

Effective: April 2021

Handling conflicts of interest and inducement

Nomura Asset Management Europe KVG mbH (hereinafter referred to as "NAM EU") offers various financial services. Conflicts of interest may arise in all types of transactions and companies. NAM EU has taken extensive precautionary measures to avoid the jeopardization of clients' interests to the largest extent possible. Nevertheless, conflicts of interest cannot always be completely excluded due to the distinctive objectives of the parties involved.

Conflicts of interest may arise if private or personal interests are capable of compromising the fair and objective fulfilment of the obligations owed to third parties. Accordingly, a collision of interests between NAM EU, its management, its employees, its business partners and other companies of the Nomura Group, funds managed by NAM EU, investors in them and clients, or as the case may be, between investors, funds and clients among themselves, may take place.

Where relevant services are affected, the conflicts of interest may arise in the following types of situations:

- Members of NAM EU management board, supervisory board, or the employees are closely affiliated (e.g. as a control person) with an entity which acts as an issuer to a financial instrument purchased or recommended by NAM EU, executes or relays orders placed by NAM EU or acts in a capacity of a counterparty.
- Orders in a financial instrument are simultaneously executed for different clients, for NAM EU and for employees of NAM EU.
- Orders in a financial instrument are being bundled during execution. This may cause a disadvantage for certain clients.
- Employees of NAM EU use insider information, in order to gain a personal benefit.
- NAM EU or its employees receive benefits from third parties in the course of provision of services.
- NAM EU's own interests in the sale of financial instruments, in particular the Group's in-house products.
- from activities conducted on behalf of NAM EU, including activities that have been outsourced by NAM EU to external third parties (including NAM Group companies).
- NAM EU's other business activities.

In the course of performing financial services NAM EU may accept and grant inducements (e.g. industry-common sales and portfolio commissions, financial analyses, research materials etc.) from third parties (e.g. asset managers, analysts, brokers etc.). Such inducements are designed to enhance the quality of the relevant service and do not impair compliance with NAM Europe's duty to act in the best interests of the funds it manages or the investors in the funds. The details and information on the accepted or granted inducements relating to the provision of financial services can be disclosed by NAM EU at request of the investor.

In order to avoid extraneous interests from influencing order execution to the largest extent possible, NAM EU has taken appropriate precautionary measures. All employees are obligated to high ethical standards of the Nomura Group. We expect our employees at all times to act with care and honesty, act lawfully and professionally, observe market standards and, in particular, always observe our clients' interests. All employees are obligated to treat all our clients fairly and equally. Our clients' interests have, in all cases, priority over the interests of NAM EU, its employees and its management.

The measures taken include, in particular:

- the organisational separation of portfolio management and trade on the one hand and controlling and settlement on the other hand;
- Establishment and maintains of a risk controlling function which is independent from the operational functions;
- particular control of employees whose activities may be a potential source of conflicts of interests;
- extensive reporting obligations, maintenance of stop lists and insider registries;

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- thorough choice, regular training, qualification and continuing education of employees;
- strict regulations relating the execution of client order and/or bundling of orders;
- Principles on the acceptance of gifts and other benefits and their disclosure;
- structuring the compensation system to avoid detrimental incentives that may encourage disproportionately high risk exposures;
- careful selection of outsourcing companies as well as the use of contractual stipulations that obligate the business partners to avoid, identify and disclose the conflicts of interest;
- measures to prevent transactions that could compromise investors' interests disproportionately.

NAM EU will disclose the unavoidable conflicts of interest, decisions made in this respect and the justification thereof to the potentially affected client prior to the rendition of the service.

Both the procedure for identifying possible conflicts of interest as well as the measures for their prevention are regularly monitored and evaluated on an ongoing basis by an independent compliance office.

NAM EU will be pleased to make available further information on handling conflicts of interests on request.