



SUMMARY OF THE EURIZON CAPITAL REAL ASSET SGR S.p.A. POLICY FOR MANAGING CONFLICTS OF INTEREST

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This document describes, briefly, the policy adopted by Eurizon Capital Real Asset SGR S.p.A. ("Eurizon Capital Real Asset SGR" or "SGR") in compliance with requirements on managing conflicts of interest set out in the Directives AIFM (Directive 2011/61/EU), MiFID (Directive 2014/65/EU) and relative EU and national implementing regulations ("Legislative Decree no. 58 of 24 February 1998 as amended - TUF" and the "Intermediaries Regulation" issued by CONSOB with ruling 20307 of 15 February 2018).

As part of its activities for (i) the provision of investment services and ancillary services (ii) the provision of a collective investment management service, the SGR - also since it belongs to the Intesa Sanpaolo Group ("Group") - may be in a conflict of interest with Clients, managed UCIs or Investors. In accordance with applicable regulations, the SGR is required to establish, adopt and implement an effective policy to manage conflicts of interest, which is adequate to the size and the organisation of the SGR, as well as the nature, size and complexity of its operations, whose purpose is to (i) identify the circumstances that generate or could generate a conflict of interest that may harm the interest of one or more Customers, UCIs, or Investors and (ii) define the procedures to follow and the measures to adopt to prevent, manage and monitor these conflicts.

The SGR has therefore adopted a specific policy which describes the circumstances that generate or could generate conflicts of interest between Eurizon Capital Real Asset SGR and/or Relevant Persons and Clients, UCIs or Investors or between Clients, UCIs or Investors of the SGR, at the time of the provision of any investment service and activity, collective investment management service a combination of such services/activities. This document takes into account the recommendations provided in the "Independence Protocol for managing conflicts of interest" prepared by the Italian Asset Management Association Assogestioni.

The SGR has therefore identified a number of potential conflicts of interest in relation to (i) selection of investments, (ii) selection of contractual counterparties and (iii) exercising of voting rights.

In the **selection of investments** to be inserted in the managed assets, the SGR has identified the following main types of conflict of interest:

- investment in financial instruments or other investments issued, set up, originated or managed by a Group Company;
- investment in financial instruments or other investments for which a Group Company has been involved in the placement;
- investment in financial instruments or other investments issued, set up, originated or managed by companies in relation to whom (or in relation to their parent company or majority shareholder), the Intesa Sanpaolo Group:
 - holds a directional position and/or a substantial holding in the capital;
 - appoints one or more members of corporate bodies;
 - participates in shareholder agreements;
 - has disbursed significant loans or is one of the main lenders;
 - holds the position of specialist operator of supplier of liquidity, regarding some financial instruments of the company or has provided corporate finance services and activities to the company;
 - is an investee to a significant extent;
- the inclusion in managed assets or units or shares of UCIs set up or managed by the SGR or by other Group Companies or by Companies in which the Intesa Sanpaolo Group has a substantial holding;
- the transfer of financial instruments or other investments from a managed portfolio to another, also indirectly, through a broker/dealer;
- the inclusion in the managed asset financial instruments or other investments for which the manager or other Relevant Persons involved in the management holds a directional position and/or have a substantial holding in their own portfolio;
- the inclusion in managed assets financial instruments or other investments relative to the company in which the manager or another Relevant Person involved in the management holds a significant role;
- a personal interest of a Relevant Person;
- the assignment of operating powers to the SGR, by several intermediaries, also outside the Group.

As regards the **selection of contractual counterparties**, the following main circumstances are considered as conflicts of interest:

- the use of a Group Company as broker/dealer;
- the use of Group contractual counterparties that provide services in addition to trading (for example custodian, administration, advisory, portfolio management, product distribution and research services);

- the use of external advisors and specialized external consultants designated to support management activities;
- the presence of agreements to receive fees, commissions or non-money benefits ("inducements").

As regards the **exercising of voting rights**, the right to vote concerning financial instruments of managed CIUs, issued by Group Companies or by companies with whom the SGR, its significant members or Group companies have strategic relations are considered as conflicts of interest.

The SGR has defined adequate organisational, administrative and control procedures and measures in order to prevent manage and monitor conflicts of interest and ensure that the interests of managed assets, Clients and Investors are not harmed. In particular, the SGR has adopted specific internal policies, such as:

- the **Code of Ethics**, which governs the general principles of conduct that must be observed by Relevant Persons and prevents the receipt of gifts exceeding a marginal value;
- the **Internal Code of Conduct**, which governs the personal investment transactions of Relevant Persons, establishing specific disclosure and prior authorisation obligations;
- the **Independence Protocol** provided by Assogestioni with the aim of safeguarding the independent decision-making power of asset management companies when making choices concerning the provision of management services; in particular, it defines the procedures related to the selection of broker/dealer counterparties and establishes the general investment and/or recommendation limits in financial instruments issued or placed by Group companies or by companies to whom Group companies provide services;

as well as additional documents whose purpose is to safeguard compliance with applicable regulations on (i) the approval and/or distribution of products and services, (ii) the management of inducements paid and/or received as part of the services carried out by the SGR (iii) the procedures adopted by the SGR to execute or transmit orders concerning managed assets.

The SGR has also adopted information barriers, as well as functional and logistic separation measures to manage inside and/or confidential information, identifying appropriate safeguards and operating limits.

In the provision of portfolio management, 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 Customers is avoided, the SGR will clearly inform Customers, before acting on their behalf, of the general nature and/or sources of the conflicts of interest as well as the measures taken to attenuate such risks so that they may make an informed decision about the services provided. Regardless of the adequacy of measures adopted so far, the SGR gives the Customer information in the pre-contract stage, on the type of conflicts of interest that could occur.

As regards the collective investment management service, when measures adopted are not sufficient to prevent, with reasonable certainty, the risks of harming the interests of one or more managed UCIs or Investors, this circumstance must be notified to competent corporate bodies so that they make take the necessary decisions to ensure in any case that the SGR acts in the best interest of the UCIs or Investors. The SGR informs investors, on a regular basis, of any conflicts of interest as above, through a durable medium, explaining the decision taken by the Board of Directors and relative reasons.

The mapping of conflicts of interest and related analyses are considered as a static representation. Continual product and process innovation, along with the significance of factors beyond the influence of the SGR mean that the mapping of conflicts of interest must always be updated. The policy also takes into consideration the circumstances which the SGR is - or should be - aware of, that could potentially cause a conflict of interest, resulting from the structure and activity of other companies belonging to the Group. To this end, the SGR updates the mapping at least annually, identifying all potential conflicts of interest that may arise in providing services. Actual conflicts of interest are recorded in the Register of services and activities that give rise to harmful conflicts of interest, which is kept in accordance with applicable regulations.

More in general, the policy for managing conflicts of interest may be amended to take into account changes to the SGR's organisation and amendments to applicable regulations. The foregoing is without prejudice to the right of retail (or potential) Clients to request further details on the policy for managing conflicts of interest on durable medium or via the SGR's website.

Lastly, the SGR has adopted a specific system of controls to check compliance with and the proper adoption of procedures to manage and oversee any disclosure of the conflicts of interest identified. In this regard, the

SGR has established, within the Board of Directors, the Committee of Independent Directors, which is responsible for consulting, monitoring and providing recommendations on the management of conflict of interest related to the products and services provided by the SGR.

This document is originally written in Italian language. In case of discrepancies between the original Italian text and the present English translation, the Italian version will prevail.