalism of LTIM’s business, any such conflict situations must be identified as early as possible. LTIM’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 conflicts and resolve / address the same.

B. OBJECTIVES

The objectives of this Conflict of Interest Management Policy are:

- To identify the circumstances which may give rise to conflicts of interest which may be detrimental to LTIM’s investors’ interests; and
- To implement the procedures and processes to resolve various conflicts identified.

C. SCOPE

This policy shall be applicable to LTIM and all its employees.

D. CONFLICT OF INTEREST

A conflict of interest arises when an actual or potential interest may influence you 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 LTIM or its employees have an actual or potential interest that may influence the objective performance of LTIM’s obligations towards the investors or prevent employees of LTIM 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:

- i. LTIM and the investors investing in the schemes of L&T Mutual Fund (“Fund”);
- ii. An employee of the Company and an investor / scheme of the Fund;
- iii. Group companies of LTIM and investors / the schemes of the Fund;
- iv. Critical vendors/service providers and the investors of the Fund;
- v. The investee company of the Fund is an investor of the Fund.

In the above scenarios, LTIM and its employees shall:

- i. at all times maintain high standards of integrity in the conduct of its business;
- ii. ensure fair treatment of investors and not to discriminate amongst them;
- iii. ensure that its personal interest does not, at any time conflict with its duty to its investors and investor's interest always takes primacy in its advice, investment decisions and transactions;
- iv. make appropriate disclosure to the investors of possible source or potential areas of conflict of interest which would impair its/his/her ability to render fair, objective and unbiased services;
- v. endeavor 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 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 so as to avoid any conflict;
- vii. not to deal in securities while in possession of material non published information;
- viii. not to communicate the material non published information while dealing in securities on behalf of others;
- ix. not in any way contribute to manipulate the demand for or supply of securities in the market or to influence prices of securities;
- x. not to have an incentive structure that encourages sale of products not suiting the risk profile of the investors;
- xi. not to share information received from investors or pertaining to them, obtained as a result of their dealings, for personal interest or for interest of others.

E. POTENTIAL AREAS OF CONFLICT IDENTIFIED

LTIM shall endeavor 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:

- I. Conflicts principally resulting from the fact that LTIM / its employees may have own interest over the interest of the investors;
 - i. a director or employee of LTIM, 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;
 - ii. LTIM may be trading proprietary assets on its own account as well as on behalf of the schemes of the Fund i.e. fiduciary assets;
 - iii. LTIM may have other businesses like providing of portfolio management services which could lead to potential conflicts between investors under these varied businesses;
 - iv. Employees of LTIM may invest in their own personal account in securities that are traded and / or held in the portfolio of the schemes of the Fund; or may have material unpublished price sensitive information by virtue of their office
 - v. Allocation of deals / trades between various schemes by the fund manager could have a potential conflict.
 - vi. Gifts may on occasions be offered to / by employees of LTIML by / to investors, distributors or others who provide services to, or receive services from LTIM.
 - vii. Preparation of marketing materials in view of business objective that at times may

- be construed as not in the best interest of investors.
- viii. Any other potential conflicting areas as may arise/ identified from time to time.
- II. Conflicts principally resulting from the fact that LTIM is part of a larger group wherein the companies are engaged in various services in the financial sector;
- i. LTIM may procure the services of a group company for selling and distributing the schemes of the Fund and such services may not be procured at an arm's length basis;
 - ii. LTIM may invest, on behalf of the schemes of the Fund, in its capacity as an asset management company in the securities issued / lead managed or arranged by the companies within the group;
 - iii. From time to time investments may be made by the companies within the group in the schemes of the Fund.
- III. Conflicts principally resulting from the fact that LTIM outsources or delegates certain functions (such as transfer agency, fund administration) to outside third-party providers who may seek to engage in other activity that could conflict with LTIM or its investors.

F. MANAGEMENT OF CONFLICTS

LTIM has adopted various measures to manage identified conflicts some of which are:

- i. Introduction of various policies with respect to employees like policy on personal investment / trading in securities and policy on giving and receiving gifts thereby mitigating the conflicts arising because of some undue advantage given to the employees.
- ii. Implementation of "Chinese Wall" between those areas which routinely have access to confidential information, considered "inside areas" from those areas providing support services, considered "public areas" e.g. investments (inside areas) and Operations / Sales / Marketing etc (public areas).
- iii. Investment Manual contains the provisions for trade allocation in respect of the schemes of the Fund thereby reducing the discretion on part of the investment team while allocating trades to the schemes of the Fund.
- iv. Undertaking of sound fundamental research before making investments in any group / associate company.
- v. 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 organization's resources.
- vi. Any marketing material is issued only post obtaining a prior approval from the Compliance team.
- vii. 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 the LTIM's outsourcing policy and the legal agreements in place with entities ensure that the conflict of interest in respect of such third parties is mitigated. Further, these entities are subject to a regular review by the respective functions.

- viii. LTIM will allow for employee(s) to recuse from decision making in case of the employee(s) having any actual/potential conflict of interest in the transaction/decision making process.
- ix. Reporting of all the transactions with group and associate companies to the Board of Directors and Trustees.
- x. The investment decisions pertaining to the schemes of the Fund would be in accordance with the investment objectives of the relevant schemes and in the securities permitted by SEBI.

Apart from the conflicts highlighted in this policy, there could be other conflicts which may arise/identified. LTIM shall put in place appropriate procedures and processes in place to manage such conflict of interests.

LTIM 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, LTIM acts independently to avoid material risk of damage to interests of its investors.

G. Amendment to the Policy

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc. Any regulatory amendment/update etc. shall be carried out from time to time to the policy by the LTIM.

H. Maintenance of Records.

All declarations, disclosures, documents, etc. obtained either in electronic form or otherwise in relation to this policy shall be preserved for a minimum period of 8 years.

I. Review of Policy

The policy shall be reviewed by the Board of Directors at least on an annual basis and as and when required.