

Conflicts of Interest Policy

CapitalatWork Foyer Group S.A.; CapitalatWork S.A.

This document is the policy of CapitalatWork S.A. and CapitalatWork Foyer Group S.A., collectively referred to as "CaW" hereinafter, which describes how to effectively identify and manage Conflicts of Interest. This Policy apply to all employees working within CapitalatWork S.A. and CapitalatWork Foyer Group S.A. and must be read in conjunction with the Code of Conduct, the Personal Transactions Policy, the Client Order Handling Procedure and the Best execution Policy. This Policy was approved on 8 August 2018 by CAW and CAW Foyer Group Executive Committee. This Policy was approved on 20 August 2018 by CAW Board of directors and on 21 Augustus by CAW Foyer Group Board of directors.

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Introduction

Purpose

The purpose of Policy is avoiding or, at least, reducing the potential Conflicts of Interest that could arise as a result of:

- (i) the investment services provided by the company (cf. *Activities*); and,
- (ii) the tasks undertaken and assigned to group entities (cf. *Group context*).

This Policy aims to set out the approach CaW takes and procedure it uses to:

- (i) identify potential and/or known situations that led to Conflicts of Interest, that would be detrimental to the interest of our clients (cf. *Identification & prevention of Conflicts of Interest*);
- (ii) establish and maintain appropriate methods of preventing or, where relevant, managing such conflicts (cf. *Management of Conflicts of Interest*); and,
- (iii) establish rules regarding the registration (cf. *Register*) and disclosure (cf. *Disclosure*) of conflicts that have arisen.

Additionally, arrangements have been made within CaW in order to ensure this Policy has been complied with and implemented.

CaW's employees, including the Executive Committee and the Board of Directors, are required to comply with this policy, CaW's Code of Conduct and specific procedures relating to Conflicts of Interest.

This Policy should be adapted by subsidiaries according to the national legal and regulatory requirements.

Legal and regulatory requirements

This Policy is issued pursuant to, and reflects compliance with, the rules on the management of Conflicts of Interest adopted under:

On EU level

- (i) Regulation 596/2014 of 16 April 2014 on market abuse
- (ii) Directive 2014/65 of 15 May 2014 on markets in financial instruments
- (iii) Commission Delegated Regulation 2016/958 of 9 March 2016 supplementing Regulation 596/2014 with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interest or indications of Conflicts of Interest
- (iv) Delegated Directive 2017/593 of 7 April 2016 supplementing Directive 2014/65 with regard to safeguarding

of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits;

- (v) Commission Delegated Regulation of 25 April 2016 supplementing Directive 2014/65 as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

On Luxembourg level

- (i) Law of 30 May 2018 implementing the Directive 2014/65;
- (ii) Law of 5 April 1993 on the financial sector, as amended;
- (iii) CSSF Circular 07/307 of 31 July 2007 on the rules of conduct of the financial sector;
- (iv) CSSF Circular 12/552 of 11 December 2012, as amended;

On Belgian level

- (i) Law of 2 August 2002 on the supervision of the financial sector and on financial services;
- (ii) Law of 21 November 2017 on the infrastructures for markets in financial instruments
- (iii) Royal Decree of 19 December 2017 implementing the Directive 2014/65 and the Delegated Directive 2017/593

On Dutch level

- (i) The legislative proposal implements Directive 2014/65/EU of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU with the related regulation.

Including any other regulation, in all its forms, that might enter into force after the validation of this Conflicts of Interest Policy.

Definitions

Conflicts of Interest

A Conflict of Interest depends on standards of morality which may differ and have also evolved over time. A widely used general definition is a set of circumstances that creates a risk that professional judgment or actions regarding a primary interest will be unduly influenced by a secondary interest.

Conflict of Interest is considered an indicator, a precursor and a result of corruption. It is referred to in the United Nations Convention Against Corruption (UNCAC).

As a group of investment firms, CaW faces several interests (own interests, group interests, third parties interests and clients' interests), with these interests being common or opposed.

For the aim of this Policy, Conflicts of Interest may exist where certain persons (these persons being legal or natural persons, companies or employees of CaW or clients) act for their own interest in detriment to other persons.

Relevant Persons

A Relevant Person shall mean any:

- (i) Manager, director or their equivalent within CaW or another entity towards which CaW has outsourced its activity;
- (ii) Employee of CaW, as well as any natural or legal person whose services are provided under the supervision of CaW, and consists in the delivery of investment services;
- (iii) Natural or legal person whose services are provided to CaW, by means of an outsourcing agreement, and consists in the delivery of investment services.

Activities

As exposed in Recital 56 of MiFID II, *"the expanding range of activities that many investment firms undertake simultaneously has increased potential for Conflicts of Interest between those different activities and the interests of their clients. It is therefore necessary to provide for rules to ensure that such conflicts do not adversely affect the interests of their clients. Firms have a duty to take effective steps to identify and prevent or manage Conflicts of Interest and mitigate the potential impact of those risks as far as possible."*

Therefore, it is worth recalling that CaW provides retail and institutional clients with discretionary portfolio management services, as well as by exception advisory and execution-only services.

The status of the client to whom the service is provided — as either retail, professional or eligible counterparty — should be irrelevant for that purpose.

In complying with its obligation to draw up a Conflict of Interest Policy under Directive 2014/65/EU which identifies circumstances which constitute or may give rise to a Conflict of Interest, CaW should pay special attention to the activities of investment research and advice, proprietary trading, portfolio management.

In the context of its portfolio management, CaW offers its clients mainly with two types of discretionary management (or a combination of both):

- (i) Portfolio fund management, which consists in offering optimal management of the clients assets by means of CaW UCITS Compartments and non UCITS investment funds;
- (ii) Investment by investment, which offers portfolio

- diversification through a selection of securities listed on public stock exchanges and regulated markets;
- (iii) Both, occasionally, complemented by a rigorous and objective selection of other investment funds.

Each investment decision to be taken for the aim of private, institutional and funds portfolios are made within the Asset Management Department (hereinafter "AMD"), which is composed with representatives from CapitalatWork Foyer Group S.A., CapitalatWork S.A. and its Dutch Branch.

Conflicts of Interest might arise from the production and dissemination of material that is presented as investment research¹. The objectivity and independence of financial analysts and of the investment research they produce must be protected. Financial analysts must enjoy an adequate degree of independence from the interests of persons whose responsibilities or business interests may reasonably be considered to conflict with the interests of the persons to whom the investment research is disseminated. CAW mitigates these risks as all financial analysis are strictly intended for internal use.

Where new services or products are to be contemplated by CaW, the Internal Control Functions (i.e. Internal Audit, Risk Management, Compliance) take into account, when providing their opinions, Conflicts of Interest that may arise on the basis of known or anticipated circumstances².

Any service related to financial planning is provided by the department Estate planning, consisting of collaborators of CAW.

Group context

The Policy shall take into account any circumstances, of which CaW is or should be aware, which may give rise to a Conflict of Interest arising as a result of the structure and business activities of other entities of the group.

Intra-group Delegations

CaW provides portfolio fund management services to its clients by means of investment in the CapitalatWork Group UCITS Compartments. In line with the Luxembourg law of December 20th 2002 on Ucits as well as the new Luxembourg law of December 17th 2010, these CapitalatWork Group funds/ compartments have delegated the management of the funds to CapitalatWork Management Company SA.

To that purpose, it is worth recalling that CapitalatWork Management Company S.A., a management company established in Luxembourg under Chapter 15 of the Fund law, is responsible

¹ "Investment research" means research or other information recommending or suggesting an investment strategy, explicitly or implicitly, concerning one or several financial instruments or the issuers of financial instruments, including any opinion as to the present or future value or price of such instruments, intended for distribution channels or for the public. Investment Research is not part of CaW Activities.
² For further information, please refer to the procedure on new products / new activities approval process.

for the investment management, administration and marketing of CaW funds. The portfolio management as well as the distributor function has been delegated to CapitalatWork Foyer Group S.A. and CapitalatWork S.A..

When activities are delegated within the group or outsourced externally, CaW shall ensure that no potential Conflict of Interest may arise.

Intra-group Service Level Agreement

CapitalatWork SA has delegated (partially and/or entirely) some of its activities to CapitalatWork Foyer Group SA.

For the aim of these delegated activities, CapitalatWork SA has agreed Service Level Agreements (hereinafter "SLA") with CapitalatWork Foyer Group SA which contains the description of their respective obligations, the remuneration to be paid by CapitalatWork SA.

These remunerations can be based upon, depending on the type of outsourced activities:

- A quota of annual operations handled by the counterpart to the benefit of CapitalatWork SA,
- A distribution key based on the assets under management within CapitalatWork SA.

The rules that are applied by CapitalatWork SA with respect to the handling of commissions, remunerations and non-monetary benefits will be further described in an Inducement Policy.

As a result of the delegation of part of its activities towards CapitalatWork Foyer Group SA, CapitalatWork SA has to take all necessary actions in order to avoid or, at least, reduce the risks of potential Conflicts of Interest that could arise as a result of these delegated activities.

1. Internal organization

The Executive Committee (hereinafter "Comex") and the Board of Directors (hereinafter "BoD" of CaW defines, oversees and is accountable for the implementation of the governance arrangements that ensure effective and prudent management of CaW including the segregation of duties and the prevention of Conflicts of Interest, as well as promoting the integrity of the market and the interest of clients.

1.1. Internal governance guidelines

By adopting the present Conflict of Interest Policy, the Comex and BoD of CaW have also adopted the following internal governance guidelines. These guidelines are designed to protect the independence and the integrity of CaW staff members.

According to that Policy, the Relevant Persons in different business activities carry on those activities at a **level of independence** appropriate to the size and activities of CaW and of the

group to which it belongs, in the aim to avoid damage to the interests of clients.

To ensure the requisite degree of independence, CaW shall:

- (i) prevent or control the exchange of information between Relevant Persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients –**information barriers & need to know principle**;
- (ii) ensure the separate supervision of Relevant Persons whose principal functions involve carrying out activities on behalf of, or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the firm –**separate supervision**;
- (iii) prevent any person from exercising **inappropriate influence** over the way in which a Relevant Person carries out investment or ancillary services or activities;
- (iv) control the simultaneous or sequential involvement of a Relevant Person in separate investment or ancillary services or activities where such involvement may impair the proper management of Conflicts of Interest – **segregation of functions**.

To implement those guidelines, CaW has:

- (i) set up transversal internal control functions that are independent and autonomous and that are responsible for the monitoring of compliance with the laws and regulations;
- (ii) assigned clear separated reporting lines to commercial and asset management activities, who, as a result, report to different representatives from the Executive Committee;
- (iii) established an adequate organization of the Asset Management Department and the investment process.
- (iv) organized an Estate Planning (EP) Department: The Estate Planning team is separate from teams supplying investment services (CRM and portfolio managers). Consulting services in financial planning (as well as any detailed information in EP), are always supplied by the team EP. The inventory and the reports concerning the consultation in financial planning are exclusively drawn up or supplied by a member of the team EP, as well as the answers to any additional question on the techniques of financial planning used. The members of the team EP will never supply investment services. As a result of these guidelines, Conflicts of Interests should not emerge.

1.2. Training & Awareness

In order to make Relevant Persons sensitive to the risk of Conflicts of Interest and make them aware of policies and proce-

dures to be applied with that respect, the below measures have been adopted:

- (i) the Conflicts of Interest Policy is made available to Relevant Persons;
- (ii) the Compliance team is available to address and answer any question that Relevant Person could have with respect to Conflicts of Interest and organizes ad-hoc trainings if deemed necessary;
- (iii) all Relevant Policies are presented to the Relevant Persons;
- (iv) understanding of these policies are assessed in due time.

Through reminders of procedures to all Relevant Persons, the Chief Compliance Officer raises the awareness to Conflicts of Interest issues and enhances the effectiveness of the procedure.

1.3. Monitoring

CaW shall assess and periodically review, on an, at least, annual basis, the present Conflicts of Interest Policy and shall take all appropriate measures to address any deficiencies.

The Compliance monitoring plan includes specific controls related to the monitoring and effective implementation of this Policy. The results of these controls are communicated to the Executive Committee.

The Comex reports at least once a year towards the BoD, who controls at least once a year the compliance of CaW with the laws and regulations regarding management of Conflicts of Interest and who is informed about the measures taken in case of Conflicts of Interest that have arisen.

The Chief Compliance Officer is in charge of the on-going identification and monitoring of potential Conflicts of Interest.

Where there are evidence³ that a conflict of interest has not been managed in accordance with the present Policy, the Chief Compliance Officer and the Executive Committee take stringent actions in order to remediate the situation in accordance with the rules as set out in this Policy.

Sanctions may be imposed to the Relevant Person or the department within which that Relevant Person works where there are evidence that the inappropriate management of the Conflict of Interest is the result of a default from the Relevant Person or his/her department.

2. Identification & prevention of Conflicts of Interest

For the purposes of identifying the types of Conflict of Interest that arise in the course of providing investment and ancillary

³ As a result, for instance, of an internal or external audit, clients complaints or regulatory inspection.

services or a combination thereof and whose existence may damage the interests of a client, CaW shall take into account, by way of minimum criteria, whether CaW or a Relevant Person, or a person directly or indirectly linked by control to the firm, is in any of the following situations:

- (i) CaW or a Relevant Person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- (ii) CaW or a Relevant Person has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- (iii) CaW or a Relevant Person has a financial or other incentive to favor the interest of another client or group of clients over the interests of the client;
- (iv) CaW or a Relevant Person carries on the same business as the client;
- (v) CaW or a Relevant Person receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monetary or non-monetary benefits or services.

As a result of these minimum criteria, three types of Conflicts of Interest have been identified:

- (i) those between clients and CaW (either as a single entity or as a result of the interaction between different group entities);
- (ii) those between clients and CaW staff, its representatives or any person directly or indirectly linked to CaW by control;
- (iii) those between clients with competing interests.

All these potential Conflicts of Interest are identified and documented. Identified potential Conflicts of Interest are classified under different sub-sections:

- (i) Conflicts of Interest as a result of Group relationship, such as order execution, investment research or UCITS management;
- (ii) Conflicts of Interest as a result of investment services activities, such as personal transactions or remunerations;
- (iii) Conflicts of Interest related to clients relationship, such as cherry picking or unfair order handling;
- (iv) Conflicts of Interest as result of multiple functions; and,
- (v) other situations.

2.1. Cartography

Separate internal documents, complementary to the present Policy, will map all potential Conflicts of Interest within CaW. Neutralization, mitigation and disclosure measures are indicat-

ed in accordance with the Conflicts of Interest Policy. Examples are given to help CaW's staff members to better recognize any potential Conflict of Interest.

2.2. Policies & procedures

CaW has adopted internal policies and procedures in order to prevent Conflicts of Interest throughout its businesses. These policies and procedures will be subject to monitoring and review processes.

The procedures also prevent the flow of information within the company or between CaW entities, where the interests of clients of one CaW entity may conflict with the interests of clients of another CaW entity. It consists for instance in:

- Restrictions imposed with respect to the use of sensitive information;
- Prohibition to consult clients orders, except on a need-to-know basis.

Inducements

CaW shall not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or execution venue which would infringe the requirements on Conflicts of Interest or inducements set out in MiFID II.

The circumstances which should be treated as giving rise to a Conflict of Interest should cover cases where there is a conflict between the interests of CaW or certain persons connected to CaW or group entities and the duty CaW owes to a client; or between the differing interests of two (or more) clients, to each of whom CaW owes a duty.

Nonetheless, it is not enough that CaW may gain a benefit if there is not also a possible disadvantage to a client, or that one client to whom CaW owes a duty may make a gain or avoid a loss without there being a concomitant possible loss to another such client.

Remuneration

To further protect consumers, CaW which provides investment services to clients shall ensure that it does not remunerate or assess the performance of its staff in a way that conflicts with its duty to act in the best interests of its clients.

In particular, it shall not make any arrangement by way of remuneration, sales targets or otherwise that could provide an incentive to its staff to recommend a particular financial instrument to a retail client when CaW could offer a different financial instrument which would better meet that client's needs.

CaW has adopted several measures in order to maintain the independence of Relevant Persons and in particular portfolios

managers. These measures consist, inter alia, in:

- (i) the adoption of a Remuneration Policy of persons involved in the provision of services to clients aiming to encourage responsible business conduct, fair treatment of clients as well as avoiding conflict of interest in the relationships with clients;
- (ii) the allocation of bonus according to Group performance goals, business goals and personal goals;
- (iii) the allocation of variable remuneration to senior management and certain employees (internal control functions, key functions and risk-takers) according to rules that are compliant with the specific laws and regulations in that domain (for instance deferral regime, retention period);
- (iv) the establishment of a Remuneration Committee (Foyer SA).

Internal & external mandates

The organizations of CapitalatWork Foyer Group S.A., CapitalatWork Management Company S.A. and CapitalatWork S.A. are, where possible, structured in such a way that the executive managers and the directors have no conflicting mandates within the group.

When the members of the Comex/BoD have to take decisions which risk to create Conflicts of Interest, they should promptly inform other executive managers or directors prior to take to start of the decision making process and do not take part in such a decision process.

In all circumstances, members of the Executive Committee of CapitalatWork Foyer Group S.A. comply with the laws and regulations to be applied regarding notification of Conflicts of Interest.

In order to prevent Conflicts of Interest arising from mandates undertaken outside CaW, Relevant Persons, including members of the Board of Director, are required to pre-clear their outside business activities to the Chief Compliance Officer taking into account that they are only permitted in limited circumstances.

Gifts

It is prohibited for any Relevant Person to solicit or accept, directly or indirectly, gifts from clients or third parties of such nature or value that they would impair the Relevant Person's duty to act in the best interest of clients.

Voting Policy

Under certain circumstances, voting decisions may represent a risk of Conflict of Interest between CaW Group entities and their clients. The voting policy intends to prevent that CaW uses the

voting rights for its clients for its own interest or for interests of entities of the Group, if those interests are different from the ones of the clients.

CaW employees are in such circumstances ensuring the clients protection by strictly following CaW Conflict of Interest Policy which ensure the implementation of strong mechanism as regard to the detection, prevention, management and disclosure of any such conflict.

Personal transactions Policy

CaW implemented adequate arrangements in order to prevent the activities of any Relevant Person who is involved in activities that may give rise to a Conflict of Interest, or who has access to inside information or to other confidential information relating to clients or transactions with or for clients by virtue of an activity carried out by him on behalf of the firm.

CaW shall ensure that Relevant Persons do not enter into a personal transaction which meets at least one of the following criteria:

- (i) that person is prohibited from entering into this transaction under Market Abuse Regulation;
- (ii) it involves the misuse or improper disclosure of that confidential information;
- (iii) it conflicts or is likely to conflict with an obligation of the investment firm under MiFID II.

Internal rules are established regarding personal account dealing, in particular with respect to Asset Management Department members.

Personal deals are periodically monitored when realized via an internal account and declared to the Compliance function. Further information is provided in the Code of Conduct.

3. Management of Conflicts of Interest

CaW has adopted measures in order to avoid Conflicts of Interest and in case conflicts cannot be avoided, to manage those risks in an effort to take reasonable care to avoid a material risk of harming clients' interests.

The measures CaW has adopted to manage identified conflicts are summarized below.

3.1. Occurrence of a conflict of interest

Where, despite all measures adopted to identify and manage Conflicts of Interest, a Relevant Person is in a Conflict of Interest that may damage the interest of clients or those of CaW, such a person has to inform his/her manager and the Chief Compliance Officer, who will decide together about the action to be taken in order to protect the clients' interests.

Such a decision is communicated to the Executive Committee, which can approve, if they assess the situation as being acceptable, or ask for additional actions to be taken.

Where the manager and the Chief Compliance Officer disagree on the action to be taken, the Chief Compliance Officer will inform without delay the Executive Committee in order for the latter to decide on the action to be taken.

In those circumstances where actions decided cannot appropriately remediate the Conflict of Interest, the Chief Compliance Officer will document the conflict, add the conflict to the Conflicts of Interest Register and inform in writing the Executive Committee and the Relevant Person.

As a result, the Executive Committee will inform the client as described hereinafter.

3.2. Conflict of Interest Register

CaW shall keep and regularly update a record of the kinds of investment or ancillary service or investment activity carried out by or on behalf of the group entity in which a Conflict of Interest entailing a risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise.

The Executive Committee shall receive on a frequent basis, and at least annually, written reports on situations referred to in this above-mentioned paragraph.

3.3. Disclosure

Where organizational or administrative arrangements made by CaW to avoid Conflicts of Interest are not sufficient to ensure that risks of damage to client interests will be prevented, CaW shall clearly disclose to the client

- (i) the general nature and/or sources of Conflicts of Interest
- (ii) the risks that arise as a result of the Conflicts of Interest
- (iii) the steps undertaken to mitigate these risks.

The disclosure shall:

- (i) be made in a durable and for client accessible medium;
- (ii) include specific description of the Conflicts of Interest that arise in the provision of investment and/or ancillary services, taking into account the nature of the client to whom the disclosure is being made;
- (iii) clearly state that the organizational and administrative arrangements established are not sufficient to protect the client from any risk of damage to its interests.

While disclosure of specific Conflicts of Interest is required, it should be a measure of last resort to be used only where the

organizational and administrative arrangements established are not sufficient to ensure, that the risks of damage to the interests of the client are prevented.

The disclosure of Conflicts of Interest should not exempt CaW from the obligation to maintain and operate the effective organizational and administrative arrangements required. Over-reliance on disclosure without adequate consideration as to how conflicts may appropriately be prevented or managed should not be permitted and, therefore, considered as a deficiency in CaW's Conflicts of Interest Policy.

The Conflict of Interest is disclosed after the Chief Compliance Officer provided with his/her opinion and the Executive Committee approved such disclosure.

3.4. Declining to act

Where CaW considers it is not able to manage the conflict of interest in any other way, it may decline to act for a client and by consequence eventually terminate the professional relationship with the client.

It is the responsibility of the executive management, possibly after consultation of the Chief Compliance Officer, to decide to maintain or put an end to such a situation.

3.5. Specific considerations regarding Conflicts of Interest involving related parties

Related parties shall mean the legal entities which are part of the group to which CaW belongs as well as the employees, shareholders, managers and members of the Board of Directors of these entities.

The business relationships with related parties are subject to the Board of Directors' approval where they have or may have a significant and negative impact on the risk profile of CaW.

The rule shall also apply where, in the absence of any significant impact on each individual transaction, the influence is significant for all transactions with related parties.

Any material change in the significant transactions carried out with related parties shall be brought to the attention of the Board of Directors as soon as possible.

Transactions with related parties shall be carried out in the interest of CaW. CaW's interest is not met where transactions with related parties:

- (i) are carried out on less advantageous terms for CaW than those which would apply to the same transaction carried out with a third party at arm's length;
- (ii) impair the solvency, liquidity situation or risk management capacities of CaW from a regulatory or internal

- point of view;
- (iii) exceed the risk management and control capacities of CaW;
- (iv) are contrary to sound and prudent management principles.

Appendix 1 – Examples of Conflicts of Interest

Since CaW offers different services to its clients, Conflicts of Interest may arise from a variety of situations. It is possible to identify several Conflicts of Interest from the relationship with CaW, within the normal relation the clients, and from its Investment activities. In the below sub-sections, are identified the major sources of potential Conflicts of Interest that may arise in relation to the services provided by CaW.

1. Group relationship

- a) Several mandates: A director of CapitalatWork Foyer Group S.A. may also be a director (or employee) of a CapitalatWork Foyer Group fund/compartment, the Management Company or CapitalatWork S.A.. In such a scenario the director may potentially inappropriately supervise the activities that have been delegated towards other entities within the group.
- b) Use of CapitalatWork Foyer Group SA as Market Desk: In the absence or lack of efficient information barriers, CapitalatWork Foyer Group S.A. may have incentive to instruct orders for its own clients prior to the orders of CapitalatWork Foyer Group S.A.'s own clients. CapitalatWork Foyer Group S.A. may have incentive to allocate most profitable orders to its own clients to the detriment of CapitalatWork Foyer Group S.A.'s own clients, for instance in case of an IPO or in case of less liquid assets.
- c) Valuation of financial instruments by an entity of the group: Where CapitalatWork Foyer Group S.A. buys/sells financial instruments to a Relevant Person or an entity of the group, the value of these instruments may be inappropriate. The valuation of the financial instruments by a group entity may lead to miss-pricing.
- d) Inappropriate influence: CapitalatWork Foyer Group S.A. is influenced to vote on financial instruments it holds for its clients in the best interest of the Group entities and such a vote is detrimental to the interest of CapitalatWork Foyer Group S.A.'s own clients.
- e) Inducements: CapitalatWork Foyer Group S.A. shares commissions with other CapitalatWork group entities, where these entities receive/provide directly or indirectly services to CapitalatWork Foyer Group S.A..

2. Investment activities

The portfolio management of CapitalatWork Foyer Group S.A. is mostly based on funds managed by the CapitalatWork Foyer Group.

- a) Non-disclosure or inappropriate reporting: A portfolio manager, who is also funds manager, does not report, or incorrectly report, investment performance to the management or the clients.
- b) Inappropriate order allocation - Personal account dealing: The portfolio manager groups orders for his own account with orders of clients and executes these orders by providing his own orders better execution compared to the one of the clients.
- c) Remuneration of analysts, portfolio/ funds managers: Remuneration of analysts, portfolio/ funds managers are determined in a way which may result in the employee not acting to the advantage of one or more clients, for instance the manager receives variable remuneration linked to his portfolio performance.
- d) Benefit: Relevant Persons receive gifts from CapitalatWork group entities, clients or third parties.
- e) Hard Commissions (kickback): The portfolio/funds manager instructs his orders towards a given broker. In turn, such broker provides cash (hard commissions) or retrocessions on part of the brokerage fees.
- f) Soft Commissions: Non-monetary benefits received from third parties such as research, access to seminars and trainings.
- g) Inducements: CapitalatWork Foyer Group S.A. shares commissions with third parties, where these entities receive/provide directly or indirectly services to CapitalatWork Foyer Group S.A..

3. Client relationship

- a) Differentiated tariffs: A group of clients, or a specific client, benefits from preferential tariff compared to another group of clients.
- b) Cherry picking: The portfolio manager makes investment decision for part of his clients that would be detrimental to the interest of his other clients.
- c) Churning: Portfolio managers/CRMs undertake multiple (unnecessary or non-authorized) transactions in clients account to generate commission revenue.
- d) Grouping of order: The portfolio manager groups orders for his clients and allocates the execution of that order by providing certain clients with better execution compared to his other clients.