

Creating transparency – the basis of a business relationship with long-term success - dealing with conflicts of interest -

(version dated 1 July 2020)

We are convinced that long-term business success rests on the ability to structure business relationships effectively and responsibly. A key aspect of a business relationship with long-term success is the avoidance of conflicts of interest in order to prevent the risk of harming client interests. Nevertheless, the effective organisational or administrative arrangements in place to prevent or manage conflicts of interest may not be sufficient to ensure with reasonable certainty that damage to clients' interests will be avoided. The aim is to avoid conflicts of interest between clients, between clients and Fondspot Bank GmbH (hereinafter referred to as the "Bank") or within the corporate group to which the Bank belongs. The interests of our clients always take priority. Against this backdrop and in order to meet our responsibilities, we have drawn up appropriate written policies for dealing with conflicts of interest, taking into account the nature, scope and complexity of our business.

This means, for example that our employees' personal securities transactions, as well as the performance of mandates and additional work at other companies (both internally and externally) by our employees, are subject to strict regulations and controls to ensure that information to which our employees have access cannot be used illegally for their own benefit.

Conflicts of interest may arise from personal relationships between employees, Bank management, product provider management and cooperation partner management, as well as persons related to them, or from relationships between Fondspot Bank and issuers of financial instruments, e.g. in the provision of services for fund management companies.

Despite these effective organisational or administrative measures taken to prevent or manage conflicts of interest, conflicts of interest cannot be completely avoided in the cases described below. A conflict of interest could result from the fact that, in connection with the management of depository accounts and the processing of orders, we accept pro rata trail commission and/or sales commission, if applicable at variable levels (tiered commission), from the investment companies that issue the respective funds, provided that we keep the investment fund units or shares in safe custody. The amount of pro rata trail commission is generally calculated as a percentage of the respective value of the investment fund units or shares held in custody. Investment companies also pay us other monetary benefits (e.g. future project cost contributions connected with the administration of depository accounts).

If the Bank acts as an asset manager, it is not permitted to accept any inducements unless they are minor non-monetary benefits.

Our sales partners may also be subject to conflicts of interest. Such conflicts may result from the fact that we grant sales partners a pro-rata trail remuneration (trail commission) and/or other non-monetary benefits (e.g. training courses, incentive events, invitations from brokers, giveaways) for their services depending on the investment funds and deposits brokered.

We would also like to inform you that conflicts of interest may arise from referencing research reports or other public statements made by research analysts.

In the case of savings plans with a limited term that involve the advance payment of charges, you will be charged a sales fee for the discounted acquisition of investment fund units or shares.

More detailed information on the above-mentioned monetary and non-monetary benefits and costs can be found in the cost information.

If the Bank acts in the capacity of asset manager for you, this creates some special conditions. In this case you entrust us to manage your investment and thus also delegate decisions on the purchase and sale of financial instruments to us. We – or asset managers we may appoint if necessary – take these decisions based on the investment policy agreed with you.

We have established special organisational measures to address any conflicts of interest that result. A typical conflict of interest arises, for example, from an agreement on performance-based remuneration, since it cannot be ruled out that an asset manager will take disproportionate risks in order to achieve the best possible performance and therefore higher remuneration. Special internal monitoring and checks are carried out to avoid such behaviour.

We would also like to point out that, when calculating the number of units, the number of decimal places may be lower than in the investment company pricing. In such cases, figures are rounded to three decimal places in accordance with commercial principles.

Finally, we would like to inform you that we process investment fund units or share transactions exclusively via the respective investment companies. Even if other sources, such as the stock exchange, may offer cheaper acquisition conditions in certain cases, we believe that this manner of processing transactions is the most beneficial for you, taking all circumstances into account.

Investment is a matter of trust. We are aware of this responsibility and are pleased to accept it.