

Information on dealing with conflicts of interests
at Sauren Finanzdienstleistungen GmbH & Co. KG
(Conflict of Interest Policy)

Introduction

Conflicts of interest cannot always be ruled out in institutions that provide investment services to their clients. In accordance with the provisions of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG), we have therefore provided the following information to our clients about the comprehensive precautions we take in dealing with conflicts of interest.

Pursuant to the German Securities Trading Act, we are obliged to take effective organisational measures to identify and avoid conflicts of interest. If, however, a conflict of interest cannot be avoided, we are likewise obliged to manage this conflict of interest. This includes the identification of potential conflicts of interest, setting down in writing principles for dealing with these conflicts of interest and compliance with the rules and regulations in addressing potential conflicts of interest. Regardless of all the measures taken, it is not always possible to avoid or to resolve conflicts of interest. In such a situation, we are obliged to disclose the conflict of interest in concerned to our clients. For this reason, we have taken a number of precautions, which we want to present here.

Emergence of conflicts of interest

Conflicts of interest can arise between our company (Sauren Finanzdienstleistungen GmbH & Co. KG), other companies belonging to SAUREN Financial Group (*Sauren Fonds-Service AG*, *Sauren Fonds-Research AG*), our management, our employees or other parties associated with us and our clients, or between our clients.

In particular, conflicts of interest can arise in the following areas:

- Our company or a unit associated with us intends to buy or sell an asset, whose offer is limited and/or the purchase or sale could influence the price depending on the order volume.
- Our company or related unit intends to buy or sell an asset, whose purchase or selling options are limited.
- From other business activities or relationships with our company, e.g. with issuers of financial instruments.
- In the creation of financial analyses about securities offered for sale to clients.
- From foreign exchange transactions associated with investment services.
- By obtaining information that is not in the public domain.
- From personal relationships of our employees or management, or persons associated with them.
- From the participation of these persons on supervisory or advisory boards.

- From the possibility of influencing the order acceptance and execution, as well as the choice of trading venue and external depositories.
- Where there is a financial or other incentive for our company or other unit or client directly or indirectly linked to it has a financial or other incentive, which places the interests of another investor or client, or group of investors or clients or related unit before the other respective interests.
- In investment advisory and asset management due to the Group's interest in generating revenue from the sale of financial instruments, particularly its own products.
- When receiving or granting inducements (for example, placement commission / trail commission / non-cash advantages) from or to third parties in connection with the investment services provided to the clients.
- From the performance-based payment of employees and intermediaries.
- When granting inducements to our employees and intermediaries.

To prevent extraneous interests, such as advisory services, from influencing our order execution, asset management or financial analysis activities, we and our employees have made a commitment to adhere to the highest ethical standards.

We expect diligence and honesty, legal and professional conduct, observance of market standards and, in particular, consideration of the client's interests at all times.

We have set up a compliance office in our company, which is responsible for checking and reviewing the compliance-relevant rules.

Measures for preventing conflicts of interest

Specifically, we take the following measures, among others:

- Establishing organisational procedures to safeguard client interests in investment advisory and asset management, and in the management of investment funds.
- Implementing rules on accepting and granting inducements and their disclosure.
- Ensuring confidentiality through the establishment of Chinese walls, the separation of responsibilities and/or physical segregation.
- Maintaining an insider list or watch list, which makes it possible to monitor sensitive information and prevent the misuse of insider information.
- Maintaining a restricted list, which serves to limit possible conflicts of interest by prohibiting transactions or advisory services or publication of financial analyses.
- Drawing up of staff guidelines for conducting employee transactions and monitoring thereof.

- Disclosure to the compliance office of securities transactions of employees who could experience conflicts of interest in their work.
- Client orders are basically executed according to the principles of our Best Execution Policy, which should guarantee fair, transparent and efficient order execution.
- Staff training
- Employees must immediately report mandates (e.g. positions on the management or supervisory board of other companies) to the management and the compliance officer. In the event of a planned new assumption of such a mandate, notification of the intended assumption of the mandate must be made in good time so that potential conflicts of interest can be disclosed and that even before the assumption of the mandate, it is ensured that all necessary measures are taken to avoid any conflicts of interest that may arise.

Informing the clients concerned of any conflicts of interest that cannot be avoided before executing a transaction or providing advice.

We would like to refer to the following points in particular:

We offer portfolio and investment advisory services, above all in relation to products initiated by our company (Sauren funds) as well as for third parties (label funds) and for end clients.

We advise the clients that the investment funds we advise and/or manage are paid a separate fee by the fund management company of the advised funds for this service. In this context, we also receive additional performance-based compensation. The amount of the respective compensation is listed in the respective prospectus.

Any compensation paid by funds in which our funds invest (so-called target funds) are allocated exclusively to the respective (fund-of-) fund that carried out the investment.

As part of our portfolio management operations, we make decisions about purchases and sales conducted within the funds-of-funds we manage and advise. This can lead to conflicts of interest, e.g. one fund-of-fund is favoured above the other during the selection of target funds. We counter the resultant risks with appropriate organisational measures, particularly by adopting an investment selection process focused on the client's interest.

We generally receive inducements from fund management companies in relation to the sale and use of fund units relative to the end client. These include sales-based trail commissions, which fund management companies pay to us from the management fees, fund management fees, distribution fees etc. they earn.

In addition, we also collect issue charges ourselves if they are charged on the sale of investment fund units or other securities. Collection of these payments and inducements, or other incentives, is used to provide efficient and high-quality infrastructures for buying and selling financial instruments. We disclose the receipt or granting of inducements to our clients. We will provide the clients with details on this on request.

Finally, we receive non-cash inducements from other service providers in connection with our securities business. These include financial analyses or other information materials, training and occasionally technical services and equipment for accessing third-party information and dissemination systems. Acceptance of such inducements is not directly connected with the services to be rendered; we use these inducements to ensure that we continue to provide the high-quality services expected by the clients and continue to improve them.

We also pay commission to third parties (e.g. institutional investors, intermediaries or management companies) on the basis of an individual agreement for the acquisition of products managed or advised by us.

We will be happy to provide you with further details about these principles on request.

Updated: 6 April 2020