

Policy - Conflicts of Interest

Genève Invest (Europe) S.A.

1.	History of change.....	2
2.	Content of the policy and scope.....	3
3.	What are conflicts of interest?.....	3
4.	Approach to conflict management	4
5.	Responsibilities	5
6.	Relationships, scenarios and concrete examples.....	6
7.	Arrangements in connection with conflicts of interest	11
7.1.	Control at the level of the Executive Board and the Board of Directors	11
7.2.	Separation of functions and tasks.....	11
7.3.	List of conflicts of interest of Genève Invest.....	11
7.4.	Compliance	11
8.	Guidelines, directives, systems and controls.....	12
8.1.	Disclosure and client consent	12
8.2.	Escalation.....	14
8.3.	Whistleblowing.....	15
8.4.	Processing of customer orders	15
8.5.	Drawing and placement.....	15
8.6.	Incentives	15
8.7.	Remuneration practices	16
8.8.	Employee business	16
8.9.	Gifts and invitations	16
9.	Change of policy.....	16

Responsible for this document:

The Chief Compliance Officer - CCO -
from Genève Invest (Europe) S.A.

1. History of change

Version	Date	Comment
0.9	2020-04-20	First draft – Guy Adelbert – Compliance Officer
1.0	2020-05-14	Final Version – Thomas Freiberg - CCO
1.1	2020-09-16	Update with minor adjustments
1.2	2020-12-29	Approval by the Executive Board
1.3	2021-02-21	Approval by the Board of Directors
1.4	2021-08-13	Approval by the Executive Board
1.5	2021-08-22	Approval by the Board of Directors
1.6	2021-09-23	Additions to point 8.1
1.7	2021-09-24	Approval by the Executive Board

2. Content of the policy and scope

This policy sets out the arrangements Genève Invest (Europe) S.A. ("**Genève Invest**") has made in relation to the identification, documentation, escalation and management of conflicts of interest (the "**Policy**"). This includes conflicts of interest arising in the context of MiFID activities and services.

It applies to shareholders / beneficial owners, members of the Board of Directors and the Executive Board, the Chief Compliance Officer, the Chief Risk Officer, tied agents and potential sub-contractors as well as to all other employees of Genève Invest ("**Employees**", and each an "**Employee**") and is applied at the head office as well as in all branches, subsidiaries and information offices of Genève Invest.

3. What are conflicts of interest?

A "conflict of interest" is a situation where one or more natural or legal persons have conflicting interests and the pursuit of one interest could result in harm to another interest. This Policy applies to the extent that a conflict of interest gives rise to a risk that one or more of the following will occur:

- a. Genève Invest and/or an Employee fail(s) to comply with legal or regulatory obligations;
- b. Genève Invest and/or an Employee fail(s) to fulfil a fiduciary duty owed to another natural or legal person, such as a customer;
- c. an Employee's professional judgement or objectivity is impaired and/or impedes the proper discharge of their duties and responsibilities;
- d. an Employee behaves unethically;
- e. Genève Invest and/or an Employee obtain(s) an improper benefit or improper treatment, or this gives the appearance of impropriety and results in reputational damage, including in connection with the way in which contracts are awarded to or by Genève Invest.

A conflict of interest for the purposes of this Policy includes both an actual conflict of interest (i.e. a conflict of interest that has already arisen) and a potential conflict of interest (i.e. a conflict of interest that could arise in the presence of certain facts and circumstances). It also includes a perceived conflict of interest (i.e. a situation in which a conflict of interest may be perceived), even if no conflict of interest actually exists.

Failure to identify and appropriately manage conflicts of interest could result in inappropriate or adverse consequences for clients, Genève Invest and its Employees, such as reputational damage, damage to client relationships, regulatory sanctions and the risk of litigation.

Several (non-exhaustive) lists of indicators have been set forth under section 6 hereof with respect to:

- a. relationships in which conflicts of interest may arise,
- b. conflict of interest scenarios and
- c. a selection of examples of special circumstances in which these conflicts of interest arise.

4. Approach to conflict management

Genève Invest commits to ensure that conflicts of interest do not adversely affect the interests of clients, of Genève Invest, its shareholders or other stakeholders by identifying, preventing or managing conflicts of interest.

Some conflicts of interest are not permitted by law or regulation while others are permitted if Genève Invest takes appropriate measures to manage such conflicts of interest. In managing a conflict of interest, Genève Invest may take various actions (each individually or in combination), including the following:

- a. organisational arrangements, which are described in point 7;
- b. guidelines, directives, systems and controls described in point 8;
- c. appropriate disclosures to concerned parties of the conflict of interest and its likely impact on them; these disclosures are described in point 8.1;
- d. avoidance of the service, activity or matter giving rise to the conflicts of interest where the conflict of interest cannot be prevented or effectively managed by other means.

5. Responsibilities

As part of Genève Invest's approach to conflict management, Employees must act in compliance with the conditions listed below when carrying out their duties.

All Employees are responsible for ensuring that conflicts of interest are identified and managed on an ongoing basis and are required to do so:

- a. comply with this Policy, applicable regulations and other relevant guidelines and directives on the identification, documentation, escalation and management of conflicts of interest;
- b. act with integrity and prudence and exercise good judgement;
- c. act with due independence and objectivity in the performance of their duties;
- d. avoid, as far as possible, situations that lead to conflicts of interest from the following causes:
 1. personal financial interests,
 2. family members or close personal relationships,
 3. past, present or potential future involvement in any activity or endeavour (whether within Genève Invest or any other context); or
 4. different roles and responsibilities within Genève Invest;
- e. immediately notify their supervisor and/or Compliance of the existence and the nature of the conflict of interest;
- f. when participating in meetings of decision-making bodies, immediately disclose any conflicts of interest to the chairperson of the relevant body and, depending on his/her instruction, withdraw from the decision-making process and not attempt to further influence such decisions;
- g. not enter into a supervisory, subordinate or controlling relationship (affecting the terms and conditions of employment) with related persons, including family members or other persons with whom they have a close personal relationship;
- h. to not misuse any information they obtain in the course of working at Genève Invest, including trading in securities;

- i. handle work-related information on the basis of the "need-to-know" principle and comply at all times with information barriers and confidentiality obligations;
- j. question and immediately escalate matters of concern to their supervisors and Compliance so that conflicts of interest can be appropriately reviewed, managed and resolved;
- k. upon joining Genève Invest and at regular intervals thereafter, provide all relevant information to Compliance;
- l. to comply with applicable regulations according to which transactions and agreements between Genève Invest and a related party must be carried out independently and as between third parties.

Members of the Executive Management (*Vorstand*) as well as members of the Board of Directors (*Verwaltungsrat*) are obliged:

- a. actively seek to identify, mitigate and document any conflicts of interest in their scope of competence, including in relation to ongoing or planned activities carried out by Genève Invest;
- b. assess all suspected conflicts of interest reported to them to determine whether an actual conflict of interest exists;
- c. decide, after consultation with Compliance and, where necessary, other control functions, the best way to resolve, manage or avoid the conflict of interest, which may include, where appropriate, escalating the conflict of interest to a higher governance body or withdrawing (temporarily or permanently) the affected Employee's supervision of a particular matter or activity.

6. Relationships, scenarios and concrete examples

The following is a (not exhaustive) list of more common **relationships** that give rise to conflicts of interest:

Conflicts of interest within the meaning of this Policy arise in a variety of relationships that are often closely linked and may overlap. These include conflicts of interest that arise between:

- a. a customer on one hand and Genève Invest, an employee or a third party appointed as a representative on the other hand;
- b. two or more clients in the course of the provision of services by Genève Invest to these clients;
- c. Genève Invest and an employee, supplier, third party appointed as a representative or a holder of a substantial interest;
- d. two or more business units, employees or group units of Genève Invest.

The following are more common conflict of interest **scenarios** (non-exhaustive list):

Customer-related conflicts

Conflicts of interest involving clients can generally be described as scenarios where Genève Invest, an Employee or a third party appointed as a representative:

- a. is likely to make an inappropriate financial gain at the expense of the client or avoid a financial loss;
- b. has an interest in the outcome of a service provided to a client or a transaction entered into on behalf of a client that is inconsistent with the client's interest in that outcome;
- c. has a financial or other incentive to put the interests of one client or group of clients above the interests of another client;
- d. is engaged in the same business as a customer;
- e. currently or in the future, receives an inducement in the form of money, goods or services from a person other than the client in respect of a service provided to the client in addition to the usual commission or fee for that service;
- f. has a financial or other incentive to preferentially sell a particular product or service to a customer that is not in the customer's best interest.

Genève Invest-related conflicts

Conflicts of interest involving Genève Invest can generally be described as scenarios where:

- a. an Employee's interest in the outcome of a particular activity or endeavour is not aligned with the interest of Genève Invest;
- b. an employee (or, where applicable, a family member or someone with whom the Employee has a close personal relationship) receives, by virtue of the employee's position within Genève Invest, an undue pecuniary or non-pecuniary benefit;
- c. an Employee has the ability to influence decisions of Genève Invest on the approval of business, administrative or other material decisions of Genève Invest in a way that results in personal gain or advantage to the Employee or to a family member or any other person with whom that Employee has a close personal relationship;
- d. an Employee's existing financial or other interest or previous involvement in an endeavour, activity or relationship with another person or entity impairs or could impair his or her judgment or objectivity in the performance of his or her duties and responsibilities to Genève Invest;
- e. an employee puts the interest of one business unit of Genève Invest - also in connection with the selection of suppliers - above the interest of another business unit of Genève Invest and their interest does not coincide with the well-understood interest of Genève Invest;
- f. due to the close relationship between the parties involved, a conflict of interest arises in connection with a transaction or agreement entered into between Genève Invest and the holder of a material interest or between group entities of Genève Invest.

(Non-exhaustive) list of **examples of** conflicts of interest:

The following is a selection, taken from Genève Invest's taxonomy of conflicts of interest, of specific examples of transactions and activities carried out by Genève Invest where conflicts of interest may arise that need to be appropriately managed, mitigated or prevented:

Third party relations

A conflict of interest may arise between Genève Invest, a client and a third party if Genève Invest receives from this third party (including, but not limited to other financial institutions, suppliers or consultancies such as law firms or tax advisors) - or if Genève Invest provides to such third party, inducements or other types of non-monetary benefits (such as in return for introducing and/or recommending clients to each other), as these arrangements may involve the risk that either Genève Invest or this third party may provide advice or recommendations (including to promote certain products or services) that are motivated more by the economic considerations arising from the incentive arrangement than by the client's best interests.

Allocations

A conflict of interest may arise between Genève Invest and a client when Genève Invest is involved in the allocation of products, services or securities (e.g. investments, IPOs, etc.) because Genève Invest may be incentivised to make an allocation or price a transaction in a way that favours itself or certain investors who are its clients (for example, in return for the promise of reciprocal trades), which may result in disadvantages for the issuer/seller who is a client of Genève Invest or for other investor clients.

Churning

A conflict of interest arises between Genève Invest (acting as a portfolio manager or asset manager with discretionary authority over a client account), an Employee and a client when the Employee does not seek the client's investment objectives but engages in "churning" (commission cutting) to the detriment of the client by buying and selling excessive amounts of securities in the client account primarily for the purpose of earning commissions for the benefit of Genève Invest and the Employee.

Products in composite sales (cross-selling)

A conflict of interest arises between Genève Invest, an Employee and a customer when the Employee cross-sells to the detriment of a customer or provides multiple services/products to the customer that are not in the customer's best interest, primarily to generate higher fees or revenue for Genève Invest.

Disclosure or use of non-public information including price sensitive information

A conflict of interest arises between Genève Invest, an Employee, a client and other market participants if an Employee in possession of unpublished price sensitive information misuses or discloses this information to his or her advantage or that of Genève Invest and to the disadvantage of the client or other market participants.

Family or close personal relationships

A conflict of interest may arise between Genève Invest, an Employee, a customer or a supplier when an Employee, in the course of his or her business for or on behalf of Genève Invest, enters into transactions with persons who are family members or who have a close personal relationship with him or her because the transactions may impair or otherwise call into question the Employee's judgment, ability to act objectively or to properly discharge his or her duties and responsibilities towards Genève Invest and/or clients, or otherwise create a risk of reputational damage to the detriment of Genève Invest, including the risk or appearance of impropriety in the manner in which Genève Invest awards or receives business or Genève Invest has received an improper benefit or treatment.

Gifts and hospitality received

A conflict of interest may arise between an Employee and Genève Invest, a client or a third party where an Employee accepts gifts and/or other benefits that may exert an undue influence on his or her conduct in a manner that may conflict with the interests of Genève Invest, the client and/or the relevant third party.

Use of in-house products

A conflict of interest may arise between Genève Invest, an Employee and a customer if the Employee recommends or advises the customer to purchase products or services developed by Genève Invest ('in-house products'), including a recommendation of such products over products or services developed by third parties, as the impartiality of Genève Invest's advice or recommendation may be compromised by the desire on the part of the Employee to generate higher returns for Genève Invest.

7. Arrangements in connection with conflicts of interest

7.1. Control at the level of the Executive Board and the Board of Directors

The obligations of the Executive Management (*Vorstand*) and the Board of Directors (*Verwaltungsrat*) with regard to the management of conflicts of interest are set out in the relevant task descriptions of these management bodies. The Board of Directors is responsible for decisions relating to conflicts of interest of members of the Board of Directors in accordance with applicable law.

7.2. Separation of functions and tasks

Genève Invest maintains a structural separation of its business units and key functions to enable their independence. In accordance with the risk management principles, Genève Invest also maintains an internal control system based on the “Three Lines of Defence” framework, which prescribes the independence of control functions, including compliance, risk management and internal audit.

In addition, the business units implement policies and directives as well as systems and controls so that no single person or entity executes all phases of a transaction, including the application of the “four-eyes principle” in order to avoid or mitigate the risk of loss of assets or information.

7.3. List of conflicts of interest of Genève Invest

Genève Invest maintains a register of the types of conflicts of interest that have arisen or may arise in the context of its activities. Where applicable, such conflicts of interest shall be cross-referenced to the relevant MiFID-transactions.

7.4. Compliance

Compliance, in its function as the second line of defence, is the responsible control unit for conflicts of interest. In this capacity, Compliance is responsible for developing appropriate policies, testing the controls put in place by the business units and regularly assesses the management of conflict of interest risks.

Compliance is also responsible for certain aspects of Genève Invest's conflict management, including processes related to Employee transactions and external business interests.

In connection with conflicts of interest, Compliance has among others the following tasks:

- a. Oversight of the implementation of the transactional conflict clearing and business selection process of Genève Invest and other means of resolving transactional conflicts;
- b. Support in settling and clarifying occasional conflicts that may arise outside the conflict resolution process;
- c. general oversight of conflict of interest monitoring and management activities carried out by the units and annual reporting to the senior management;
- d. Creation and maintenance of the taxonomy of conflicts of interest;
- e. regular reporting to the Board of Directors;
- f. Maintaining a register of conflicts of interest, risk mitigation procedures and controls, and clearly defined escalation procedures;
- g. Conduct regular risk assessments;
- h. Organising internal staff trainings;
- i. Establish appropriate organisational and supervisory arrangements and where appropriate;
- j. Management of disclosures of conflicts of interest to clients.

8. Guidelines, directives, systems and controls

Genève Invest employs a number of systems, controls, policies and directives for managing conflicts of interest, including those listed below:

8.1. Disclosure and client consent

In certain cases, Genève Invest may determine that its arrangements to prevent or manage conflicts of interest are not sufficient to protect a client's interests from significant harm and that the client should be made aware of this. Alternatively, Genève Invest may decide in certain circumstances that a client should be made aware that the possibility of a conflict of interest exists and what arrangements will be implemented to resolve the conflict. Where permitted and appropriate under the relevant rules, disclosure may be made to an affected client to inform him/her of the arrangements and/or obtain their express consent to proceed.

Where Genève Invest carries out MiFID activities, it is not permissible solely rely on the disclosures to the client as method for managing conflicts of interests. This is only permissible as a last resort. Such disclosure:

- a. must be provided prior to the provision of the relevant MiFID service in the form of a durable medium and in sufficient detail to enable the client to make a decision as to whether to accept the relevant service on the basis of the information;
- b. must state that it is made to the client because the organisational and administrative arrangements put in place by Genève Invest to prevent or manage the conflict of interest in question are not sufficient to ensure, with reasonable confidence, that the risk of damage to the client's interests is averted;
- c. must take into account what kind of client is involved and it must contain a precise description of the conflict of interest that has arisen in connection with the relevant service;
- d. must include an explanation of the general nature and cause of the conflict of interest and the risks to the client arising from the conflict of interest, as well as a description of the measures taken to mitigate those risks.

Genève Invest is an independent asset manager that invests predominantly in corporate bonds and equity. A key tool used to reduce investment risk is a high degree of diversification of investments (investing in a very large number of assets that are, for example, denominated in different currencies, have different maturities and/or relate to different industries).

An investment fund is a classic example of this. Investment funds are used by Genève Invest to reduce risks and increase opportunities. Genève Invest may invest part or all of the client's assets - within the framework of the asset management contract and in accordance with the investment strategy defined in Appendix 3 - in investment funds advised, managed and/ or distributed by third parties and/ or by Genève Invest and/ or by an affiliated company. Decisions for an investment fund advised, managed and/ or distributed by Genève Invest and/ or by affiliated companies are made on the basis of an investment process that makes the fund selection transparent and understandable.

For investment funds advised, managed and/ or distributed by Genève Invest and/ or affiliated companies, Genève Invest and/ or affiliated companies will receive further remuneration for the service provided in addition to the compensation for asset management. The client has no claim against Genève Invest and/ or its affiliates in relation to the receipt of this remuneration. If the assets under management are too small to allow for broad diversification or if this is agreed with individual clients, asset management can also be carried out by investing the entire assets in investment funds.

The following are the fee models of the various fund classes advised, managed and/ or distributed by Genève Invest and/ or affiliated companies.

Fund class	ISIN	Currency	Sales commission	Take-back commission	Management remuneration	Depository remuneration	Investment advisory fee	Fund manager remuneration	Exchange commission	Sales office remuneration	Performance Fee
Switzerland Invest - Fixed Income High Yield HAIG A	LU1075926797	EUR	up to 5 %	none	up to 1.45% p.a., plus EUR 750/p.m.	up to 0.05% p.a. (plus VAT)	none	none	none	none	none
Switzerland Invest - Fixed Income High Yield HAIG B	LU0382169703	EUR	up to 5 %	none	up to 1.45% p.a., plus 2,100 EUR/p.m.	up to 0.05% p.a. (plus VAT)	none	none	none	none	none
Switzerland Invest - Fixed Income High Yield HAIG CHF		CHF									
Global Income - Interest & Dividend A	LU0388926494	EUR	up to 5 %	none	up to 0.25% p.a., min. 1,500 EUR/p.m.	up to 0.05% p.a. (plus VAT)	none	up to 1.15% p.a.	none	up to 0.60% p.a.	up to 10% with High Water Mark and Hurdle Rate of 6%.*
Global Income - Interest & Dividend B		EUR									
Global Income - Interest & Dividend C		EUR									
Global Income - Interest & Dividend CHF		CHF									

* For further information, please refer to the prospectus of the respective funds.

In accordance with the statutory provisions, Genève Invest shall notify its customers of this material circumstance on the present durable medium.

8.2. Escalation

Genève Invest operates internal escalation procedures for conflicts of interest. The escalation procedures are necessary to ensure that the escalation of the conflict of interest is timely and can be assessed at the appropriate level of management and by the right stakeholders in order to find the most appropriate resolution.

8.3. Whistleblowing

Genève Invest shall provide appropriate channels for reporting/whistleblowing conflicts of interest within Genève Invest via the Whistleblowing Policy if an Employee considers this to be the appropriate way to bring a matter to the attention of Genève Invest.

8.4. Processing of customer orders

A conflict of interest may arise when an Employee receives, transmits, executes or otherwise handles a client engagement. Genève Invest has adopted policies to manage such conflicts of interest and thereby protects the interests of the client, requiring employees to behave honestly, fairly and professionally in a manner consistent with a client's best interests and prohibiting improper conduct, such as front running (self-dealing with knowledge of client orders).

8.5. Drawing and placement

Conflicts of interest may also arise between an issuer, a client and Genève Invest in the context of Genève Invest's subscription and placement activities. Genève Invest has rules in place to ensure that allocations and pricing are carried out in accordance with the interests of issuers, clients and Genève Invest.

Genève Invest is prohibited to place their own interests or the interests of a client above those of the issuer or to unduly favour one client over another.

8.6. Incentives

A conflict of interest may arise if the payment or receipt of an inducement would cause Genève Invest to act in a manner other than in the best interests of its client. Genève Invest has policies, guidelines and controls in place in relation to the payment and receipt of inducements to assess their appropriateness and to manage any conflicts of interest that may arise.

8.7. Remuneration practices

A conflict of interest may arise if Genève Invest's remuneration practices could provide an incentive for an employee to act contrary to his or her responsibilities, regulatory requirements or Genève Invest's Code of Conduct. With the Policy – Remuneration, Genève Invest has established a remuneration framework to align remuneration practices in order to avoid such an incentive.

8.8. Employee business

A conflict of interest between an Employee and Genève Invest or their clients may arise as a result of employee transactions. In accordance with the Policy - Personal Transactions by Employees, personal accounts/deposits must be disclosed and approved. Pre-approval must be obtained for certain trading activities. The basis for approving or rejecting a request for a personal transaction is to review the Group-wide activities of Genève Invest and its client contacts so that any conflicts of interest can be identified and managed or avoided as a result.

8.9. Gifts and invitations

A conflict of interest may arise when an Employee receives or offers a gift or any other benefit that creates an improper incentive for an Employee, a third party designated as an agent, a customer or supplier to act in a particular way. Under the Policy – Inducements, an employee is not permitted to offer or accept gifts or other benefits unless they are reasonable and proportionate and serve a legitimate business purpose. Where applicable, the employee must obtain prior approval for gifts and other benefits. This shall be based, inter alia, on whether this may give rise to a (possible) conflict of interest.

9. Change of policy

The Policy may be amended at any time in accordance with applicable law. The current version is available on our homepage.

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