



FIDEURAM
ASSET MANAGEMENT IRELAND

Conflicts of Interest Policy

April 2026

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DOCUMENT CONTROL

Version n.	Issue date	Issued by	Amendment - whole / partial
1	July 2010	Compliance & Operational Risk Desk	Whole
2	July 2011	Compliance & Operational Risk Desk	Partial (added Guidelines)
3	November 2011	Compliance & Operational Risk Desk	Partial (amended Guidelines)
4	July 2014	Compliance & Operational Risk Desk	Partial
5	November 2014	Compliance & Operational Risk Desk	Partial (amended Guidelines)
6	April 2016	Risks & Compliance Desk	Partial
7	October 2016	Risks & Compliance Desk	No amendments after semi-annual review
8	May 2017	Risks & Compliance Desk	Partial <ul style="list-style-type: none"> - FAMI conversion into dac - Company's new organisational chart - FAMI London Branch - Glossary (MAD 2 compliant) added
9	October 2017	Risks & Compliance Desk	No amendments after Semi-Annual Review
10	April 2018	Risks & Compliance Desk	No amendments after Semi-Annual Review
11	October 2018	Risks & Compliance Desk	No amendments after Semi-Annual Review
12	March 2019	Risks & Compliance Desk	Partial
13	October 2019	Risks & Compliance Desk	Partial

14	March 2020	Compliance Desk	Partial
15	October 2020	Compliance Desk	Partial
16	January 2021	Compliance Desk	Partial
17	March 2021	Compliance Desk	Partial
19	October 2021	Compliance Desk	No amendments after semi-annual review
20	April 2022	Compliance Desk	Partial
21	July 2022	Compliance Desk	New ESG requirements
22	April 2023	Compliance Desk	Removal of references to FAMI UK Branch
23	October 2023	Compliance Desk	Replacement of references to FBL with ISWML
24	April 2024	Compliance Desk	Update of Managing Director role to CEO & Managing Director; update of Fideuram Investimenti SGR with correct new name Fideuram Asset Management SGR; replacement of remaining references to FBL with ISWML
25	October 2024	Compliance Desk	No amendments after Semi-Annual Review
26	April 2025	Compliance Desk	Updated to align with ISP updated Conflict of Interest Rules
27	October 2025	Compliance Desk	No amendments after Semi-Annual Review
28	June 2026	Compliance desk	<ul style="list-style-type: none"> - Amended to incorporate comments received from ISP specialists (removal of potential conflicts of interest in the context of investment advice considering that FAMI does not currently provide such service; removal of references to the “Research function” as FAMI does not have such function); - Incorporation of minor amendments included in the

			<p>Group Rules issued in April 2026;</p> <ul style="list-style-type: none">- Inclusion of conflicts of interest in the context of Liquidity Management Tools application.
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INTRODUCTION

The *Intesa Sanpaolo* Group (hereafter also the *Group*) carries out a broad range of activities which may give rise to significant conflicts of interest between the companies belonging to such *Group*, the *Relevant Persons* of the MiFID-scope *Companies* and their Customers or between its *Customers*, when providing *Investment services and activities* or *Ancillary services* or a combination of them.

Fideuram Asset Management (Ireland) Designated Activity Company (hereafter also “FAMI”), as being among the *Companies* providing collective and individual portfolio management services (hereafter also the *Companies*) of the *Group*, implements and keeps a policy for the management of conflicts of interest. It takes into account the nature, size and complexity of its activities and the circumstances it knows or should know liable to cause a conflict of interest due to the structure and the activities of the other members of the *Group* as well as to the activities carried out by the *Relevant Persons*.

This document represents Fideuram Asset Management Ireland’s Policy for the management of conflicts of interest and it aims at:

- identifying the circumstances which result in or could result in a conflict of interest able to seriously damage the interests of one or more *Customers*, included *ESG (Environmental, Social, Governance) Sustainability preferences*;
- describing the organisational procedures and measures adopted to manage these conflicts of interest.

The content of this Policy is reviewed at least semi-annually as well as upon the occurrence of relevant circumstances which require amendments and/or integrations in order to ensure that the list of all the various circumstances which generate or are likely to generate conflicts of interest is always kept up to date, also to take account of any changes in the organisational structure of FAMI and of the *Services* it provides and to ensure that any solutions identified to mitigate any conflicts of interest detected are closely monitored and adequate measures are adopted to address any deficiencies. Such activity is carried out by FAMI’s Compliance Desk which avails of the support of FAMI’s relevant units. In particular, business and compliance units work together to monitor conflicts of interest for more effective identification and management, considering that the identification of conflicts of interest is seen by FAMI as all employees’ responsibility, considering conflicts of interest from both a bottom up and top-down approach.

Fideuram Asset Management Ireland prepared this Policy, focused on *portfolio management services*, keeping in mind both the directions contained in the Parent Company’s Policy and the peculiarities of its own operations and organisational and procedural structure.

Any amendment to this Policy, or any reporting stating that, as per semi-annual review, there is no need for any amendment, is submitted to the attention of the corporate bodies of Fideuram Asset Management Ireland.

1. CONFLICTS OF INTEREST IN THE PROVISION OF INVESTMENT AND ANCILLARY SERVICES

This chapter contains a description of the circumstances which generate or are likely to generate conflict-of-interest situations which may potentially harm the interests of one or more Customers, included Sustainability preferences, and which may arise between Fideuram Asset Management

Ireland and/or the *Relevant Persons* and the *Customer* or between Customers, during the provision of any *collective and individual portfolio management service and advice*.

Certain circumstances which, in abstract terms, may amount to a conflict of interests vis-à-vis the Customers, but which also take the form of wrongful conduct as they are prohibited by specific legal provisions and/or regulations, are not dealt with by these Rules. Such conducts are regulated by specific procedures adopted to prevent crimes and offences for abuse of Inside information, unlawful disclosure of Inside information.

1.1 CONFLICTS OF INTEREST IN SERVICE AND INVESTMENT ACTIVITY PROVISION

FAMI is authorised to provide:

- *collective portfolio management*;
- *individual portfolio management*;
- *investment advice* (service currently not performed by FAMI).

1.1.1 INDIVIDUAL PORTFOLIO MANAGEMENT

- a) In Individual *Portfolio management* service, using a Group company (or a Relevant Person or a Person related to a Relevant Person) as a Broker/Dealer entails a conflict of interest as the choices of the Broker/Dealer might be based on the commissions and/or income earned by FAMI or the Group (or by the Relevant Person) rather than in the best interests of the Customer.
- b) In the Individual Portfolio management service, transmitting systematic instructions to the Broker/Dealer in relation to the Execution venue, when the latter is managed by a Company in which the Group (or a Relevant Person or a Person related to a Relevant Person) has a Relevant Stake, or when the Group takes part in shareholders' agreements which govern the company that manages the Execution venue or its parent company or the majority shareholder of the same, or in respect of which a Group company acts as Market Maker, Liquidity provider or Specialist entails a conflict of interest as the Execution venue might be chosen on the basis of the income earned by the Group (or by the Relevant Person) rather than in the best interests of the Customer.
- c) In the Individual Portfolio management service, choosing contractual counterparties with which, in relation to above mentioned Service, there are agreements in place to receive fees or commissions or other non-monetary benefits (so called inducements) entails a conflict of interest as the counterparties might be chosen on the basis of the existing agreements mentioned above rather than in the best interests of the Customer.
- d) In the Individual Portfolio management service, including Financial Instruments issued, set-up or managed by FAMI or the Group (or by a Relevant Person or a Person related to a Relevant Person) in the assets under management entails a conflict of interest as FAMI might be induced to include such Financial Instruments in the assets under management in the interest of the Group (or of the Relevant Person) rather than in the best interests of the Customer.
- e) In the Individual Portfolio management service, including Financial Instruments whose value and/or return is linked to any Benchmark of which an Intesa Sanpaolo Group company is the Administrator or Contributor in the assets under management entails a conflict of interest since FAMI could be incentivised to include in the portfolio such Financial Instruments on the basis of the Group's potential interest in connection with the knowledge of confidential

information relating to the aforesaid Benchmarks, rather than in the best interests of the Customer.

- f) In the Individual Portfolio management service, including Financial Instruments placed also through Group companies in the assets under management entails a conflict of interest as FAMI might be induced to include such Financial Instruments into the assets under management to preserve their relationship with the company and/or the Group's interests rather than in the best interests of the Customer.
- g) In Individual *Portfolio management* service, including *Financial instruments* in the assets under management where such instruments are issued by companies in respect of which the *Intesa Sanpaolo Group*:
- has a Relevant Stake in the share capital of the Issuer or of the company which controls the Issuer or of the Issuer's majority shareholder or the Issuer is a Relevant Person or a Person closely associated to the Relevant Person;
 - designates one or more members of the corporate bodies of the Issuer or of the company which controls the Issuer or of the Issuer's majority shareholder;
 - takes part in shareholders' agreements entered into between reference shareholders of the Issuer or of the Issuer's controlling company or the Issuer's majority shareholder;
 - granted significant financing or is one of the main lenders of the Issuer or its Group;
 - acts as Specialist, Corporate broker or Liquidity provider with regard to certain Financial Instruments of the Issuer;
 - has provided Corporate financial services and activities to the Issuer or has received a fee for such services in the last twelve months;
 - as part of its activity, has assumed a Directional Position in relation to the Financial Instruments of the Issuer or its Group. The existence of a conflict of interest is assessed by reference to the size of the Directional Position assumed;
 - has share capital owned by the Issuer;
 - is an Issuer of Financial Instruments related to the Issuer's Financial Instruments;
 - has engaged an independent expert to assess the value of the assets contributed or purchased by real estate Collective Investment Undertakings set up or managed by the Group, or by a company appointed to verify the compatibility and profitability of the contributions in the real-estate Collective Investment Undertakings of the Group by reference to the management policy and the investment promotion activity carried out by the Collective Investment Undertaking concerned;
- entails a conflict of interest because FAMI might be induced to include the *Financial instruments* in the asset under management to preserve their relationship with the Issuer and/or promote the interests of the Group or the Relevant Person rather than in the best interests of the Customer.

Including in assets under management units or shares of Collective Investment Undertakings set up or managed by an Asset Management Company (or SICAF or SICAV) in which the Intesa Sanpaolo Group has a Relevant Stake is also a conflict of interest as, in selecting the investments, FAMI might be induced to promote the Group's interests.

- h) Simultaneously providing Individual Portfolio management services to a variety of Customers when FAMI transfers Financial Instruments from one portfolio under management to another, including indirectly, i.e. carrying out the orders through a Broker/Dealer, entails a conflict of interest as the Company might be enticed into the aforesaid transfer to promote its relationship with one of its Customers.

- i) In the Individual Portfolio management service, including in assets under management of Financial Instruments in respect of which the fund manager or other Relevant Persons involved in the management hold a Directional Position in their portfolio, or the transfer of Financial Instruments from the fund manager's portfolio or from the other Relevant Persons' portfolios to the Customer's portfolio, entails a conflict of interest as the Financial Instruments might be chosen on the basis of the interest of the fund manager or of the other Relevant Persons rather than in the best interests of the Customer.
- j) In the Individual Portfolio management service, including Financial Instruments in assets under management where such instruments are issued by companies in which the fund manager or other Relevant Persons involved in the management have a Relevant Stake, or the transfer of the aforesaid Financial Instruments from the fund manager's portfolio or from the portfolios of the other Relevant Persons involved in the management to assets under management entails a conflict of interest as the Financial Instruments might be chosen on the basis of the interest of the fund manager or the other Relevant Persons rather than in the best interests of the Customer.
- k) In the Individual Portfolio management service, including in the assets under management Financial Instruments issued by companies in which the manager, another Relevant Person involved in the management or a Person closely associated to the manager or another Relevant Person involved in the management, holds a Significant role or the transfer of Financial Instruments from companies in which one of the aforesaid parties fulfils a Significant role entails a conflict of interest, since the choice of the Financial Instruments or of the counterparties could be made on the basis of the interest of the manager or of the other Relevant Persons rather than in the best interests of the Customer.
- l) The Individual Portfolio management service provided by FAMI entails a conflict of interest as the selection of the counterparties by FAMI might be biased in favour of the latter's interest rather than in the best interests of the Customer. Situations entailing a conflict of interest when selecting contractual counterparties may arise, in particular, where:
- transactions are carried out with Brokers/Dealers who, in addition to the trading service, provide FAMI, which carries out the Portfolio management service, with other kinds of Services;
 - Securities financing transactions are carried out with Group companies;
 - Advice is provided by a company of the Group or by companies with which FAMI entertains business relationships (if the cost is borne by the assets under management);
 - Asset management is entrusted to FAMI or companies with which FAMI entertains business relationships (if the cost is borne by the assets under management).
- m) In Individual the Portfolio management service, the aggregation by FAMI of orders regarding Financial Instruments of several Customers, or of one or more Customers with the fund manager's personal order, entails a conflict of interest, as the allocation of the transactions relating to the grouped orders might be detrimental to one or more Customers and to the related transactions.
- n) In the Individual Portfolio management service, if FAMI performs the activity on the basis of management mandate conferred by several intermediaries, in particular in the event that some of these are external to the Group, a conflict of interest arises, since FAMI could be enticed into favouring the interests of one of the intermediaries, especially if belonging to the Group, over those of another one.

- o) In the Individual *Portfolio Management* service, the selection of *Financial Instruments* to be included in the managed assets entails a conflict of interest as this choice could be made according to the interests of FAMI, the manager or the other *Relevant Persons* involved in the management and not based on the actual *Customer's Sustainability preferences*.

1.1.2 COLLECTIVE PORTFOLIO MANAGEMENT

- a) In the Collective portfolio management service, using a Group company (or a Relevant Person or a Person related to a Relevant Person) as a Broker/Dealer or as a Market Maker/ Authorised Participant entails a conflict of interest as the choice of the intermediary might be based on the commissions and/or income earned by the Group (or by the Relevant Person) rather than in the best interests of the Collective Investment Undertaking.
- b) In the Collective portfolio management service, transmitting instructions systematically to the Broker/Dealer in relation to the Execution venue, when the latter is managed by a Company in which FAMI or the Group (or a Relevant Person or a Person related to a Relevant Person) has a Relevant Stake, or when the Group takes part in shareholders' agreements which govern the company that manages the Execution venue or its parent company or the majority shareholder of the same, or in respect of which a Group company acts as Market Maker, Liquidity provider or Specialist entails a conflict of interest as the Execution venue might be chosen on the basis of the income earned by the Group (or by the Relevant Person) rather than in the best interests of the Collective Investment Undertaking.
- c) As regards the Collective portfolio management service, the choice of contractual counterparties with which, in relation to the abovementioned Service, there are agreements in place to pay or receive fees or commissions or else provide or receive non-monetary services (inducements) entails a conflict of interest as the choice of the Counterparties might be made based on the existence of the aforesaid agreements rather than in the best interests of the Collective Investment Undertaking.
- d) In the Collective portfolio management service, the inclusion of Financial Instruments or Other Investments issued, set-up, originated or managed by FAMI or the Group (or by a Relevant Person or a Person related to a Relevant Person) in the Collective Investment Undertaking entails a conflict of interest as the Asset Management Companies (or SICAVs or SICAFs) of the Intesa Sanpaolo Group might be induced to include such Financial Instruments or Other Investments in the Collective Investment Undertaking in the interests of the Group (or of the Relevant Person) rather than in the best interests of the Collective Investment Undertaking.
- e) In the Collective portfolio management service, including in the Collective Investment Undertaking Financial Instruments whose value and/or return is linked to any Benchmark of which an Intesa Sanpaolo Group company is the Administrator or Contributor entails a conflict of interest as the Asset Management Company (or SICAVs or SICAFs) of the Intesa Sanpaolo Group could be incentivised to include such Financial Instruments under management on the basis of the Group's potential interest in connection with the knowledge of confidential information relating to the aforementioned Benchmarks, rather than in the best interests of the Collective Investment Undertaking.
- f) In the Collective portfolio management service, including Financial Instruments in the Collective Investment Undertakings when FAMI was involved in the Placement of such Financial Instruments entails a conflict of interest as the Asset Management Companies (or SICAVs or SICAFs) of the Intesa Sanpaolo Group might be induced to include such Financial Instruments in the Collective Investment Undertakings to preserve the relationship with the

company and/or the interests of the Group rather than in the best interests of the Collective Investment Undertaking.

- g) In the Collective portfolio management service, including in the Collective Investment Undertaking Financial Instruments or Other Investments issued, set-up, originated or managed by companies in respect of which the Intesa Sanpaolo Group:
- has a Relevant Stake in the share capital of the Issuer/Creditor or of the company which controls the Issuer or of the Issuer/Creditor's majority shareholder or the Issuer/Creditor is a Relevant Person or a Person closely related to the Relevant Person;
 - designates one or more members of the corporate bodies of the Issuer/Creditor or of the company which controls the Issuer/Creditor or of the Issuer/Creditor's majority shareholder;
 - takes part in shareholders' agreements entered into between reference shareholders of the Issuer/Creditor or of the Issuer/Creditor's controlling company or the Issuer/Creditor's majority shareholder;
 - granted significant financing or is one of the main lenders of the Issuer/Creditor or its Group;
 - acts as Specialist, Corporate broker, Market Maker/ Authorised Participant or Liquidity provider with regard to certain Financial Instruments of the Issuer;
 - has provided Corporate finance services and activities to the Issuer/Creditor or has received a fee for such Services in the last twelve months;
 - as part of its activity, has assumed a Directional Position in relation to the Financial Instruments of the Issuer or its Group. The existence of a conflict of interest is assessed by reference to the size of the position assumed;
 - has share capital owned by the Issuer/Creditor;
 - is an Issuer of Financial Instruments related to the Financial Instruments of the Issuer and/or Other Investments by the Creditor;
 - has appointed an independent expert to assess the value of the assets contributed or purchased by real estate Collective Investment Undertakings or a company appointed to verify the compatibility and profitability of the contributions in the real-estate Collective Investment Undertakings by reference to the management policy and the investment promotion activity carried out the Collective Investment Undertaking concerned, entails a conflict of interest as the Asset Management Companies (or SICAVs or SICAFs) of the Intesa Sanpaolo Group might be induced to include the Financial Instruments in the Collective Investment Undertakings to preserve their relationship with the Issuer/Creditor and/or promote the interests of the Group or of the Relevant Person rather than in the best interests of the Collective Investment Undertaking.

The act of including in 'assets under management', within the limits allowed by specific legal regulations:

- units or shares of Collective Investment Undertakings set up or managed by the SGR (or SICAV or SICAF) itself or by other Asset Management Companies (or SICAVs or SICAFs) in which the Intesa Sanpaolo Group has a Relevant Stake;
- any other asset or right sold or contributed to the Collective Investment Undertaking's net assets, by a Group company to which the Asset Management Company (or SICAV or SICAF) belongs to, by its Relevant Persons or companies financed or whose debt

exposure is largely guaranteed by Group companies to which the Asset Management Company (or SICAV or SICAF) belongs;

also entails a conflict of interest as FAMI might be induced, when selecting the investments, to favour the interests of the Group or of the Relevant Person rather than in the best interests of the Collective Investment Undertaking.

- h) The Collective portfolio management service entails a conflict of interest where an Asset Management Company (or SICAV or SICAF) of the Intesa Sanpaolo Group transfers Financial Instruments or Other Investments from one Collective Investment Undertaking to another, including indirectly, i.e. by carrying out the orders through a Broker/Dealer, as the Asset Management Company (or SICAV or SICAF) might be induced into the aforesaid transfer regardless of whether such choice is actually suitable for the Collective Investment Undertaking.
- i) In the Collective portfolio management service, the inclusion in the Collective Investment Undertakings of Financial Instruments in respect of which the fund manager or other Relevant Persons involved in the management hold a Directional Position in their portfolios, or the transfer of Financial Instruments from their personal portfolios to the Collective Investment Undertakings entails a conflict of interest as the Financial Instruments might be chosen on the basis of the interests of the fund manager and/or of the other Relevant Persons involved in the management rather than in the best interests of the Collective Investment Undertaking.
- j) In the Collective portfolio management service, the inclusion of Financial Instruments in the Collective Investment Undertakings and/or Other Investments issued, set up or managed by/for companies in which the manager or other Relevant Persons involved in the management have a Relevant Stake, or the transfer of the aforesaid Financial Instruments or Other Investments by the manager or the other Relevant Persons involved in the management of the Collective Investment Undertaking entails a conflict of interest as the Financial Instruments or Other Investments might be chosen on the basis of the interests of the manager or of the other Relevant Persons rather than in the best interests of the Collective Investment Undertaking.
- k) In the Collective Portfolio management service, the inclusion in the Collective Investment Undertaking of Financial Instruments or Other Investments related to companies where the manager, another Relevant Person involved in the management or a Person closely associated to the manager or to another Relevant Person involved in the management, holds a Significant role or the transfer of Financial Instruments and/or Other Investments from companies where one of the previously mentioned parties holds a Significant role entails a conflict of interest, as the choice of the Financial Instruments or the Other Investments could be made according to the interests of the manager or other Relevant Persons rather than in the best interests of the Collective Investment Undertaking.
- l) The Collective portfolio management service provided by FAMI may entail a conflict of interest with regard to the selection of the contractual counterparties as FAMI might choose the contractual counterparties in order to promote their own interests regardless of the fact that such choices might not be suitable for the Collective Investment Undertaking. Conflict-of-interest situations in selecting the contractual counterparties may arise, in particular, when:
 - choosing the custodian or the prime broker within the Group;
 - carrying out transactions with Broker/Dealers which provide FAMI with trading Services but also additional ones;
 - carrying out transactions with Market Makers or Authorised Participants part of the Group;

- using the custodian for Services in addition to those specifically provided by a custodian;
 - carrying out Securities financing transactions with Group companies;
 - consulting services are provided by a Group company or by companies with which FAMI entertains business relationships (if the charge is borne by the assets under management);
 - delegated management is entrusted to Group companies or companies with which FAMI entertains business relationships (if the charge is borne by the assets under management).
- m) In the Collective portfolio management service, exercising the voting right associated with the Financial Instruments and/or Other Investments, where provided for, held by the Collective Investment Undertakings entails a conflict of interest as FAMI might be induced into exercising its voting rights in the interest of the Group or of the Relevant Persons rather than in the best interests of the participants in the Collective Investment Undertaking.
- n) In the Collective portfolio management service, the grouping of orders by FAMI relating to Financial Instruments of several Collective Investment Undertakings or of one or more Collective Investment Undertakings with FAMI's own order represents a conflict of interest when the grouped orders are allocated, as such allocation might be detrimental to one or more Collective Investment Undertakings and to the related transactions.
- o) In the Collective portfolio management service, the inclusion of Other Investments in the Collective Investment Undertaking entails a conflict of interest where a Group company (or a Relevant Person or a Person associated to a Relevant Person):
- has provided Corporate finance services and activities in relation to Other Investments to be included in the Collective Investment Undertaking (e.g. loan disbursement, structuring of the instrument);
 - is a counterparty to the transfer transaction;
 - has Confidential Information in relation to the Creditor of Other Investments to be included in the Collective Investment Undertaking,
- since FAMI could be induced to include such Other Investments within the Collective Investment Undertaking in the interests of the Group (or the Relevant Person) rather than in the best interests of the Collective Investment Undertaking.
- p) In the Collective portfolio management service, if FAMI carries out the activity on the basis of management mandates conferred by several intermediaries, in particular in the event that some of these are external to the Group, a conflict of interest arises, as FAMI could be induced to favour the interests of one of the intermediaries, especially those belonging to the Group, over those of another one.
- q) In the Collective Portfolio management service, FAMI could find itself in conflict of interest in case of plurality of tasks in the Group companies by directors or managers involved in the management process, because FAMI or these actors could have a financial incentive, or of different nature, to privilege the interests of another company of the Group or of its clients.
- r) In the Collective Portfolio management service, the assumption by a director or an actor entitled with management delegations of FAMI of a significant role inside the Issuer / Distributor of financial instruments, implies a conflict of interest because these actors could be encouraged to invest the assets of the Client according to their own interests.
- s) In the Collective Portfolio management service, the choice of transmitting the orders for execution to a Group Company, or to a Relevant Person, implies a conflict of interest because

FAMI could do so on the basis of the fees and commission received by the Group (or the Relevant Person) as opposed to the best interest of the client.

- t) In the Collective Portfolio management service the transmission of orders in a systematic way to a single venue, when this venue is managed by a company which is participated by the Group (or by a Relevant Person) or when the Group is involved into corporate agreements that rule the company that manages the venue, or on which a Group Company acts as a Market maker, implies a conflict of interest given that the choice of the venue could be driven by the Group's profit (or by the Relevant Person's profit) and not on the basis of the best interest of the client;
- u) In the Collective Portfolio management service, the transmission of orders to a broker from which it receives fees, commissions or non-monetary benefits (inducements), implies a conflict of interest given that the choice of the broker could be driven by the existence of agreements in relation to the inducements and not on the basis of the best interest of the client
- v) In the Collective Portfolio management service, a proposed increase in the management fee of the Collective Investment Scheme (hereinafter "CIS") managed by FAMI could imply a conflict of interest given that FAMI (and its Board of Directors) has a duty to the Shareholders, i.e. the Parent Company, however the Company (and its Board of Directors) is accountable and responsible for the performance and conduct of the applicable CIS. These differing obligations could sometimes put FAMI (and its Board of Directors) in a difficult position whereby a proposed increase in the management fee of the CIS could be in the interests of the shareholder but not necessarily in the interests of the investors.
- w) In the Collective Portfolio Management service, FAMI, as the Manager of Collective Investment Schemes, has appointed Fideuram Intesa Sanpaolo Wealth Management Luxembourg as an agent for Securities Lending activities with regards to instruments held on behalf of the funds. Fideuram Intesa Sanpaolo Wealth Management Luxembourg receives fees related to this activity corresponding to (a) direct and indirect costs incurred in the process; and (b) a portion of the revenues generated by the activity. The apportionment of fees could imply a conflict of interest as the fees paid could favour Fideuram Intesa Sanpaolo Wealth Management Luxembourg to the detriment of the unitholders.
- x) In the Collective Portfolio Management service, the selection of Financial Instruments or Other Investments to be included in the assets managed that:
 - promote, among other characteristics, environmental or social characteristics, or a combination of such characteristics, provided that the undertakings in which the investments are made comply with good governance practices;
 - have sustainable investment objectives;involves a conflict of interest as this choice could be made according to the interests of the Company, the manager or the other Relevant Persons involved in the management and not on the basis of the actual sustainability preferences of the Investors.

1.1.3 INVESTMENT ADVICE

At present, FAMI does not provide this service.

1.2 CONFLICTS OF INTERESTS ARISING FROM THE APPLICATION OF LIQUIDITY MANAGEMENT TOOLS (LMTs)

The liquidity management framework applicable for FAMI follows a progressive escalation sequence.

- Swing pricing is applied first when expected transaction costs generated by net subscriptions or redemptions (fund flows) are above the thresholds set at a sub-fund level. This tool automatically allocates the expected transaction costs generated by fund flows to the transacting investors rather than to the fund and its existing shareholders. ETFs are not subject to swing pricing.
- Redemption gates may be applied when redemption flows exceed predefined liquidity tolerance limits, subject to approval by the Pricing Committee. This tool ensures that significant redemptions do not affect the orderly portfolio management of the fund in periods of significant redemption pressure.
- Redemption in kind may be applied to ETF sub-funds, at the Company's discretion, to satisfy redemption requests through the transfer of a portfolio of securities to the redeeming Authorised Participant, in whole or in part, in lieu of cash settlement.
- Suspension of dealing may be implemented only as a last-resort measure when orderly portfolio rebalancing or equal treatment of investors cannot be ensured, subject to approval by the Board of Directors. This tool ensures that redemptions in circumstances of market stress do not affect the orderly portfolio management of the fund.
- As an additional last-resort tool, side pockets are also considered. This mechanism allows for the segregation of specific illiquid or difficult-to-value assets from the main portfolio, typically through the creation of a separate share class or a dedicated compartment. The objective is to isolate such assets from the rest of the portfolio and protect the interests of existing investors.

Conflicts may arise in connection with the activation, calibration and operation of liquidity management tools. Such conflicts are managed using controls proportionate to the risk and in accordance with ESMA and CSSF expectations that Liquidity Management Tools be operated in the best interests of investors and in a predictable, rules-based manner.

In order to manage and mitigate such potential conflicts, the following measures are taken:

- The applicability of specific LMT for the funds is assessed on an ongoing basis;
- The methodologies developed and implemented for the calculation of LMT parameters and thresholds are defined ex ante in fund documentation and internal procedures and must obtain positive opinion by the Pricing Committee and hence approved by the Board or Directors;
- LMT parameters and threshold are periodically reviewed and re-calibrated;
- The Risk Management Desk monitors the use of LMTs on a daily basis and reports its findings to the Pricing Committee on a monthly basis, in conjunction with the results of liquidity stress testing analyses and the evolution of market spreads;
- Information on the usage and performance of LMT is reported regularly to the Pricing Committee and the Board;
- The operational application of LMTs is the responsibility of the Fund Administrator, which acts based on the parameters and thresholds communicated;

- Funds sharing a similar liquidity risk profile are a-priori subject to the same set of of LMTs, provision in the fund governing documents and operational protocols for LMT activation;
- Fund documents disclose the LMTs that may be used, their purpose, typical triggers and potential consequences for investors. Activations of LMTs must be communicated promptly to investors as well as regulatory authorities, as required by regulation;
- Decisions on activation, deactivation and calibration of LMTs, including swing factors, are taken by the Pricing Committee – and then ratified by the Board – with appropriate quorum and independence from portfolio management;
- Information relating to contemplated or actual LMT activation, deactivation, recalibration, swing factors, thresholds, and underlying liquidity assessments is classified as Confidential.

1.3 GIFTS AND OTHER FORMS OF BENEFITS

The receipt and/or provision by the *Relevant Persons* of gifts or other forms of benefits of significant value entails a conflict of interest as it might influence the proper provision of the investment services and ancillary services. FAMI is committed to an ethical environment for all employees, senior management and Board members. Giving or receiving certain gifts and entertainment can be part of normal business relationships and can, in appropriate circumstances, create goodwill and enhance business relationships. However, it could also give rise to actual or perceived conflicts of interest and could compromise its duty to act in the clients' best interest. FAMI issued a "Gift Policy" to provide rules to guide decisions related to gifts and entertainment.

2 GENERAL PROVISIONS FOR MANAGING CONFLICTS OF INTEREST

Regarding the Investment services and activities and Ancillary services provided, this Chapter defines the main rules to follow and the actions to take for managing the conflicts of interest related to the above Services and activities and identifies, as part of the procedures implementing other legal provisions or regulations, those deemed appropriate for managing the conflict-of-interest situations listed in the first part of this document.

2.1. Information Barriers

Information Barriers (also called “Chinese Walls”) refer, at general level and with effect on all the Group, to the higher level functional and logistic segregation of the organisational structures, including the separation of the relevant personnel assigned to them, which provide Corporate finance services and activities to the Customer segments attributable to the Corporate side and those which provide Investment services and activities or some Ancillary services to investors or financial markets attributable to the Market side in order to guarantee that:

- the Market side structures do not acquire Inside information or Confidential Information or other reserved information known by the Corporate side, so as to prevent the risk that the former, as part of their day-to-day market transactions, may operate by using such information;
- the Market side structures do not report, hierarchically, to the structures of the Corporate side nor, vice versa, can they get to know Corporate side transactions or activities; thus, they are able to operate in an independent manner, preventing, in this way, any phenomenon of market abuse or conflict-of-interest situations to the detriment of the Customers;
- the Corporate side structures do not - in any way - influence the Market Side structures in the performance of their activities (the same prohibition also applies to the Market Side structures).

The Corporate side conventionally includes those structures which are in charge of Customer relationship management;

-

The Market side conventionally includes all the structures which provide

- Investment services and activities.;

-

The presence of Information Barriers as indicated above means that no organisational structure reporting directly to the CEO and Managing Director can perform activities included in the Corporate side and the Market side at the same time.

In addition, the *Relevant Persons* of FAMI involved in the provision of portfolio management services cannot know any *Inside information* or operations known by FAMI structures carrying out activities belonging to the Corporate side of the information barrier.

2.2. Group Procedures on the Management of Inside Information and FAMI Procedures for the Management of Inside Information in relation to the ETFs issued by Ailis

In compliance with current regulatory provisions, FAMI has acknowledged the Group's Procedures for the Management of Inside information and adopted the "Procedures for the Management of Inside Information in relation to the ETFs issued by Ailis" which regulates the management process of Inside information relating to the ETFs issued by Ailis, of which FAMI is the Management Company.

In this context, inter alia, the following measures and procedures are implemented:

- organisational measures aimed at the management, protection and control of information likely to take on a privileged nature and the Inside information, including the activation of monitoring and Insider Lists relating to Inside information of Ailis established pursuant to Art. 18 of MAR;
- measures to guarantee maximum confidentiality of information that can be assumed to be of an inside nature Inside information until it is released to the public;
- restriction measures in relation to transactions of Financial Instruments issued by Ailis, in the periods of possession of Inside information, taking into account the organisational measures taken;
- reporting process of Inside information to the market, in a manner consistent with the law and with the best practices of listed Issuers for the prevention of market abuse, as well as organisational measures and the decision-making process for assessing the existence of conditions to possibly delay the communication of Inside information to the public and related control measures.

These measures are consistent to the management, based on due diligence, correctness and transparency, of the potential conflicts of interest relating to investment Services relating to Financial Instruments issued by Group companies subject to MAR.

2.3 Code of Ethics, Code of Conduct and FAMI Anti-Corruption Guidelines

In relation to the conflicts of interest associated with *Relevant Persons*, the Group and FAMI have adopted internal regulations which, inter alia, include:

- "Code of Ethics of the Group" and "Group Internal Code of Conduct" which also contain rules of conduct applicable to relationship with Customer;
- "Group Anti-Corruption Guidelines";

"Rules for management of gifts and entertainment expenses for hospitality"

The aforementioned documents represent the measures adopted to manage the conflicts of interest which may arise as a result of the personal interests of the Relevant Persons or of some of them where expressly stated.

Moreover, under certain circumstances, the FAMI adopts procedures for recording the Persons related to a Relevant Person in order to monitor potential conflict-of-interest situations highlighted in the first part of this document.

In application of the above-mentioned internal regulations, FAMI does not tolerate the use of gifts and entertainment expenses for hospitality in order to influence the independence of judgment of the recipient or in any way induce them to confer favours and, therefore, it is forbidden:

- to distribute gifts, promise or grant benefits of any nature that may be interpreted as going beyond normal commercial and/or institutional courtesy, i.e., as a means used to obtain favours in the exercise of any function and/or in the course of any activity related to the FAMI;
- to accept, for oneself or others, gifts in excess of a moderate value or any other benefit that may go beyond normal commercial and/or institutional courtesy or be aimed at impairing independence of judgment and proper business conduct.

Acts of commercial and/or institutional courtesy of modest value are to be considered gifts or any other benefits (e.g. invitations to sporting events, shows and entertainment, free tickets, etc.), coming from or destined to the same person/institution, that do not exceed the value of €150 (or equivalent amount in other currencies), VAT included in a calendar year.

Any gifts or other benefits exceeding a value of €150 (or equivalent amount in other currencies), are admitted on an exceptional basis considering the profile of the donor and/or recipient as well as the gift's nature¹ and, at any rate, within reasonable limits, upon prior authorisation by the Head of Compliance.

Gifts distributed by the Group must, as a rule, comply with company standards: i) "branded gifts", i.e. bearing the logo of the Group and/or the Bank, or gift falling in the "gift catalogue"¹ of the Group and/or the Bank; ii) events supported by the Group governed by internal regulations namely admission to cultural and sporting events and, in general, public events and initiatives sponsored or supported by the Group. With respect to suppliers, gifts and other benefits may be distributed only if falling within company standards.

Under no circumstances gifts offered and received may consist of sums of money or similar instruments (such as gift cards and vouchers).

2.4 FAMI Guidelines for the approval of new products, services and activities aimed at specific target customers

"FAMI Guidelines for the approval of new products, services and activities aimed at specific target customers" have been adopted to govern the approval processes for new products, services and activities in order to coordinate – in a single document – the product oversight governance processes (hereinafter "Product Governance") for products intended for specific target *Customers*. The regulatory framework set up throughout the Group allow the interests of *Customers* to be taken into account throughout the entire life of these products, from the conception phase to the after-sales phase.

In summary, the evaluation process of a new product² consists of the following steps:

- i. product concept;
- ii. feasibility analysis;
- iii. clearing;
- iv. product approval;
- v. post-sales monitoring.

¹ Reference is made, for example, to situations in which gifts are components of offers with significant professional content, such as invitations to conferences and seminars.

² In this paragraph, "product" means "products, services and activities" aimed at specific target *Customers*.

These process steps are articulated according to the specific types of product and to the role carried out (i.e. manufacturer or distributor). Lastly, the process is managed through cross-functional tables that see the joint participation of the business and control functions, as well as of any functions or structures identified on the basis of the characteristics of the product, service or activity under analysis.

The Guidelines and the implementing Regulations identify the responsibility of the structures involved, tracking the approval process and defining information flows to the Corporate Bodies.

2.5 Guidelines for the governance of the Group's most significant transactions

The *Intesa Sanpaolo Group* attaches the utmost importance to correctly assessing risks and establishing an adequate system of oversight and controls to mitigate them, to ensure there is an acceptable residual risk level in line with the decisions taken when defining the Risk Appetite Framework ("RAF")³.

In this context, the *Group* has defined specific Guidelines to regulate a careful and comprehensive risk analysis of the Most Significant Transactions⁴ (OMR) which provide, in addition to ordinary clearing processes, a prior risk assessment by the Risk Management function, with the support of the Compliance and Legal function, within the scope of their respective competencies, to ensure that all risk profiles related to the OMR are covered.

The outcome of this risk assessment is summarised by the Chief Risk Officer within an opinion (the so called "OMR opinion") related to the coherence with the RAF of the transactions assessed; this opinion considers any legal and compliance profiles, including the conflict-of-interest ones.

2.6 The remuneration discipline

The remuneration and incentive systems of financial intermediaries are a means of ensuring sound, prudent company management in line with the interests of all stakeholders, according to criteria of equity, sustainability and competitiveness, in view of increasing – among others – the degree of transparency towards the market and effectively managing conflicts of interest in the overall activities carried out by intermediaries.

In this regard, the *Intesa Sanpaolo Group* has implemented the Remuneration and Incentive Policies, approved by the Shareholders' Meeting, the Rules for identifying staff that have a material impact on the risk profile of the Group included in the Remuneration and Incentive Policies and the Technical Rules concerning these governance documents. These documents have been adapted by FAMI and approved by FAMI's Board of Directors.

Within the framework of the principles underlying the Remuneration Policies of *Intesa Sanpaolo Group* as well as of FAMI, the following principles are pointed out:

- the alignment of management and employee behaviour to the interests of shareholders, medium and long-term strategies and corporate objectives, within a framework of rules aimed at controlling risks and complying with laws and regulations;
- the recognition of awards on the basis of merit, linked to the results achieved and the risks assumed; the fairness and gender neutrality, with remuneration linked to the level of

³ The Risk Appetite Framework is the overall framework that defines the risk appetite and, in alignment with the business model and the strategic plan, establishes in advance, the risk objectives to be achieved and the consequent operational limits to be considered in managing the business activities.

⁴ Most significant transactions refer to particularly relevant transactions, either proprietary or with individual clients or counterparties, potentially capable of causing a significant impact on the overall risk profile and/or specific Group risks as defined in the RAF.

responsibility measured through the Banding system⁵ and career title⁶, and attention to the gender pay-gap;

- the corporate sustainability, ensuring that the obligations deriving from the policy are contained within values compatible with medium and long term strategies and with annual objectives.

In order to ensure risk management and correct behavior, including the management of conflicts of interest, under incentive systems:

- quantitative (e.g. sales volumes, revenues) and qualitative, financial and non-financial targets are used, which also consider behavior and compliance requirements;
- targets are assessed over time horizons of at least one year, to ensure their sustainability and avoid possible distorting effects;
- targets are risk-adjusted to reward good behavior and avoid inducements for excessive risk-taking;
- procedures for the deferred payment of part of the bonuses and their payment in shares of Intesa Sanpaolo (or instruments linked to them) are contemplated, so as to comprise the future effects of the behavior and risks assumed, and to reduce or cancel the deferred portions if incorrect behavior or negative consequences emerge over time.

2.7 Group Rules on personal account dealing

In relation to the conflicts of interest of the *Relevant Persons*, the “Intesa Sanpaolo Rules on personal account dealing” have been adopted, which for *FAMI* govern the investments in *Financial Instruments* made at personal level (i.e. outside the activity carried out on the behalf of the Companies of the *Group*) by the *Relevant Persons*.

All the *Relevant Persons* may not:

- perform personal transactions:
 - using *Inside Information* or *Confidential Information*⁷ of which they are aware;
 - that are or might be in conflict with the interest of *Customers* or potential *Customers* or that are in contrast with the duties and obligations of intermediaries according to the provisions that govern the supply of financial services;
 - if they are aware of the likely terms or content of a *Recommendation* before it becomes accessible to *Customers* or the public;
- advise third parties to perform such operations;
- communicate to other people, outside the normal framework of their working activity, information or options regarding *Inside Information* or *Confidential Information*.

Without prejudice to the above-listed general prohibitions, the *FAMI* Rules on personal account dealing provide for additional limitations towards the *Relevant Persons*:

- involved in more sensitive activities (e.g., asset management);
- registered within the *Insider Lists* or *Limited Information Lists*;
- belonging to organisational units that are subject to operating restrictions included in the *Restricted List*;

⁵ The Global Banding System adopted by the *Intesa Sanpaolo Group* is based on the clustering into homogeneous groups of managerial positions that can be assimilated by levels of complexity / responsibility managed, measured using the international methodology for evaluating International Position Evaluation (IPE) roles.

⁶ The career title is assigned based on specific criteria (i.e. autonomy, complexity, as well as skills, economics, impact, and exposure).

⁷ The definition of *Confidential Information* includes the relevant non-public information received by the employee during a public offering of shares and/or bonds in U.S.

- who are senior managers, also qualified as *Relevant Persons* within the Internal Dealing Regulations.

The “Intesa Sanpaolo Rules on personal account dealing” are subject to specific obligations regarding notification, registration and monitoring of the transactions. FAMI has customised the Group Rules and has issued the “FAMI Rules on personal account dealing”.

The provisions of the “FAMI Rules on personal account dealing” complement those already contained in the “Group Internal Code of Conduct” and apply without prejudice to the provisions on market abuse and internal dealing.

3 FAMI PROCEDURES FOR THE MANAGEMENT OF THE CONFLICTS OF INTEREST

FAMI, further to the implementation at *Group* level of procedures and measures identified by Parent Company Intesa Sanpaolo to manage the situations of conflict that are potentially able to damage the interests of one or more *Clients* of the *Group*, also defined additional tailored procedures to be followed for the management of these conflicts of interest identified in the first part of this Policy.

3.1 INVESTMENT PROCESS

3.1.1 PLURALITY OF TASKS

FAMI adopted an organisational model and a structure of tasks and powers aiming at protecting the decision-taking autonomy of FAMI concerning the choices made about asset management services provision.

In particular, at present, in the organisational model the actors entitled with management delegations in FAMI cannot simultaneously be entitled with operational delegations in other companies of the *Group* carrying out in favour of managed assets the activities of trading, *Distribution*, order receipt and transmission of orders, or ancillary services.

3.1.2 FINANCIAL INSTRUMENTS SELECTION

FAMI adopted an investment process governing the activities, roles and responsibilities in the provision of Individual *Portfolio management and Advisory* services⁸. This process is formalised in the appropriate procedures, which represent the reference point for a global analysis and understanding of management activities structure and implementation.

3.1.3 INVESTMENTS IN FINANCIAL INSTRUMENTS ISSUED OR PLACED BY GROUP'S COMPANIES

FAMI issued specific rules in reference to investments in financial instruments issued or placed by the Group's companies (please refer to Annex II "Guidelines for managing conflicts of interests") applicable to the Sub-Funds managed directly by FAMI.

3.1.4 SHAREHOLDER RIGHTS, VOTING AND ENGAGEMENT POLICY

FAMI has adopted a specific procedure for the management of possible situations of conflict of interest resulting from significant corporate events, environmental, social and governance factors and the exercise of attendance and voting rights, with reference to financial instruments pertaining to managed UCIs, which provides for:

⁸ Advisory services not currently performed.

- the decision-taking process followed for the exercise of the vote and of other faculties inherent the managed financial instruments should be appropriately formalised and kept;
- if the vote concerns a company of the belonging *Group* of FAMI the reasons for the decision adopted are also expressed.

3.1.5 SUSTAINABILITY POLICY

As a participant in the financial markets, the company has a fiduciary commitment to its Clients and Investors and, more generally, to stakeholders that requires to effectively address issues related to sustainability, with particular reference to the returns of its financial products and the issuers in which it invests on behalf of the assets managed.

Pursuant to sustainability legislation in the financial services sector ("Sustainable Finance Disclosure Regulation") and the related implementation discipline, the company has therefore adopted its own Sustainability Policy which describes the methodologies aimed at integrating the analysis of sustainability risks into the investment process relating to the collective asset management, portfolio management services and recommendations carried out as part of the investment advisory service.

These methodologies provide for the application of specific selection and monitoring processes for the fine instruments, appropriately graduated according to the characteristics and objectives of the individual products managed, which take into account environmental, social and corporate governance factors (so-called "Environmental, Social and Governance factors" - ESG) and principles of Sustainable and Responsible Investment (cd. "Sustainable and Responsible Investments" - SRI).

The selection and monitoring criteria of issuers based on ESG and SRI profiles integrate the traditional financial analyses of the risk/return profiles of issuers that the company takes into account in the formation of its investment choices, in order to (i) avoid environmental, social and corporate governance conditions may have a significant actual or potential negative impact on the value of investments of assets under management and (ii) capture issuers' abilities to take advantage of sustainable growth opportunities.

3.2 SELECTION OF CONTRACT COUNTERPARTS

As defined in the structure of tasks and powers adopted by FAMI, the agreements having significant influence on managed assets shall be previously submitted to the opinion of the Board of Directors who express their opinion on the adequacy of their content and on the consistency of these agreements with the interest of the clients.

In case the counterparties fall into the scope of the related parties, their approval follows strict authorisation steps as defined in detail in the Group's guidelines for Related Parties transactions.

3.3 BEST EXECUTION POLICY

FAMI adopted a "Best Execution Policy" aimed at obtaining the best possible result for the orders forwarded on behalf of the managed UCIs and of clients' portfolios.

With reference to the transactions concerning all types of *Financial instruments*, including units or shares of quoted *UCI* (ETF), whereas negotiated in relevant markets, FAMI considers the achievement of the *best execution* with reference mainly to the *total consideration*, consisting of the price of the financial instrument and of the costs relevant to the execution, also taking the execution promptness and the execution probability according to the characteristics of the negotiated instrument into account.

3.4 BROKER REVIEW PROCESS

FAMI adopted a specific process to evaluate the qualitative aspects of the services received by the counterparties in each area of operation (equity, fixed, FX, etc.).

3.5 INCENTIVES RELATED POLICY

FAMI adopted a “Gift policy” to manage the inducements given / received within the provision of the *Portfolio management* service.

The Policy describes the criteria to use to certify the legitimacy of the incentives received / given by FAMI, as well as the monitoring procedures undertaken by FAMI in relation to gifts received/given. Checks are performed before receiving or providing any benefits.

The inducements are allowed as long as they:

- aim at increasing the quality of the service offered to the *Client*;
- Do not exceed pre-determined values; and
- do not impede the accomplishment by FAMI of the duty to act in the best the interest of the *Client*.

3.6 PRODUCT DEVELOPMENT PROCESS

FAMI adopted a product development process governing activities, roles and responsibilities in the launch of new products and in the management of existing products. This process represents the reference point for a global analysis and understanding of management activities structure and implementation.

3.7 BOARD OF DIRECTORS’ CONFLICTS OF INTEREST POLICY

The board of Directors has established a documented conflicts of interest policy for its members according to the statutory requirements under Section 231 of the Companies Act 2014 and requirements under Section 9.5 of the Corporate Governance Code for Collective Investment

Schemes and Management Companies. This Policy is designed to ensure that FAMI meets its obligations to identify and manage conflicts of interest in relation to directors.

3.8 OUTSOURCING POLICY

FAMI has issued an Outsourcing Policy to ensure that the decision of outsourcing a service and the subsequent process of implementing the outsourcing decision is managed in accordance with the applicable Laws and Regulations and adheres to the best practice in the industry.

3.9 TRAINING

FAMI is committed to provide training to employees on a regular basis, in order to make clear to staff that the clients' interests are paramount, to train employees on their obligations around conflicts of interest and to remind them of how conflicts of interest may exist, in order to enable conflicts of interest identification from the ground up.

FAMI believes that a strong firm culture is fundamental to achieve a high level of conflict of interest's aware environment.

3.10 Anti-Corruption & Bribery Policy

FAMI has issued an Anti-Corruption & Bribery Policy setting out the rules and principles aimed at ensuring all business is conducted in an honest and ethical manner. The policy sets out the responsibilities of FAMI and its agent in upholding our position on corruption and bribery and gives guidance on how to recognise and deal with situations where bribery arises.

3.11 Securities Lending: Fee Apportionment Model

FAMI's Board of Directors, on an annual basis, review and approve the fees paid to Intesa Sanpaolo Wealth Management Luxembourg in respect of the Securities Lending activities undertaken on instruments related to the funds under management. A detailed breakdown of direct and indirect costs is provided to the Board of Directors prior to approval including a comprehensive comparison with previous periods with explanations of any significant variations. The remuneration margin paid to Intesa Sanpaolo Wealth Management Luxembourg for revenue's gained due to the activities are lowered if revenues do not meet expected levels.

4 DISCLOSURE ON CONFLICTS OF INTEREST AND RELEVANT REGISTER

4.1 DISCLOSURE ON CONFLICTS OF INTEREST

The Company provide Customers (or potential Customers) and Investors a description, which may also be in summarised form, of its conflicts of interest Regulation.

Whenever requested by Customers (or potential Customers) or Investors, the Company provides further details on its policy on conflicts of interest on a durable medium or through its own website, provided, in the latter case, that conditions of Sector regulations are met.

Sector regulations also establish that only when organisational and administrative measures adopted to prevent or manage conflicts of interest are not sufficient to ensure, with reasonable certainty, that the risk of harming the interests of the Customer is avoided, may the Company clearly inform Customers, before acting on their behalf, of the general nature and/or sources of the conflicts of interest as well as the risks for the Customer and actions taken to reduce such risks so that they may make an informed decision about the services provided in the context of which conflicts of interest occur.

As regards the Collective asset management service, when measures adopted are not sufficient to prevent, with reasonable assurances, the risks of harming the interests of one or more UCIs managed or of Investors, this circumstance must be notified to competent corporate bodies so that they adopt necessary decisions to ensure in any case that the Company (or SICAV or SICAF) acts in the best interest of the of UCIs or Investors. The Company informs investors, on a regular basis, of any conflicts of interest as above, explaining the decision taken by the Board of Directors and its reasons using an adequate durable medium.

Conversely, as regards the Individual Portfolio management service, regardless of the appropriateness of the measures adopted so far, the Company (or SICAV or SICAF) notifies Customers at the pre-contractual stage, thus informing them on the types of conflicts of interest that may occur in the provision of the service.

The Compliance function, in coordination with the Compliance function of the parent company identifies, based on previously established criteria of significance, the cause of conflicts of interest to be disclosed, so that this information may be notified to Customers.

4.2 REGISTER OF THE CONFLICTS OF INTEREST

The Compliance function has access to information on situations that may cause a conflict of interest and manages a list in which, by specifying the types of *Investment services and activities* concerned, it records the situations which have given rise, or in the case of a service or an activity currently under way, which may give rise to a conflict of interest that is likely to be seriously detrimental to the interests of one of more *Customers, Investors or Collective Investment Undertakings*.

5 ANNEX I: GLOSSARY

Ancillary services

These refer to the following:

- a) Custodianship and administration of financial instruments and related ancillary services;
- b) Safekeeping;
- c) Granting of loans to investors to allow them to carry out a transaction in financial instruments involving the party granting the loan;
- d) Advice to undertakings on capital structure, industrial strategy and related matters, and advice and services relating to mergers and the purchase of undertakings;
- e) Services related to the issue or placement of financial instruments, including the organisation and setting up of underwriting and placement syndicates;
- f) Investment research, financial analysis or other forms of general recommendation relating to transactions in financial instruments;
- g) foreign exchange trading linked to the provision of investment services;
- h) investment services and activities, as well as previously mentioned ancillary services linked to the provision of investment or ancillary services on derivatives.

Broker/Dealer

This refers to the authorised intermediary who carries out *Dealing on own account* or executes orders on behalf of *Customers*.

Collective investment undertakings

These refer to mutual investment funds and SICAVs.

Collective portfolio management

This refers to the service provided by the management of Collective Investment Undertakings and related risks.

Company in which the Group has a Relevant Stake

This refers to a company in which the *Group* holds a *Relevant Stake*.

Confidential information

This refers to any confidential information relating to both the business of a company, whether having listed or unlisted *Financial Instruments*, which represents a *Sensitive Issuer*, and concerning facts or circumstances which are not publicly available, and particularly relevant from the organisational, economic, financial and strategic point of view, or relevant for the performance of the company, as well as the *Financial Instruments* issued by the *Sensitive Issuer*. *Confidential Information* on the *Financial Instruments* and related *Issuers* is classified into two categories, in accordance with the provisions actually applicable to them:

- confidential information related to *Issuers* falling within the scope of Community regulations governing market abuse that – even though not having all the characteristics, in terms of precision and/or price sensitivity to be defined as *Inside information* pursuant to art. 7 of the *MAR* – is relevant as it may in any case give rise to conflict-of-interest situations;
- confidential information that – even though having all the characteristics of precision and/or price sensitivity to be considered as *Inside Information* under art. 7 of the *MAR* – cannot be considered to be *Inside information* as it concerns *Issuers* that do not fall within the scope of application of the Community provisions on market abuse, but for which the consequences in terms of sanctions in case of unlawful use could be comparable to what is set out under the *MAR* and the *Consolidated Law on Finance* with respect to market abuse⁹ or those referring to the *Issuers* who – even though not even having the characteristics of precision and/or price sensitivity – could give rise to a conflict-of-interest situation.

Corporate officers

These are members of the Executive Committee or the CEO & Managing Director or the Chairman with operating powers.

Customer (or Customers)

⁹ For example, the information regarding issuers listed in countries in the *European Union*: it is understood that the abuse of information regarding this type of issuers, in addition to pertaining to the cases of conflict of interest, could be punished by the regulations of the country where the relevant issuers are listed (e.g. United States, Canada, Australia, Japan), with afflictive legislation that is comparable to the one applied in Italy to the abuse of *Inside information*.

The *Customer* is a *Person* to whom the company provides *Investment services and activities* and/or *Ancillary services*.

Dealing on own account

This refers to the activity involving the buying and selling of *Financial Instruments*, on own account and in relation to *Customers'* orders, as well as the activity of *Market Maker*.

Durable medium

This refers to any instrument which enables the *Customer* to store information addressed personally to him in a way accessible for future reference for an adequate period of time and which allows the unchanged reproduction of the information stored.

Eligible counterparty

This refers to *Customers* that possess the requisites prescribed by art. 6, paragraph 2-*quater*, letter d) of the *Consolidated Law on Finance*.

European Union

A supranational organisation borne following the Maastricht Treaty of 7 February 1992, which currently comprises 27 States: Austria, Belgium, Bulgaria, Cyprus, Croatia, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Czech Republic, Romania, Slovakia, Slovenia, Spain, Sweden, Hungary.

Execution venue

This refers to a *Regulated market*, *Multilateral Trading Facilities (MTF)*, *Organised Trading Facilities (OTF)*, a *Systematic Internaliser*, a *Market Maker* or else a *Dealer on own account*, as well as an equivalent execution venue of a non-EU country.

Financial Instruments

They are intended as:

- 1) transferable securities, or categories of securities which may be traded on the capital markets, such as for example:
 - a. company shares and other securities similar to shares of companies, partnerships or other subjects and deposit certificates;
 - b. bonds and other debt securities, including the relevant deposit certificates;
 - c. any other normally traded security which allows to purchase or sell the securities indicated in the points above;
 - d. any other security which requires settlement in cash calculated by reference to the securities indicated in the points above, currencies, interest rates, yields, commodities, indices or measures;
- 2) money market instruments, or categories of securities which are normally traded on the money market, such as for example:
 - a. Treasury bonds;
 - b. deposit certificates;
 - c. commercial bills;
- 3) units of a Collective Investment Undertaking;
- 4) option contracts, futures, swaps, forward rate agreements and other derivative contracts related to securities, currencies, interest rates or yields, or to other derivative instruments, financial indices or financial measures which can be settled by physical delivery of the underlying or by paying the spread in cash;
- 5) option contracts, futures, swaps, forward rate agreements and other derivative contracts related to commodities which are settled by paying the spread in cash or may be settled in cash at the option of one of the parties, excluding those cases where such option is the result of a breach or other event which causes the termination of the contract;
- 6) option contracts, futures, swaps and other derivatives on commodities, which can be settled by delivering the underlying asset and which are traded on a *Regulated market* and/or through *Multilateral Trading Facilities*;
- 7) option contracts, futures, swaps, forward contracts and other derivatives on commodities which can be settled by delivering the underlying asset, other than those listed in point 6 which have no commercial purpose, and which have the same characteristics of other derivative *Financial Instruments*, considering inter alia, if they are offset and executed through recognised clearing houses or if they are subject to regular margin calls;
- 8) derivative instruments for transferring credit risk;

- 9) financial contracts for differences (“CFDs”);
- 10) option contracts, futures, swaps, forward rate agreements and other derivative contracts related to weather variables, transport tariffs, issue quotas, inflation rates or other official economic statistics which are settled by paying the spreads in cash or may be settled in cash at the option of one of the parties, excluding those cases where such right derives from a breach or other event that causes the termination of the contract, as well as other derivative contracts related to assets, rights, obligations, indices and measures, other than those indicated in the paragraphs above, having the same characteristics as other derivative *Financial Instruments*, considering *inter alia*, if they are traded on a *Regulated Market* or on *Multilateral Trading Facilities*, if they are offset and executed through recognised clearing houses or if they are subject to regular margin calls.

Financial Instruments listed or pending listing in the European Union

They refer to the *Financial Instruments* of *Issuers* who have requested or authorised the admission of their *Financial Instruments* for trading on a *Regulated Market* in a member state of the *European Union*, or in the case of an instrument traded only on an *MTF* or an *OTF*, have authorised the trading of their *Financial Instruments* on an *MTF* or an *OTF* or have requested the admission of their *Financial Instruments* to trading on an *MTF* in a member state of the *European Union*.

Related Financial Instrument

This refers to one of the *Financial Instruments* specified below, including *Financial Instruments* that are not admitted to trading or traded in a trading venue, or for which admission has not been requested for trading on a trading venue:

- i) contracts or right to subscribe to, acquire or sell securities;
- ii) derivative *Financial Instruments* on securities;
- iii) if the securities are convertible or exchangeable debt instruments, the securities that the debt instruments can be converted into or exchanged with;
- iv) instruments issued or guaranteed by the issuer or the guarantor of the securities, whose market price can significantly influence the price of the securities or vice versa;
- v) when the securities are securities equivalent to shares, the shares represented by such securities as well as all other securities equivalent to said shares.

Grey Market

This refers to the market phase which runs from the date an issue is launched on the main telematic circuits (Bloomberg, Reuters, etc.) to the phase of the first settlement (also known as ‘closing’) when the securities are delivered by the *Issuer* in exchange for the payment of the issue price by the parties taking part in the placement consortium.

Inside information

The following is intended:

- a) any information of a precise nature which has not been made public, relating, directly or indirectly, to one or more *Issuers of Financial Instruments listed or pending listing in the European Union*, or to one or more *Financial Instruments listed or pending listing in the European Union*, and which, if it were made public, could have a significant effect on the prices of such *Financial Instruments listed or pending listing in the European Union* or on the prices of the related derivative *Financial Instruments*;
- b) as regards commodity derivatives, any information of a precise nature which has not been made public, relating, directly or indirectly, to one or more of said derivatives or relating directly to the related spot commodity contract, and which, if made public, could have a significant effect on the prices of such derivatives or on the related spot commodity contract, and where this is information which is reasonably expected to be disclosed or is required to be disclosed in accordance with the legal or regulatory provisions of the *European Union* or national level, market rules, contracts, practices or customs on the relevant commodity derivative markets or spot markets;
- c) as regards emission allowances or auctioned products, any information of a precise nature which has not been made public, concerning, directly or indirectly, one or more of such instruments, and which, if made public, could have a significant effect on the prices of said instruments or on the prices of related derivative *Financial Instruments*;
- d) the information transmitted by a *Customer* or by other persons acting on the client’s behalf or information known by virtue of management of a proprietary account or of a managed fund and relating to pending orders in *Financial Instruments* which is of a precise nature, relating, directly or indirectly, to one or more issuers or to one or more *Financial Instruments* and which, if it were made public, would be likely to have a significant effect on the prices of those *Financial Instruments*, the price of related spot commodity contracts or on the price of related derivative *Financial Instruments*.

For the purposes of the previous paragraphs a), b), c), and d), information is considered to be of a precise nature if it refers to a series of existing circumstances or circumstances which may reasonably be expected to come into existence either or an event that has occurred or which may reasonably be expected to occur, and if such information is specific enough to allow conclusions to be drawn on the possible effect of said series of circumstances or said event on the prices of the *Financial Instruments* or on the related derivative *Financial Instrument*, the related spot commodity contracts or the related auctioned products based on the emission allowances. In this regard, in the case of an extended process that is intended to put into effect or determine a specific situation or event, said future situation or future event, as well as any intermediate steps of said process that is related to the occurrence or cause of the situation or future event, may be considered to be information of a precise nature.

An intermediate step in an extended process is considered to be *Inside Information* if it satisfies the criteria established by this definition of *Inside Information*.

For the purposes of the previous paragraphs a), b), c) and d), any information which, if made public, could have a significant effect on the prices of the *Financial Instruments*, the derivative *Financial Instruments*, the related spot commodity contracts or the auctioned products based on emission allowances, is an information which a reasonable investor could use as part of the basis of his/her investment decisions.

In the case of participants in the emission allowance market with aggregated emissions or rated thermal input equal to or less than the threshold established by art. 17, second paragraph of the *MAR*, information about their physical operations is considered as not having any significant effect on the price of emission allowances, of auctioned products based thereon or of derivative *Financial Instruments*.

Insider List

This refers to the register of people who have access to *Inside Information* on Intesa Sanpaolo, *Group* companies issuing *Financial Instruments listed or pending listing in the European Union* and the *Issuers of Financial Instruments listed or pending listing in the European Union*, who are customers of Intesa Sanpaolo or of other *Group* companies, established pursuant to art. 18 of the *MAR*, and the corporate regulation governing the "Rules of the Group concerning the registers of people who have access to inside information ('Insider List')".

More specifically, the register of persons who have access to *Inside Information* concerning:

- a) Intesa Sanpaolo and the *Group* Companies who issue *Financial Instruments listed or pending listing in the European Union*, is subdivided into "dynamic" sections relating to specific transactions or events in which the company representatives, employees or persons outside the Company and/or the *Group* are registered, as the occasion arises, who have access to *Inside information* on Intesa Sanpaolo and the *Issuers of Financial Instruments listed or pending listing in the European Union*, who are part of the *Group*, in relation to the aforementioned specific transactions and/or events.
- b) *Issuers of Financial Instruments listed or pending listing in the European Union* who are customers of Intesa Sanpaolo or of other *Group* companies comprise only the "dynamic" sections relating to specific transactions or events.

Investment services and activities (or Investment services)

These refer to the following services when they concern *Financial Instruments*:

- a) Dealing on own account;
- b) Execution of orders on behalf of customers;
- c) Subscription and/or placement with firm commitment underwriting or standby commitment to the issuer;
- c-bis) Placement without firm or standby commitment to the issuer;
- d) Portfolio management;
- e) reception and transmission of orders (including arrangements to bring together two or more investors thereby bringing about a transaction between them);
- f) Investment advice;
- g) Management of multilateral trading facilities.

For the purposes of this Policy, the definition of *Investment services and activities* includes the provision of the *Collective portfolio management service*.

Investor

This refers to a natural or legal person who/which is offered or supplied with the *Collective portfolio management* service (outside the cases reported in italics, an investor is any party involved in the provision of *Services*).

Issuer

This is intended to be a legal entity governed by public or private law, which issues or proposes to issue *Financial Instruments* which, in the case of certifications representative of *Financial Instruments*, he corresponds to the issuer of the *Financial Instrument* represented.

Market Abuse Regulation or MAR

This refers to (EU) Regulation no. 596/2014 of the European Parliament and the Council of 16 April 2014 concerning market abuse (Market Abuse Regulation), which repeals Directive 2003/6/EC of the European Parliament and the Council and Directives 2003/124/EC, 2003/125/EC and 2004/72/EC of the Commission, as amended and supplemented from time to time.

Market Maker

A person who holds himself out on the *Regulated Markets* and *Multilateral Trading Facilities*, on a continuous basis, as being willing to deal on own account by buying and selling *Financial Instruments* at prices defined by him.

MiFID Directive

The following is intended:

- Directive 2004/39/EC of the European Parliament and of the Council, updated with the amendments set by Directive no. 78 of 2010 of the European Union, of 21 April 2004, relating to markets of Financial Instruments, which amends Directives 85/611/EEC and 93/6/EEC of the Council and Directive 2000/12/EC of the European Parliament and of the Council and which repeals Directive 93/22/EEC of the Council;
- Directive 2006/73/EC of 10 August 2006 on implementing Directive 2004/39/EC as regards the organisational requirements and operating conditions for investment firms and the definitions of certain terms;
- EC Regulation no. 1287 of 10 August 2006.

MiFID II

This refers to Directive 2004/39/EC of the European Parliament and of the Council, of 15 April 2014, relating to markets of Financial Instruments, which amends Directive 2000/12/EC and Directive 2011/61/EU, as amended and supplemented from time to time.

MiFID Regulation

They are intended as:

- Directive 2004/39/EC of the European Parliament and of the Council, updated with the amendments set by Directive no. 78 of 2010 of the European Union, of 21 April 2004, relating to markets of *Financial Instruments*, which amends Directives 85/611/EEC and 93/6/EEC of the Council and Directive 2000/12/EC of the European Parliament and of the Council and which repeals Directive 93/22/EEC of the Council;
- Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards the organisational requirements and operating conditions for investment firms and the definitions of certain terms;
- EC Regulation no. 1287 of 10 August 2008;

and related national implementation provisions.

Multilateral Trading Facilities (MTF)

This means the multilateral systems managed by an investment firm or a market manager which bring together – within the system and based on non-discretionary rules - multiple third-party buying and selling interests in *Financial Instruments* in a way that results in contracts.

*Organised Trading Facilities (OTF)*¹⁰

They refer to multilateral facilities which differ from a *Regulated Market* or *Multilateral Trading Facilities* that allow the interaction between multiple third-party buying and selling interests in bonds, structured financial instruments, issue quotas and derivative instruments so as to result in contracts.

Other information that recommends or advises on an investment strategy

The following information is intended:

¹⁰ The *Organised Trading Facilities* (OTFs) were introduced by Directive 2014/65/EU (MIFID II).

- a) processed by an independent analyst, an investment company, a credit institution, other persons whose main activity entails the processing of *Recommendations on investments*, or a natural person who works for them on the basis of a work contract or else, who makes, directly or indirectly, a specific investment proposal regarding a *Financial Instrument* or an *Issuer*; or
- b) processed by other persons besides those listed under letter a), who directly propose a specific investment decision relating to a *Financial Instrument*.

Person

This refers to either a natural or a legal person.

Persons closely related to the Relevant Person

These refer to one or more natural or legal persons linked to a *Relevant Person*:

- a) through a shareholding or through 20% or more of the voting rights or of the share capital of a company either directly or through a controlling relationship;
- b) through a controlling relationship, that is the relationship existing between a parent undertaking and its subsidiary, in all the cases listed below, or through a similar relationship between a natural or a legal person and a business undertaking; the subsidiary of a subsidiary is also considered a subsidiary of the parent undertaking which heads those companies.

A controlling relationship between a parent undertaking and a subsidiary exists when a business undertaking (the parent undertaking):

- a) has a majority of the shareholders' or members' voting rights in another undertaking (a subsidiary undertaking); or
- b) has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another undertaking (a subsidiary undertaking) and is at the same time a shareholder in or member of that undertaking; or
- c) has the right to exercise dominant influence over an undertaking (a subsidiary undertaking) of which it is a shareholder or member pursuant to a contract entered into with that undertaking or to a provision in its Articles of Association, where the law governing that subsidiary permits its being subject to such contracts or provisions of the Articles of Association; or
- d) is a shareholder in or member of an undertaking and:
 - by virtue of the exercise of its voting rights alone, the majority of the members of the management or supervisory body of said enterprise (subsidiary) have been appointed to office by the parent during the current and previous years and up to the preparation of the consolidated accounts; or
 - under an agreement with other shareholders or members of said enterprise (subsidiary), it alone controls the majority of the voting rights of the shareholders or members of the investee enterprise; or
- e) has a shareholding in another business undertaking (a subsidiary undertaking), and:
 - actually exercises a dominant influence over its subsidiary; or
 - the company and its subsidiary are managed on a unified basis by the parent undertaking.

A close relationship is also represented by the situation where two or more legal persons are related to the same *Person* by a controlling relationship on a long-term basis.

Persons related to a Relevant Person

They refer to:

- a) *Persons closely related to the Relevant Person*;
- b) Entities where the *Relevant Person* holds *Executive Positions*.

Portfolio management

This refers to the management, on a discretionary and personalised basis, of investment portfolios, which include one or more *Financial Instruments* carried out as part of a mandate conferred by *Customers*.

Reception and transmission of orders

This refers to the receipt and transmission of orders relating to one or more *Financial Instruments*. It includes arrangements to bring together two or more investors thereby bringing about a transaction between them.

Relevant Persons

These are subjects which belong to one of the following categories:

- a) members of corporate bodies;
- b) shareholders that hold a relevant stake in the Company (greater than 3% for companies with shares listed on a *Regulated market* or greater than 20% for companies not listed on a *Regulated market*);
- c) managers;

- d) financial consultants for offers made off-premises;
- e) employees;
- f) any other natural person whose services are available and under the control of the intermediary, and who participates in the provision of *Investment services* and the exercise of investment activities by said intermediary;
- g) natural persons who directly participate in the provision of *Services* to the *Group* Company on the basis of an outsourcing agreement concerning the provision of *Investment services* and the exercise of investment activities by said Company;
- h) Persons closely related to the Relevant Person.

Systematic Internaliser

This refers to the subject who, on an organised, frequent and systematic basis, deals on its own account by executing *Customer* orders outside the *Regulated Markets* or the *Multilateral Trading Facilities*.

6 ANNEX II: GUIDELINES FOR MANAGING CONFLICTS OF INTEREST

1. Introduction.

These guidelines describe the measures adopted by FAMI aimed at managing potential conflicts of interest deriving from the investment of the assets of UCITS / clients in certain financial instruments.

In particular, with reference to the financial instruments, including derivatives, with the exclusion of the units / shares of UCIs, issued and / or placed by companies of the Intesa Sanpaolo Group or its relevant shareholders (so-called Related UCIs), rules and limits have been defined to which all the relevant staff of FAMI responsible for the provision of portfolio management services, investment advice and collective management shall comply (section 2 and 3 of these guidelines).

With regard to Related UCIs, in order to mitigate the risk that investment choices are not made having regard to the best interest of the client, FAMI defined the criteria to use for ongoing monitoring (section 4).

2. Investments in financial instruments issued by the Group's companies.

FINANCIAL INSTRUMENTS ISSUED BY GROUP COMPANIES	SHARES AND OTHER EQUITIES	<p>TRADED ON REGULATED MARKETS</p> <p>- included in the benchmark</p>	<p>This is allowed up to the maximum limit of the security's weight in the benchmark increased by 1 percentage point.</p> <p>The Manager must make a written request for investments up to the limit of 3% on the weight in the benchmark. Authorisation can be provided in writing by the Head of Desk.</p> <p>In the case of investments over 3% of the weight in the benchmark, after a written request from the manager in accordance with the Head of Desk, authorisation is given by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the CEO & Managing Director.</p>
		<p>- not included in the benchmark</p>	<p>This is allowed up to the maximum limit of 1% of the managed portfolio, after the manager notifies the Head of his/her department; the manager must make a request in writing for investments up to 3% of the managed portfolio. Authorisation is provided by the Head of Desk.</p> <p>In the case of investments over 3% of the managed portfolio, after a written request from the manager in accordance with the Head of Desk, authorisation is given by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the CEO & Managing Director.</p> <p>In any case, total investment in the assets under management cannot exceed 1% of the company capital with voting rights.</p>

	NOT TRADED ON REGULATED MARKETS	This is only allowed after a written request from the manager in accordance with the head of Desk with authorisation from the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the CEO & Managing Director.
	DEBT SECURITIES	<p>Only allowed for instruments with rating no lower than the investment grade.</p> <p>At the time of subscription, the overall spread offered by the security must be consistent with that of other issuers with similar ratings and duration that belong to the same sector.</p> <p>The evidence to support the investment decision must be adequately traceable from the Portfolio Manager and the Head of Desk. The Head of Investments and Risks & Compliance could request -from time to time- written evidence of the investment decision, where necessary.</p>
	STRUCTURED SECURITIES AND DERIVATIVE INSTRUMENTS	<p>Only accepted provided that FAMI has control tools and systems which allow for independent assessment of the single financial instrument in order to avoid a situation where the price paid does not match the fair value.</p> <p>Investment in structured financial instruments and derivative instruments (e.g. certificates) which could replace direct investment in financial instruments, after a written request from the manager in accordance with the Head of Desk, is authorised by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head Investments, authorisation is given by the CEO & Managing Director.</p>

3. Investment in financial instruments placed¹¹ by Group Companies.

Investment in financial instruments placed by Group Companies is subject to the rules listed below:

- during the placement period, the investment is allowed provided that it complies with the limits and authorisations outlined in the table below.
- there are no specific limitations after the end of the placement period, with the exception of those limitations laid down in the regulations in force or in other company or Group provisions.

¹¹ If a Group company is part of the underwriting syndicate, then the financial instrument is deemed to be effectively acquired by the Group company

FINANCIAL INSTRUMENTS PLACED BY GROUP COMPANIES	SHARES AND OTHER EQUITIES	TRADED ON REGULATED MARKETS	
		- included in the benchmark	<p>This is allowed up to the maximum limit of the security's weight in the benchmark increased by 1 percentage point.</p> <p>The Manager must make a written request for investments up to the limit of 3% on the weight in the benchmark. Authorisation can be provided by the Head of Desk.</p> <p>In the case of investments over 3% of the weight in the benchmark, after a written request from the manager in accordance with the Head of Desk, authorisation is given by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the CEO & Managing Director.</p>
	- not included in the benchmark	<p>This is allowed up to the maximum limit of 1% of the managed portfolio, after the manager notifies the Head of his/her department.</p> <p>The manager must make a request in writing for investments up to 3% of the managed portfolio. Authorisation is provided by the Head of Desk.</p> <p>In the case of investments over 3% of the managed portfolio, after a written request from the manager in accordance with the Head of Desk, authorisation is given by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the CEO & Managing Director.</p> <p>In any case, total investment in the assets under management cannot exceed 1% of the company capital with voting rights.</p>	
		NOT TRADED ON REGULATED MARKETS	<p>This is only allowed after a written request from the manager in accordance with the Head of desk with authorisation from the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the CEO & Managing Director.</p>

	DEBT SECURITIES		<p>This is allowed up to the maximum limit of 3% of the issuing, following a written communication from the Portfolio Manager, via the Head of Desk, to the Head of Investments.</p> <p>For investments greater than 3% of the issuing and up to the maximum limit of 7% of the issuing, a written request shall be submitted from the Portfolio Manager, via the Head of Desk, to the Head of Investments. The Head of Investments is asked to consider and, if thought fit, to approve the request. In case of absence of the Head of Investments, authorisation is assessed by the CEO & Managing Director.</p> <p>At the time of subscription, the overall spread offered by the security must be consistent with that of other issuers with similar ratings and duration that belong to the same sector.</p> <p>The evidence to support the investment decision must be adequately traceable.</p> <p>It is not permitted to subscribe financial instruments which are placed exclusively by a Group Company.</p>
		STRUCTURED SECURITIES AND DERIVATIVE INSTRUMENTS	<p>Only accepted provided that FAMI has control tools and systems which allow for independent assessment of the single financial instrument in order to avoid a situation where the price paid does not match the fair value.</p> <p>Investment in structured financial instruments and derivative instruments (e.g. certificates) which could replace direct investment in financial instruments, after a written request from the manager in accordance with the Head of Desk, is authorised by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the CEO & Managing Director.</p>

4. Investment in Related UCIs.

The process described below, followed to ensure that the investment in Related UCIs is made in the best interest of the customer, is carried out by Fideuram Asset Management SGR in accordance with Annex 4 of the Service Level Agreement (SLA) relative to the Service Agreement between Fideuram Asset Management SGR and FAMI.

A monthly monitoring of the historical returns of the Related UCIs in the portfolios is carried out, on the basis of four indicators: returns at 6, 12, 18 and 24 months measured with respect to the average yield over the same period of the UCIs belonging to the same category (peer group), or UCIs that are homogeneous in style and investment policy.

The universe of UCIs used as a comparison group consists of the set of UCIs belonging to the Morningstar Database and the identification of the category to which it belongs is based on the use of the Morningstar Database.

A Related UCIs is in a state of anomaly with respect to one of the aforementioned indicators if it is in the last ten percentiles of the estimated probability distribution.

In the event that for a Related UCI there are at least two indicators in a state of anomaly and the same falls within the last performance quartile of the respective Morningstar category, considered a historical interval of 12 months, the UCIs will be included in a watch list (so-called "Candidate UCIs").

From the moment a Related UCI enters the watch list, it is not allowed to increase its weight within the portfolios in which it is located ("container" portfolios). Therefore, further investments will be possible only in the face of an increase in the assets managed by the "container" portfolio.

The positions of Related UCIs on the watch list are analyzed and the appropriateness of taking further actions is assessed.

After nine consecutive months in which a Related UCI is on the watch list, measures, methods and timelines aimed at reducing at least 25% of the exposure will be assessed, taking into account the interest of the client portfolios and market integrity.