

Information on dealing with potential conflicts of interest

Asset management companies endeavor to safeguard and to strike a proper balance between the interests of their clients, shareholders and employees. However, asset management companies which render a wide variety of high-quality financial services for their clients are not always entirely able to exclude conflicts of interest. In accordance with the statutory requirements, we consequently take this opportunity to inform clients and potential clients as follows about the measures we have put in place to avoid possible conflicts of interest.

Conflicts of interest can arise between our company, other companies within our Group, our company management, our employees, our contractually associated intermediaries or other persons who are associated with us and our clients or between our clients.

In order to prevent inappropriate interests influencing for example our consultancy services, order execution, asset management or financial analysis, we have committed ourselves as well as our employees to stringent ethical standards. We expect our employees to act at all times diligently and fairly, legally and professionally, in accordance with market standards as well as in particular at all times in accordance with the interests of the client.

In order to avoid potential conflicts of interest from the outset, we have implemented inter alia the following measures:

- the creation of a compliance function in our company with responsibility for identifying, avoiding and managing possible conflicts of interest, and for taking appropriate measures, should these be necessary;
- the creation of organizational procedures to safeguard client interests in the fields of investment consultancy and asset management, e.g. approvals processes for new products;
- regulations regarding the acceptance and provision of inducements, as well as their disclosure;
- all employees for whom conflicts of interest may arise within the framework of their duties are identified and are obliged to disclose all of their transactions in financial instruments;
- regulations regarding transactions performed on own account by our executives and employees;
- regulations regarding the acceptance of gifts and other benefits by our employees;
- in executing orders, we act in accordance with our best execution policy and the instructions of the client;
- higher fee volumes do not automatically lead to higher salaries;
- ongoing controls of all transactions performed by our employees;
- the ongoing training of our employees.

If conflicts of interest cannot be avoided, then we shall disclose this to the affected clients before concluding a transaction or providing consultancy services.

We wish to draw attention in particular to the following points:

- In conjunction with the sale of securities, we do **not** receive inducements (portfolio commission or reimbursements) on custody account fees, stock market and fiduciary commission, brokerage fees and other fees from banks, investment fund companies and security issuers. In certain limited cases, we may be granted transaction commission payments such as placement commission and/or issue and redemption premiums. However, we do **not** keep such commissions but instead reimburse it to our clients.
- In conjunction with our securities operations, other investment firms also provide us with free inducements such as financial analyses or other information, training and some technical services and equipment for accessing third-party information and dissemination systems. The acceptance of such inducements is not directly connected to the services rendered to clients; we use these inducements to provide the high quality of service which clients expect, and to improve our services on an ongoing basis.
- External brokers may receive direct inducements from third parties, in particular investment fund companies and security issuers, in addition to the commercial agent commission paid by us.
- Information pertaining to relevant potential conflicts of interest is also contained in the financial analyses drawn up or prepared by us.

At request, we will provide clients and potential clients with further details regarding these principles.