

Information Document

PREPARED IN ACCORDANCE WITH THE INTERMEDIARIES' REGULATION ADOPTED BY CONSOB RESOLUTION NO. 20307 of 15 FEBRUARY 2018

The purpose of this information document (hereinafter the "Information Document") is to provide the client or potential client of Vontobel Asset Management SA Milan Branch (hereinafter "VAMSA") with appropriate information so that he reasonably understands the nature of the investment services and financial instruments offered and the risks associated with them and, consequently, can make informed investment decisions.

Any material changes to the information contained in this Information Document will be duly notified to the client.

The information that VAMSA is required to provide to the client or potential professional client relates to:

- I. VAMSA AND THE PROPOSED FINANCIAL SERVICES AND INSTRUMENTS
- II. THE FINANCIAL INSTRUMENTS AND RELATED RISKS
- III. THE CLASSIFICATION OF CLIENTS AND THE MAIN RULES OF CONDUCT
- IV. THE STRATEGY FOR THE TRANSMISSION OF ORDERS (the "transmission policy")
- V. THE COSTS AND CHARGES FOR THE SERVICES PROVIDED
- VI. INFORMATION ABOUT THE SAFEGUARDING OF FINANCIAL INSTRUMENTS AND client MONEY
- VII. A BRIEF DESCRIPTION OF VAMSA'S POLICY ON CONFLICTS OF INTEREST
- VIII. ADDITIONAL INFORMATION ON THE PORTFOLIO MANAGEMENT SERVICE
- IX. SUSTAINABLE FINANCE
- X. INFORMATION ON DEALING WITH COMPLAINTS

Information Document

I. INFORMATION ABOUT VAMSA AND THE PROPOSED FINANCIAL SERVICES AND INSTRUMENTS

a) VAMSA's name and address, together with the contact details, investment services and financial instruments it proposes

Vontobel Asset Management SA Milan Branch (hereinafter "VAMSA") with registered office in Milan, at Piazza degli Affari, 2 - Italy, Telephone +39 02 63673411- Fax +39 02 63673422 C.F. and P.I.: 05343890967- is registered with the Register of Companies of Milan under no. 05343890967 - REA 1814284, and with the Register of Management Companies harmonised with branch under no. 95. VAMSA is the Italian branch of Vontobel Asset Management S.A., with registered office in Luxembourg, 18 rue Erasme, L-1468; website www.vontobel.com, e-mail: milano@vontobel.com, certified e-mail: vontobel@legalmail.it. Vontobel Asset Management SA and on its behalf VAMSA is a member of the Luxembourg compensation scheme known as the "Association pour la Garantie des Dépôts, Luxembourg".

The investment services offered by VAMSA are:

Portfolio management

VAMSA manages, on a discretionary and individualised basis, investment portfolios that include one or more financial instruments and within the framework of a mandate given by clients. VAMSA will decide on behalf of the client the financial instruments that will make up the client's portfolio.

Investment advice

VAMSA, at the request of the client or on its own initiative, makes customised recommendations regarding one or more transactions relating to a particular financial instrument. The recommendation is customised when it is presented as suitable for the client or based on consideration of the client's characteristics. A recommendation is not customised if it is disseminated to the public through distribution channels. Advice is provided by VAMSA on a non-independent basis.

The sector's regulations require VAMSA, which provides portfolio management and investment advice services, to carry out an assessment of the adequacy of the services provided in relation to the client. VAMSA can assess whether the services or financial instruments are adequate for the client only if the latter provides a series of information (depending on the type of client, his knowledge and experience, his financial situation and his investment objectives) by completing a questionnaire that will be submitted to the client or in the contract. If VAMSA does not obtain the above information from the client, it must refrain from providing management or advisory services.

Marketing of financial instruments and investment services and activities

VAMSA markets the investment services and financial instruments of the Vontobel Group companies.

This service allows VAMSA to present, promote and offer to its clients:

- 1) its investment services in accordance with the pre-contractual and contractual conditions laid down by VAMSA itself;
- 2) through authorised parties, the financial instruments whose offer documents are prepared by the Group's product companies.

Information Document

b) declaration that VAMSA is authorised and the name and contact details of the competent authority which authorised it

VAMSA is authorised to provide the following investment services in Italy as set out in specific sections of the Register maintained by the Bank of Italy (as EU Management Company and EU FIA Manager under no. 95):

- Collective asset management
- Marketing of units or shares of CIUs managed by third parties
- Investment advice
- Portfolio management

The competent Italian authority is the Bank of Italy with registered office in Via Nazionale, 91 - Casella Postale 2484 - 00100 Rome, Tel. 06/47921 - VAT number 00950501007 - www.bancaditalia.it
In addition, another Italian authority competent for compliance with the rules of conduct is Consob, Via G.B. Martini, 3 - 00198 ROME - tel. 39 06 84771 (switchboard), fax 39 06 8417707. Secondary operational headquarters: Via Broletto, 7 - 20121 MILAN - tel. 39 02 724201 (switchboard), fax 39 02 89010696. E-mail: consob@consob.it - web: <http://www.consob.it>.

c) languages in which the client may communicate with VAMSA

In general, the client may communicate with VAMSA in Italian, unless otherwise agreed between VAMSA and the individual client. The documents, contracts, reports, communications and all information that VAMSA provides to the client are written in Italian.

II. INFORMATION ON FINANCIAL INSTRUMENTS AND RELATED RISKS

VAMSA provides the client with information on risks and other significant aspects concerning the investments in financial instruments handled by VAMSA and the management service provided by the same.

General warnings

Before making an investment in financial instruments, the investor must inform himself about the nature and risks of the transactions he is about to carry out.

An investor should only conclude a transaction if he understands the nature of the transaction and the degree of exposure to the risk involved.

PART A

General description of the nature and risks of the financial instruments concerned

The description shall set out the characteristics of the specific type of instrument concerned as well as the risks specific to that type of instrument.

The financial instruments traded by VAMSA in the context of its investment services and activities are:

- a) debt securities;

Information Document

- b) securities representing risk capital;
- c) units or shares in collective investment undertakings;
- d) derivative financial instruments (mainly futures and options on indices and securities);
- e) debt securities with a derivative component ("structured securities").

a) Debt securities

By purchasing debt securities, one becomes a lender of the company or entities that issued them and is entitled to receive periodically the interest provided for in the regulations of the issue and, at maturity, the repayment of the capital loaned.

The holder of debt securities may not be remunerated only in the event of the financial failure of the issuing company.

In the event of the bankruptcy of the issuing company, the holders of debt securities may participate, together with the other transferors, in the division - which in any case takes place in a usually very long time - of the proceeds deriving from the realisation of the company's assets.

There are some special categories of bonds represented by:

Convertible bonds - These bonds give the holder the right to convert their bonds into shares at certain dates. The investor can then decide, at a certain date or in a certain period in the future, whether to convert the bonds into shares, assuming the status of partner or wait for the expiration of the security and obtain the repayment of the credit.

Subordinated bonds - Subordinated bonds are securities in which the payment of coupons and the repayment of principal, in the event of particular financial difficulties of the issuer, depend on the satisfaction of other non-subordinated (or subordinated) creditors. It is precisely for this reason that subordinated securities should render more than one non-subordinated obligation of the same issuer with similar characteristics. It is important to bear in mind that there are various levels of subordination that can characterise a titre, to which correspond different levels of risk.

Bonds may be issued by:

- state bodies: regional, provincial and municipal state governmental bodies; for example, in Italy:
 - BTPs - Multi-year Treasury Bonds, are medium or long-term fixed-rate bonds (maturity from 3 to more than 30 years). They are issued by the Ministry of the Economy and Finance which, by means of specific decrees, determines their denomination, duration, coupon level and allocation methods. The yield is linked to the fixed half-yearly coupon and any issue discount (difference between issue price and redemption value).
 - CCTs - Treasury Credit Certificates, are medium or long term public debt hedging instruments consisting of bearer or order securities, and provide a variable rate return that is determined by adding a fixed spread (premium) to the rate of return of the BOTs.
 - CTZ - Zero-coupon Treasury Certificates, are securities without coupon, with a duration of 18 or 24 months and with a minimum denomination of 1000 euros.
 - BOC - Municipal bonds are medium or long term bonds issued by Italian local authorities (Provinces, Municipalities, Municipalities unions, Metropolitan Cities, Mountain Communities, Regions and consortia of local authorities) to finance their investment projects. They have a term of no less than five years and may also be bonds convertible into shares of companies owned by the issuing body. Coupons may have different modes of remuneration (fixed or variable rate) and different frequencies.

Information Document

- BOTs - Treasury bills are short-term securities issued by the Treasury to raise the financial resources needed to cover the treasury's cash requirements (i.e. floating debt). They are issued in euro in various denominations and do not have interest coupons but are issued "below par" and at maturity are redeemed at value.
- supra-national entities (securities issued by supra-national banks such as the World Bank or the European Investment Bank).
- corporate bonds.

Finally, money market operations are used in the short term to invest liquidity, including repurchase agreements (repos). A repurchase agreement is a cash loan against a guarantee of fixed-income securities (normally government securities). This is achieved by temporarily selling securities to an investor at a price determined on the basis of their market value (spot transactions). At maturity, the securities are returned upon payment of a fixed repurchase price that exceeds the amount of liquidity received on the first exchange (forward transaction). The investor thus obtains a profit deriving from the difference between the two monetary flows: the first outgoing and the second (greater) incoming.

b) Risk capital instruments

By purchasing equity securities, one becomes a shareholder of the issuing company, participating fully in the economic risk of the same; those who invest in equity securities have the right to receive an annual dividend on the profits made during the reference period that the shareholders' meeting may decide to distribute.

Under all other conditions, an equity security is higher risk than a debt security (see next point), since the remuneration due to its holder is more closely linked to the economic performance of the issuing company.

c) Units or shares of collective investment undertakings (CIUs)

The specific risk (which depends on the situation of the issuer of the security or its capital strength and economic prospects, taking into account the characteristics of the sectors in which it operates) of a particular financial instrument can be eliminated by diversification, i.e. by dividing the investment between several financial instruments. Diversification can, however, be costly and difficult for an investor with limited assets to implement. Investors can achieve a high degree of diversification at low cost by investing their assets in units or shares of collective investment schemes (mutual funds and investment companies with variable capital - see below). These bodies invest the funds paid by investors between the different types of securities provided for in the regulations or investment programmes adopted.

With reference to open-ended mutual funds, for example, investors may enter or leave the investment by buying or selling the fund's units on the basis of the theoretical value (plus or minus the commissions provided) of the unit; this value is obtained by dividing the value of the fund's entire managed portfolio, calculated at market prices, by the number of units in circulation. It should be noted that investments in these types of financial instruments can still be risky because of the characteristics of the financial instruments in which they intend to invest (e.g. funds that only invest in securities issued by companies operating in a particular sector or in securities issued by companies established in certain countries) or because of insufficient diversification of investments.

Details of CIUs are as follows:

Information Document

- SICAVs - These are a particular type of joint-stock company, whose exclusive object is the collective investment of the assets collected through the public offering of its shares. Participants in the Company are full members and may influence management policies by exercising their voting rights.
- FUNDS OF FUNDS - These are special investment funds that invest in other CIUs.
- ETF - Exchange Traded Fund, is a particular type of Fund/SICAV with two specific characteristics: it is traded on the Stock Exchange as a share and ensures the same returns as the reference index (benchmark).

ETC - Exchange Traded Commodities

These are non-maturity securities issued by a special purpose vehicle against the direct investment of the issuer either in commodities or in commodity derivatives contracts. The price of ETCs is therefore directly or indirectly linked to the performance of the underlying, just as the price of ETFs is linked to the value of the index to which they refer.

d) Derivative financial instruments

Derivative financial instruments are characterised by a very high level of risk, the investor's appreciation of which is hampered by their complexity. It is therefore necessary for the investor to conclude a transaction involving such instruments only after having understood the nature and degree of exposure to the risk involved. The investor should consider that the complexity of these instruments may facilitate the execution of inappropriate and/or appropriate transactions. Consider that, in general, trading in financial derivative instruments is not suitable for many investors. Some of the risk characteristics of the most common derivative financial instruments are illustrated below.

- **Futures**

Futures transactions involve a high degree of risk. The amount of the initial margin is reduced (a few percentage points) with respect to the value of the contracts and this produces the so-called "leverage effect". This means that a relatively small movement in market prices will have a proportionally greater impact on the funds deposited with the intermediary; this effect may be to the disadvantage or benefit of the investor. The margin initially paid out, as well as any further payments made to maintain the position, may therefore be completely lost. In the event that market movements are to the disadvantage of the investor, he may be required to pay additional funds at short notice in order to keep his futures position open. If the investor fails to make the required additional payments within the period communicated, the position may be liquidated at a loss and the investor may become a debtor of any other liabilities that have arisen.

- **Options**

Transactions in options involve a high level of risk. If an investor intends to negotiate options, he must first understand how the types of contracts he intends to negotiate (put and call) work.

Buying an option

Buying an option is a highly volatile investment and there is a high probability that the option will expire without any value. In this case, the investor will have lost the entire amount used for the purchase of the premium plus the commissions. Following the purchase of an option, the investor can hold the position until maturity or carry out a reverse transaction, or, in the case of "American" options, exercise it before maturity. The exercise of the option may involve either the cash settlement of a spread or the purchase or delivery of the underlying asset. If the option relates to futures contracts, the exercise of the option

6/25

Information Document

will result in the assumption of a futures position and the associated obligations relating to the adjustment of guarantee margins. An investor who chooses to purchase an option relating to an asset the market price of which is far removed from the price at which it would be advantageous to exercise the option (deep out of the money), must take into account that the possibility that the exercise of the become profitable option is remote.

Selling an option

Selling an option generally involves taking a much higher risk than buying it. In fact, even if the premium received for the option sold is fixed, the losses that can occur to the seller of the option can be potentially unlimited. If the market price of the underlying asset moves unfavourably, the seller of the option will be obliged to adjust the guarantee margins in order to maintain the position taken. If the option sold is of the "American" type, the seller may at any time be called upon to settle the cash transaction or to purchase or deliver the underlying asset. If the sold option relates to futures contracts, the seller will take a position in futures and the related obligations relating to the adjustment of the guarantee margins. The seller's exposure to risk can be reduced by holding a position in the underlying (securities, indices or other) corresponding to the position in respect of which the option was sold.

e) Debt securities with a derivative component ("structured securities")

Structured securities are debt securities consisting of an obligation and one or more components called "derivatives", i.e. contracts for the purchase and/or sale of financial instruments (such as indices, shares, currencies, etc.).

These securities differ from normal debt securities in the way in which the return is calculated, whether in the form of periodic payments (referred to as "coupons") than it has in the case of single payment at maturity ('yield at maturity'). Structured securities could have a double return, i.e. one from the 'fixed' part and one from the 'variable' part.

The *return due to the fixed part* is often zero (or lower than the rates applied on the capital market), guaranteeing the investor only the repayment of the capital initially invested or, in some cases, a minimum guaranteed return regardless of the trend of the variable linked to the security itself.

The *variable return* can also be structured in very complex forms, and is linked either to the performance of an underlying financial instrument/index (e.g. a basket of shares, a stock index or a basket of funds), or to the occurrence of a specific event linked to the underlying financial instrument/index (e.g. the exceeding of a given value of a stock index or a currency, rather than the difference between two interest rates).

Structured securities, however, have all the characteristics and risks of a debt security. During the life of the security, price fluctuations may be greater than for non-structured debt securities, with a greater risk of loss if disposed of before maturity. At maturity, the main risk is represented by the return that can be higher but also lower than the so-called plain vanilla securities. In general, structured bonds are very complex instruments and require a complete understanding of how they work.

PART B

The risk level of a customised asset management line

The portfolio management service allows you to take advantage of the knowledge and experience of professionals in the field in the choice of financial instruments in which to invest and in the execution of related transactions.

7/25

Information Document

The investor can intervene directly in the course of the management service by giving binding instructions to the manager.

The risk level of the management line is expressed by the variability of the economic results achieved by the operator.

The investor can direct the risk level of the management service by defining contractually the limits within which management choices must be made. These limits, taken as a whole, define the characteristics of a **management line** and must be reported in the appropriate written contract.

The actual risk level of the management line, however, depends on the choices made by the intermediary who, although they must remain within the contractual limits, are usually characterised by wide margins of discretion regarding the securities to be bought or sold and the time when the transactions are to be carried out.

The intermediary must, however, specify the degree of risk of each management line.

The investor must obtain detailed information from the intermediary about the characteristics and degree of risk of the management line he intends to choose and must conclude the contract only if he is reasonably sure that he understands the nature of the management line and the degree of exposure to the risk it entails.

Before concluding the contract, once the degree of risk of the chosen management line has been assessed, the investor and the intermediary must assess whether the investment is appropriate for the investor, with particular reference to the investor's financial situation, investment objectives and experience.

1) The risk level of a management line

The investor can direct the risk level of a management line mainly by defining: a) the categories of financial instruments in which the investor's assets can be invested and the limits set for each category; b) the degree of leverage that can be used within the management line.

1.1) The financial instruments that can be included in the line of management

With reference to the **categories of financial instruments** and the assessment of the risk that these instruments entail for the investor, reference should be made to the section of this document on the assessment of the risk of an investment in financial instruments. The risk characteristics of a management line will tend to reflect the risk level of the financial instruments in which they can invest, in relation to the share that these instruments represent in the managed assets.

For example, a line of management involving the investment of a significant percentage of capital in low-risk securities will have similar risk characteristics; conversely, if the percentage of low-risk investments expected is relatively small, the overall risk level of the line of management will be different and higher. In general, attention is drawn to the fact that, in the context of providing portfolio management services, VAMSA may invest in very complex financial instruments that are not suitable for retail clients.

1.2) Financial leverage

The maximum financial leverage of the management line must be set out in the management contract; the leverage shall be equal to or greater than one.

It is pointed out that for many investors **a financial leverage of one should be considered adequate**. In this case, in fact, it does not affect the risk level of the management line.

Financial leverage, in short, measures how many times the intermediary can increase the value of the financial instruments managed on behalf of the client compared to the client's own assets. **The increase in the leverage used leads to an increase in the risk level of the asset management line.**

Information Document

The intermediary may raise the leverage ratio by borrowing or by agreeing with the counterparties to settle the transactions in a deferred manner or by using derivative financial instruments (where provided for by the management line - see part "B" of this document).

Before selecting a maximum leverage level higher than the unit, the investor, in addition to assessing with the intermediary its adequacy in relation to his personal characteristics, must:

- a) indicate in the management contract the maximum limit of losses at which the intermediary is required to restore leverage to a value of one (i.e. to close the financed positions);
- b) understand that small changes in the prices of financial instruments in assets under management may result in larger changes the greater the degree of leverage used and that, in the event of negative changes in the prices of financial instruments, the value of the assets may decrease significantly;
- c) understand that the use of leverage above the unit may, in the event of negative management results, result in losses even in excess of the assets contributed to the management and that the investor may therefore be in debt to the intermediary.

2) Other general risks connected with the asset management service

2.1) Reminder

As part of the management service, transactions in financial instruments are carried out by the intermediary on behalf of the client. The investor should therefore be aware of the information contained in Parts A and B of this document.

2.2) Investments in securities issued and derivative contracts entered into by intermediaries subject to legislative decree no. 180 and 181 of 16 November 2015

The recently enacted "bail-in" regulations (contained in Legislative Decrees no. 180 and 181 of 16 November 2015) have implemented in Italy the contents of Directive 2014/59/EC ("Banking Resolution and Recovery Directive" or "BRRD"), with the aim of allowing an orderly management of the crises of "financial intermediaries", through the use of private sector resources, thus reducing the risk that the cost of bailing out all Italian citizens.

In application of the bail-in principle, investors holding risky financial instruments issued by banks and other types of financial intermediaries bear any losses before the others. Only after using the financial resources of the riskiest categories do the losses impact on the least risky category of the previous one, and so on (according to the ranking below) until all the bank's losses have been covered.

In detail, Legislative Decree no. 180/2015 provides that, when the conditions for the start of the procedures for the management of the "crisis" of the intermediary are met, the Bank of Italy shall have at its disposal: (i) the reduction or conversion of shares, other interests and equity instruments issued by the person in question, where this makes it possible to remedy the state of disruption or risk of disruption of the intermediary; (ii) where the measure referred to in point (a) does not make it possible to remedy the state of disruption or risk of disruption, the adoption of resolution measures by the intermediary or compulsory administrative liquidation.

One of the resolution measures is the so-called bail-in, which consists in reducing the rights of shareholders and creditors (e.g. bondholders) and/or converting the rights of the latter into capital.

In the case of bail-in, the amount of the reduction or conversion, determined by an independent expert (or, as a matter of urgency, by the Bank of Italy), is absorbed by shareholders and creditors according to the following hierarchy: (i) primary Tier 1 capital instruments; (ii) additional Tier 1 capital instruments; (iii) Tier 2 capital instruments; (iv) subordinated debt other than additional Tier 1 capital instruments and Tier 2 instruments; (v) other liabilities.

Once the losses have been absorbed, or in the absence of losses, they will be converted into shares (eligible for inclusion in the primary capital), in the following order: (i) additional Tier 1 capital instruments; (ii) Tier 2 capital instruments; (iii) subordinated debt other than additional Tier 1 capital instruments and Tier 2 instruments; (iv) other liabilities.

Information Document

Pursuant to Article 1, paragraph 33, of Legislative Decree no. 181/2015, the bail-in will apply to "other liabilities": (i) first the senior bonds; (ii) and then the deposits (for the part exceeding the amount of € 100,000) of natural persons, micro, small and medium enterprises.

They are excluded from the scope of application and therefore cannot be written down or converted into capital: (i) deposits protected by the Deposit Guarantee Scheme, i.e. deposits up to 100,000 euro; (ii) secured liabilities, including covered bonds and other secured instruments; (iii) liabilities arising from holding client assets or under a fiduciary relationship, such as the contents of safe-deposit boxes or securities held in a special account; (iv) interbank liabilities (excluding intragroup transactions) with an original maturity of less than 7 days; (v) liabilities arising from participation in payment systems with a residual maturity of less than 7 days; (vi) amounts due to employees, trade and tax payables provided they are preferred under bankruptcy law; (v) amounts due to employees, trade and tax payables provided they are preferential under bankruptcy law. Derivative contracts, on the other hand, are subject to the termination measure in question.

The Bank of Italy has specific powers to implement capital reduction or conversion measures and resolution measures. These include, in addition to the power to reduce or zero the nominal value of the equity instruments and liabilities of the institution under resolution, the power to change the maturity of the securities, the amount of interest accrued in relation to those securities or the date from which interest becomes payable, including by suspending the related payments for a transitional period.

With reference to the securities covered by the above rules, in the event of the start of the "crisis" management procedures, securities subject to the procedure of reduction or conversion of equity instruments or other securities (as well as derivative contracts) subject to bail-in, due to their different nature, may be subject (regardless of the date of issue): (i) from 16 November 2015, the date of entry into force of the aforementioned legislative decrees, reducing or converting equity instruments; (ii) and/or after 1 January 2016, at bail-in.

The rules also apply to capital instruments and liabilities issued before 1 January 2016.

For further information, please read the Bank of Italy document, ask your relationship manager, or go to one of our offices.

2.3) Commissions and other charges

Before concluding the management contract, the investor must obtain detailed information about all the commissions and the method of calculating them, as well as the expenses and other charges due to the intermediary. This information must, however, be included in the management contract. In assessing the appropriateness of asset management fees, the investor should consider that the manner in which fees are charged that are directly or indirectly linked to the number of transactions executed may increase the risk that the intermediary may execute unnecessary transactions.

2.4) Sustainability Risks:

Investments may be subject to sustainability risks. Sustainability risks are environmental, social or governance (ESG) events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the portfolio's investments and include but are not limited to climate-related and environmental risks, severe ESG controversies, and violations of international norms.

III. INFORMATION ON THE CLASSIFICATION AND SUMMARY OF THE MAIN RULES OF CONDUCT

Information Document

Within the framework of the rules laid down in Directive 2014/65/EU (MiFID II) on the protection of investors, intermediaries must communicate to their clients their classification into three specific categories of retail client, professional client and qualified counterparty. In the provision of investment services, intermediaries are required to observe distinct rules of conduct according to the specificities of each of the three categories, with a higher client protection regime with reference to the category of retail clients and progressively less stringent for the category of professional clients and eligible counterparties.

The current rules on client classification allow intermediaries to distinguish between the following categories:

- retail clients;
- professional clients;
- qualified counterparties.

Retail clients are a residual category, being defined as all those who are neither professional clients nor qualified counterparties.

The **professional client** can be private or public¹.

A "professional client" is a client with the experience, knowledge and skill required to make informed investment decisions and properly assess the risks assumed. Professional clients are divided into:

- professional clients in law;
- professional clients "on demand".

In particular, they fall into the category of private professional clients under the law:

- (1) persons who are required to be authorised or regulated to operate on financial markets, both Italian and foreign (EU/extra-EU), such as: banks, investment firms, other authorised or regulated financial institutions, insurance firms, collective investment schemes and management companies of such schemes, pension funds and management companies of such funds, dealers on own account in commodities and commodity derivatives, persons who deal exclusively on own account in markets in financial instruments and who participate indirectly in the settlement service, as well as in the clearing and guarantee system(locals), stockbrokers and other institutional investors;
- (2) large companies with at least two of the following size requirements at company level:
 - balance sheet total: Euro 20,000,000;
 - net turnover: Euro 40,000,000;
 - own funds: Euro 2,000,000.
- (3) institutional investors whose main activity is to invest in financial instruments, including entities engaged in the securitisation of assets or in other financial transactions.

They are public professional clients under the law for all services, including collective management, and for all instruments:

- (1) the Government of the Republic;
- (2) the Bank of Italy.

¹ With Decree no. 236 of 11 November 2011, the Ministry of the Economy and Finance established the rules on "Definition and identification of public professional clients, criteria for identifying public entities that can be treated as professional clients on request and the related application procedure pursuant to Article 6, paragraph 2-sexies, of Legislative Decree no. 58 of 24 February 1998.

Information Document

The category of **professional clients "on demand"** identifies clients, other than those listed above, who possess the knowledge, experience and skills necessary to make investment decisions and correctly assess the risks they take. A client may fall into this category if he expressly requests it and if certain criteria and procedures are complied with. In assessing such a request, the intermediary cannot make use of any presumptions and must adequately verify the competence and market experience of the client.

In order to be classified in this category, it is therefore necessary to follow a special procedure that provides for:

- (a) the written request for up-grading by the client (both natural and legal persons) with whom the client communicates that he wishes to be treated as a professional client;
- (b) the intermediary's written warning to the client of the protections and rights he may lose if the up-grading request is accepted;
- (c) the written declaration of the client that he is aware of the consequences of the loss of such protections and rights;
- (d) the intermediary's assessment of the client's ability to make informed investment decisions and understand the risks involved. The evaluation focuses on the competence, experience and knowledge of the client. With regard to private clients, for the purposes of the assessment, the intermediary may refer to the "competence test" applied to the managers and directors of entities authorised under the financial sector directives.

At least two of the following requirements must be met in the course of the above assessment:

- the client has carried out transactions of a significant size on the market in question with an average frequency of 10 transactions per quarter in the preceding four quarters;
 - the value of the client's portfolio of financial instruments, including cash deposits, must exceed 500,000 euros;
 - the client works or has worked in the financial sector for at least one year in a professional position which requires knowledge of the operations or services envisaged.
- In the case of legal persons, the assessment referred to above shall be carried out with regard to the person authorised to carry out transactions on their behalf and/or the legal person itself;
- (e) a determination by the intermediary, on the basis of reasonable measures taken by the intermediary to that effect, that the client seeking to be treated as a professional client meets the requirements set out in point (d) above;
 - (f) whether or not the intermediary accepts the up-grading request.

With regard to public clients, the Regions, the Autonomous Provinces of Trento and Bolzano, the entities referred to in Article 2 of Legislative Decree No. 267 of 18 August 2000 (provinces, metropolitan cities, mountain communities, island communities and associations of municipalities), as well as national and regional public bodies may apply to be treated as professional clients, provided that the applicants jointly meet the following requirements:

- (a) final revenue established in the last approved management report of more than 40 million euros;
- (b) have carried out transactions on the financial market with a total nominal or notional value of more than 100 million euros during the three years preceding the conclusion of the contract;
- (c) presence in the workforce of financial management personnel who have acquired adequate skills, knowledge and experience in the field of investment services, including collective management, and financial instruments.

Information Document

Eligible counterparties include clients to whom the services of execution of orders and/or dealing on own account and/or reception and transmission of orders, whatever they may be, are provided:

- (1) investment firms, banks, insurance companies, CIUs, managers, pension funds, financial intermediaries included in the lists provided for in Articles 106 and 113 of the Consolidated Banking Act, companies referred to in Article 18 of the Consolidated Banking Act, electronic money institutions, banking foundations, national governments and their corresponding offices, including public bodies responsible for managing public debt, central banks and supranational public organisations;
- (2) undertakings whose main business is dealing on own account in commodities and commodity derivatives;
- (3) undertakings the sole business of which is dealing on own account in financial derivative markets and, for hedging purposes only, in spot markets, provided that they are guaranteed by members who are members of the CCPs of those markets, where responsibility for the performance of contracts entered into by those undertakings rests with members who are members of the CCPs of those markets.

In addition, eligible counterparties are companies for which the intermediary provides the services of execution of orders on behalf of third parties, dealing on own account and/or reception/transmission of orders that include:

- (a) companies not referred to in points (1), (2) and (3) above which are professional clients under the law;
- (b) undertakings which are qualified as such, within the meaning of Article 30(3) of Directive 2014/65/EU, by the law of the EU State in which they have their registered office or which are subject to identical conditions and requirements in the non-EU State in which they have their registered office.

For the purposes of dealing with the eligible counterparties referred to in points (a) and (b) above, intermediaries shall obtain express confirmation from those counterparties, either generally or in relation to individual transactions, that they agree to be treated as eligible counterparties.

Articles 36, 51, paragraph 3 and 60, as well as the provisions of Title VIII of Book III and Book IV of the Intermediary Regulations adopted by Consob with Resolution No. 20307 of 15 February 2018 (relating to general information requirements, execution of orders with price limits relating to shares traded on regulated markets or other trading venues, client reporting, securities governance arrangements and procedures for the fair and transparent provision of services, monitoring of compliance with rules, complaint handling, personal transactions, management of conflicts of interest and record keeping), apply to the provision of investment services and related ancillary services to eligible counterparties.

With regard to information on costs and charges, intermediaries have the right to agree with eligible counterparties on limited disclosure, except where, irrespective of the investment service provided, the financial instruments concerned incorporate a derivative instrument and the eligible counterparty intends to offer them to its clients.

Furthermore, in accordance with the provisions of Article 61 of Delegated Regulation (EU) No. 565/2017, intermediaries providing investment services, including managers, may choose not to provide qualified counterparties with information concerning the safeguarding of financial instruments or client funds and information on the execution of orders with price limits relating to shares traded on regulated markets or

Information Document

other trading venues, provided that they enter into the same agreements to establish the content and timing of the communications.

In any event, intermediaries shall act honestly, fairly and professionally with respect to eligible counterparties and shall use clear and not misleading communications with respect to eligible counterparties, taking into account the nature of the individual entity and its activities.

Under the relevant legislation, eligible counterparties may request to be treated as professional or retail clients. To this end, the eligible counterparty must make a written request for down-grading, stating that it wishes to be treated as a professional client or as a retail client, indicating whether the treatment as a professional client or as a retail client relates to one or more investment services or transactions, or to one or more types of transactions or products. Similarly, professional clients may request to be treated as retail clients.

However, VAMSA does not provide investment services to retail clients.

The main rules of conduct laid down in the MIFID regulations include

- provide the client with detailed information:
 - on the intermediary and his services;
 - on the safeguarding of financial instruments and client money held by the intermediary;
 - on the nature and risks of the financial instruments, explaining the characteristics of the specific type of instrument concerned and the risks inherent in that type of instrument;
 - on the costs and charges associated with the provision of services;
- ensure that all information, including advertising and promotional communications, is correct, clear and not misleading and meets certain conditions;
- obtain from the client the necessary information about knowledge and experience, financial situation and investment objectives in order to assess the adequacy of the recommended financial instrument or transaction carried out (information from clients in investment advice and portfolio management services);
- obtain from the client the necessary information about knowledge and experience in order to assess the appropriateness of the service and financial instrument offered or requested (information from clients in services other than investment advice and portfolio management);
- conclude and provide the client with a copy of the contract for the provision of services (excluding consultancy services);
- clearly disclose to the client, prior to the provision of the investment service, the existence, nature and amount (or method of calculation) of fees, commissions or services paid to or received from third parties (so-called incentives);
- provide detailed periodic reporting on the services provided.

The qualification as a professional client determines for intermediaries:

- the non-application of certain protective rules, including:
 - the rules laying down certain additional requirements regarding the information to be specified in contracts with retail clients;
 - the requirement, as part of the investment advice service, to provide clients, in a durable medium, with a statement of adequacy containing a description of the advice provided and an indication of the reasons why the recommendation corresponds to the client's preferences, objectives and other characteristics;
 - the rule that, in the context of tying practices, where the risks arising from tying are likely to be different from those associated with the components considered separately, intermediaries shall provide an

14/25

Information Document

adequate description of the different elements of the agreement or package and how its composition changes the risks;

- the rule that the choice of places for the execution of orders is to be conducted on the basis of the price of the financial instrument and the costs of execution;
- the rule that intermediaries providing portfolio management services or who have informed that they will carry out a periodic assessment of the adequacy of financial instruments must provide clients with periodic reports containing an updated statement indicating the reasons why the investment corresponds to the client's preferences, objectives and other characteristics;
- the partial derogation from the rules for the assessment of adequacy and appropriateness and, in particular:
 - with regard to professional clients, there is a presumption of knowledge and experience of the same, both in the assessment of adequacy and in the assessment of appropriateness;
 - with specific reference to professional clients governed by law, there is also a presumption, in the context of the adequacy assessment, that they are financially capable of bearing any investment risk compatible with the stated investment objectives;
 - the application of provisions specifically designed for professional clients, such as:
 - the option to agree with professional clients on a limited application of the detailed requirements for information on costs and charges for services provided by the intermediary, provided that this is not investment advice or portfolio management and that the financial instruments concerned do not incorporate a derivative financial instrument;
 - to provide information in good time before the service is provided: (a) as to the accounts containing financial instruments or monies of the client, which may be subject to a non-EU legal system; (b) as to the existence and terms of any security interest or privilege which the intermediary or sub-custodian has or may have over the client's financial instruments or sums of money or any rights of set-off in relation to them.

IV. INFORMATION ON THE STRATEGY OF TRANSMISSION OF ORDERS (the “transmission policy”)

1. Introduction

The purpose of this document is to provide information on the order transmission strategy adopted by VAMSA, which, when providing portfolio management services, transmits orders to other authorised counterparties (so-called broker-intermediaries).

2. Objective and scope of application

This document therefore describes, pursuant to the provisions of Article 48 of the Regulation approved by Consob with resolution no. 20307 of 15 February 2018 and Article 65, paragraph 5, of the Delegated Regulation (EU) of the Commission of 25 April 2016, the procedures with which orders to buy and sell financial instruments are handled, in order to obtain the best possible result in their execution (“Best Execution”).

Best Execution applies indiscriminately - to retail clients and professional clients and to all financial instruments - whether they are listed on a regulated market or not and regardless of the place of trading (trading venues or over the counter).

3. Factors and criteria for the selection of intermediary negotiators (“Transmission Strategy”)

Information Document

The main factors taken into account by VAMSA in order to define its order transmission strategy and thus ensure the best possible result are:

- a) the total consideration, consisting of the price of the financial instrument and the costs related to the execution incurred by the client and directly related to the execution of the order;
- b) the speed of execution;
- c) the probability of execution;
- d) the likelihood of settlement;
- e) the size of the order;
- f) the nature of the order;
- g) and other factors relevant to the execution of the order.

In defining the factors considered above, VAMSA assumes that the primary interest of the client is to achieve the best possible price for the order attributable to him, taking into account all the costs incurred in the transaction. In addition, it is assumed that it is in the client's interest not to suffer at his disadvantage the change in market prices, so the market is also chosen according to the probability of fully executing the order in a short period of time. Other elements examined for the purpose of assessing the above factors are the liquidity of the execution venues to which the dealer has access, the possibility for the dealer to use automatic connection devices to the execution venues such as to eliminate manual aspects of the management of orders, as well as the number of execution venues to which the dealers have access, directly and indirectly.

In order to establish the relative importance of the above factors, VAMSA takes into account the following criteria:

- a) the characteristics of the client, including its classification;
- b) the characteristics of the order;
- c) the characteristics of the financial instruments which are the subject of the order;
- d) the characteristics of the execution venues to which the order may be directed.

VAMSA may use an electronic order routing with FIX connection between its order management system and Bloomberg platform.

In details, VAMSA uses the following systems on Bloomberg platform:

- TSOX (Fixed income staging blotter) which routes and executes fixed income orders into Bloomberg's trading platform, so that VAMSA can quickly and efficiently manage fixed income trades. TSOX guarantees the best execution putting in competition local brokers and the user can select only the best price from the activity panel of Bloomberg platform.
- EMSX which is used to trade equities and futures. EMSX is a multi-asset class trading platform that integrates Bloomberg exchange and broker data with our equity, futures, and options orders.
- FXGO (FX Transactions staging blotter) which routes and executes spot and forward transactions into Bloomberg's trading platform.

3.1. Equity financial instruments

VAMSA normally attaches great importance to the aggregate valuation of the price of the financial instrument and related costs (the "price of the financial instrument"). Total Consideration), then the size and nature of the order and the likelihood of execution must be evaluated and finally the other factors must be evaluated.

Information Document

VAMSA normally transmits orders to the following negotiators:

Intesa Sanpaolo SpA	Credit Suisse	Exane	Morgan Stanley SE
Société Générale SA	UBS AG		

3.2. Bond financial instruments

VAMSA normally attaches great importance to the aggregate valuation of the price of the financial instrument and related costs (the "price of the financial instrument"). Total Consideration), then the size and nature of the order and the likelihood of execution must be evaluated and finally the other factors must be evaluated.

As a rule, VAMSA transmits orders to the following negotiators:

Banca Akros	Intesa Sanpaolo SpA	Barclays Bank	JPMorgan AG
Mitsubishi	Morgan Stanley SE	Oppenheimer Europe	Société Générale SA
Octo Finance	Toronto Dominion Bank		

3.3 Derivative financial instruments

VAMSA normally attaches great importance to the aggregate valuation of the price of the financial instrument and related costs (the "price of the financial instrument"). Total Consideration), then the size and nature of the order and the likelihood of execution must be evaluated and finally the other factors must be evaluated.

As a rule, VAMSA transmits orders to the following negotiators:

Intesa Sanpaolo SpA	JPMorgan AG	Société Générale SA
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3.4. Unlisted UCITsS

VAMSA transmits orders for the subscription and redemption of unlisted UCITsS to the issuer.

4. Procedures for the selection of intermediary-dealers

VAMSA transmits orders using only high standing trading counterparties, which respect criteria of confidentiality, reliability and financial soundness, able to ensure the regular execution of transactions and minimise counterparty risk.

In particular, the choice of negotiators is achieved through a continuous evaluation over time of their ability to offer efficiency and quality in the execution of orders in order to obtain the best possible result for the client.

On the basis of the above criteria and factors, VAMSA has identified a series of dealers to whom it transmits orders issued on behalf of the assets under management and relating to the financial instruments referred to in Article 1 of Legislative Decree No. 58/1998.

It is also permitted, on a subsidiary and non-systematic basis, when this may be deemed necessary to ensure Best Execution, that orders are transmitted for execution to intermediary-dealers other than those identified.

Information Document

The list of negotiators and any subsequent amendments thereto are authorised by the Management Committee of VAMSA, according to the indications and restrictions communicated within the Group, and are available to clients at the headquarters of VAMSA.

5. Aggregation of orders

VAMSA may aggregate orders transmitted to dealers on behalf of several managed assets. The aggregation may also concern orders processed on specific instructions from the client.

In relation to orders placed by VAMSA, negotiators may aggregate orders placed with orders from other clients.

In any case, the aggregation is aimed at finding the best execution conditions with regard to price, costs and likelihood of execution. In the event of an aggregation, the dealers will trade the total quantity of aggregated orders relating to the same financial instrument, treating them as a single order, it being understood that in the event of partial execution of aggregated orders, the quantity executed will be allocated in proportion to the quantity of the order issued.

6. Orders executed outside regulated markets and multilateral trading facilities

VAMSA has given its general consent to negotiators to allow the orders given to be executed outside regulated markets and/or multilateral trading facilities, where the nature of the financial instruments involved in the transaction and existing market practices so require.

When executing orders or deciding to negotiate OTC products that include customised products, VAMSA verifies the fairness of the price offered to the client by collecting market data used in estimating the price of the product and, where possible, comparing it with similar or comparable products.

7. Specific client instructions

If the client gives specific instructions that may prejudice the measures provided for in order to obtain the best possible result in relation to the execution of orders, the same will be executed in compliance, limited to the elements covered by these instructions received, the specific instructions given. The order for these elements will therefore not be transmitted and executed on the basis of the relevant strategy adopted by VAMSA, the latter remaining relieved of any responsibility in this regard.

8. Controls on the intermediary-dealer and market makers

The relationship between VAMSA and the intermediary, to whom the orders for execution are transmitted, is regulated by specific agreements.

As a preliminary step, VAMSA requests the execution policies adopted by the trading counterparties and analyses the execution strategies described therein in order to verify that the counterparty's execution methods are consistent with the strategies defined by VAMSA itself.

VAMSA is also required to verify the quality of the service provided by the persons identified for the execution of orders, monitoring that they have taken all reasonable measures to obtain Best Execution with reference to the execution factors and criteria, as provided for in the execution policies adopted, and taking steps to remedy any shortcomings found.

9. Strategy review

VAMSA reviews this order transmission strategy if circumstances arise that may affect the achievement of the best possible result in relation to the execution of client orders and, in any case, at least once a year.

The strategy in question and any subsequent changes to it are made known to VAMSA's clients by updating this document.

Information Document

V. INFORMATION ON THE COSTS AND CHARGES FOR THE SERVICES PROVIDED

VAMSA shall provide information on the costs and charges associated with the provision of services and the financial instrument concerned. Such information shall include the means of payment by the client, including any third-party payments, and shall be presented in aggregate form so as to make it possible to identify the costs and charges associated with the investment service and the financial instrument and their overall effect on performance. This information is provided in analytical form at the request of the client.

Information on the costs and charges of investment services and financial instruments is provided to the client in good time before the investment service is provided, is available at the headquarters of VAMSA and is presented in the reporting phase.

The commissions charged to the client for the investment and advisory portfolio management service provided are calculated on the basis of the assets under management or the advisory assets at the end of the period defined in the contract (normally quarterly).

The commission percentages are established "*ad personam*" according to the type of service requested by the client. The commission structure takes into account the complexity of the mandate and the amount of assets under management or reference.

VAMSA does not charge other charges than those relating to the commission percentage provided for in the contract and communicated/billed periodically for the relevant investment service. No entry/exit fees are charged.

In relation to intermediation commissions charged by intermediary-dealers on behalf of VAMSA, see the following table:

Financial instruments	Commissions (BPs)*
Bonds	From 0 to 4
Derivatives (ETD and OTC)	From 0 to 4
Equities	From 5 to 12
ETF	From 0 to 0.85

*depending on trading market, financial instrument

With regard to units or shares of CIUs which may be sold in the investment service provided, there may be implicit commissions of the CIU itself (in relation to the class of investment which is the subject of the sale) as published in the relevant offering documents. These commissions will be processed in accordance with the provisions of the contract with the client and in compliance with current legislation.

Information Document

VI. INFORMATION ABOUT THE SAFEGUARDING OF FINANCIAL INSTRUMENTS AND client MONEY

VAMSA is authorised by the client to use custodians and sub-custodians (centralised storage organisations and other authorised custodians) in accordance with the relevant regulations, without prejudice to the responsibility of VAMSA itself towards the client. At the custodians and sub-custodians, liquidity and financial instruments owned by the client will be placed in special accounts in the name of VAMSA, with an indication that they are third party assets. These accounts will be kept separate from those relating to assets owned by VAMSA and other clients.

The assets contributed for management by the individual client and/or the financial instruments and sums of money of the client held by VAMSA in custody for the account of the client itself, constitute assets separate to all intents and purposes from that of VAMSA and that of other clients. No shares may be held in such assets by or in the interests of VAMSA's creditors, or in the interests of the creditors of any depositary or sub-custodian, or in the interests of such creditors. The shares of the client's creditors are admitted within the limits of the assets owned by the latter.

For accounts relating to financial instruments deposited with third parties, no legal or judicial set-off shall be applied and no contractual set-off may be agreed in respect of claims of the depositary or sub-custodian on VAMSA or the depositary.

Guarantees in favour of VAMSA.

The client's account is set up as a guarantee for all credit claims held by VAMSA in connection with the portfolio management service. Therefore, VAMSA may withdraw from the liquid assets of the managed assets or from the deposited assets the sums necessary to satisfy its claims and, if necessary, create liquidity on that account by liquidating the financial instruments deposited so as to be able to satisfy itself with the sums resulting from the liquidation.

If the client does not fulfil his obligations in full and on time, VAMSA may freely, also in accordance with articles 2761, paragraphs 3 and 4, and 2756, paragraphs 2 and 3 of the Italian Civil Code, arrange for an adequate quantity of securities deposited in the account that the client declares to be a guarantee for all claims of which VAMSA is the owner by reason of the management service.

VII. SUMMARY DESCRIPTION OF THE POLICY APPLIED BY VAMSA ON CONFLICTS OF INTEREST (the "policy on conflicts of interest")

1. Introduction

The current regulatory framework attributes a central role to the ability of intermediaries to identify and prevent or properly manage all possible situations of conflict of interest characterising the provision of investment and ancillary services. To this end, VAMSA has adopted an effective policy for managing conflicts of interest (hereinafter also referred to as the "Policy"), adapted to the size and organisation of the Branch itself, which describes both the situations of conflict (actual and potential) identified and the ways in which they are managed. The above policy also takes into account the fact that VAMSA belongs to the international VONTOBEL Group, which includes all companies directly or indirectly controlled by VONTOBEL Holding AG, with registered office in Zurich, as well as companies associated with the latter. In addition, VAMSA Luxembourg (the parent company) as a management company located in Luxembourg EU and EU GEFIA with the licenses respectively provided for in EU Directives 2009/65/EC (UCITS IV Directive) and 2009/61/EC (AIFM Directive) has a specific policy for the management of conflict of interest also valid for the Branch.

20/25

Information Document

The following is a brief description of the above-mentioned Italian Policy, which is available to clients for further details.

2. Main types of conflicts of interest

In the context of all investment services and activities authorised to be carried out, VAMSA has identified the following main types of conflicts of interest

A. Conflicts arising from intra-group transactions.

In this context, with regard to all investment services, the conflicts of interest that may arise in the event of investments or suggestions or promotions and offers relating to financial instruments of issuers with which the Branch (or a company of the Vontobel Group to which VAMSA belongs) has relations are relevant.

B. Client conflicts.

Conflicts arising from unequal treatment in the execution of orders, resulting from the non-application or incorrect application of procedures that would avoid favouring one client to the detriment of others, are of importance in this context.

C. Conflicts arising from the provision of several services (portfolio management service, investment advisory service).

In this context, there are conflicts arising from the fact that, when evaluating the service, the most remunerative service for the Branch is assessed.

D. Conflicts on the part of the relevant persons in the Branch.

This category includes conflicts of interest that may arise in the event of:

- investments or suggestions or promotions and offers relating to financial instruments issued by issuers with respect to which the relevant person: (i) has a significant shareholding; (ii) holds an office, operational or non-operational; (iii) is in possession of confidential or confidential information, including information acquired from investors and/or in the course of carrying out its activities;
- provision by relevant persons of services and/or activities in favour of managed or administered portfolios and/or consultancy services the cost of which is not already included in their ordinary remuneration and is charged (chargeable) directly to the client.

E. Conflicts arising from the receipt of incentives, gifts, gratuities or other benefits.

This category includes conflicts of interest connected with the receipt of gifts, gratuities and other utilities that may induce VAMSA or the relevant persons to make choices and/or behave in contrast with the interests of the clients and/or the Branch.

3. Remedies adopted for the management of conflicts of interest

VAMSA has procedures and organisational measures in place to effectively prevent or manage conflicts of interest.

The following measures are merely examples of this:

- a) limiting or controlling the exchange of information between relevant persons involved in activities involving a risk of a conflict of interest, where the exchange of such information could harm the interests of one or more clients;
- b) separate supervision of relevant persons whose main functions involve potentially conflicting interests with those of the client on whose behalf a service is provided;

Information Document

- c) the elimination of any direct link between the remuneration or income of relevant persons who carry out predominantly activities that may give rise to situations of conflict of interest with investors;
- d) a prohibition on the simultaneous or subsequent participation of a relevant person in the service of portfolio management and in the service of investment advice.
- e) complaint handling structured in such a way as to ensure that the analysis of complaints submitted by clients is carried out by personnel from outside the business areas, thus ensuring independent judgement;
- f) internal measures regulating the transactions carried out on financial instruments and/or products on a personal basis by the relevant persons, based on the principles of correctness;
- (g) definition of tasks, responsibilities and rules of conduct, in particular by providing that the functions holding a process step or an entire process potentially suitable for the generation of conflicts are assigned to separate structures capable of controlling the independence of investment choices;
- h) organisational and IT procedures to ensure the proper performance of services, in the interest of clients. These procedures, in particular, govern the manner in which services are offered and the management of the relationship with the client;
- i) adoption of an internal code of conduct that dictates the general rules of conduct to which the members of the administrative and control bodies and all employees and collaborators of the Branch must conform;
- j) prohibition to receive or lend from or to third parties economic and non economic benefits which, by reason of their nature or entity, are aimed at obtaining improper advantages, unless they are of modest value;
- k) monitoring of transactions carried out by employees on their own account involving financial instruments and/or products;
- l) adoption of "buy lists" prepared by the Vontobel Group and made available through the company's intranet, indicating the financial instruments subject to potential investments by all the companies belonging to the Group itself. The buy lists are periodically updated with reference to equity financial instruments and with reference to CIUs and bonds.

It should be noted that the measures referred to in letters a), b), c), d) are specifically provided for in order to ensure that the relevant persons, engaged in activities involving a conflict of interest, carry out the activities with a degree of independence appropriate to the size and complexity of the activity of the Branch and the extent of the risk that the interests of clients are damaged.

VIII. ADDITIONAL INFORMATION ON THE PORTFOLIO MANAGEMENT SERVICE

VAMSA provides portfolio management services for professional clients based on: (i) a portfolio management contract or (ii) a management agreement within the framework of a mandate given by an institution (e.g. pension fund, pension fund, etc.).

The portfolio management contract concerns the provision of portfolio management services by VAMSA on behalf of the client. By signing the contract, the client authorises VAMSA, in providing the service, to act also in the name and on behalf of the client. The service offered by VAMSA is characterised by the high level of customisation of the management. In the context of providing portfolio management services to professional clients, in fact, VAMSA directly agrees with the client the reference parameters against which the portfolio's performance will be compared, the types of financial instruments that may be included in the portfolio, the management objectives, the level of risk within which the manager may exercise discretion and any specific restrictions on such discretion.

22/25

Information Document

The agreement for the management of the institution's resources governs the professional management, without guarantees from VAMSA, by investing the institution's resources in financial instruments, in accordance with the guidelines laid down by the institution. In such cases, the institution shall grant VAMSA a management mandate, allocating to it the resources in financial instruments and liquidity held in special existing accounts with a custodian identified by the institution. VAMSA assumes an obligation of means with reference to the management of the resources assigned by the institution.

IX. SUSTAINABLE FINANCE

On 27 November 2019 the European Parliament and the Council of the European Union adopted the Sustainable Finance Disclosure Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR") which was later amended by the regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment ("EU Taxonomy Regulation"). The main objective of SFDR and of EU Taxonomy Regulation is to provide investors with the appropriate and necessary sustainability-related information to enable them to make informed decisions about financial products and services.

VAMSA integrates Sustainability Risks (as defined under section II "Information on financial instruments and related risks") in its investment decision-making and investment advice processes and provides the result of the assessment of the likely impacts of Sustainability Risks on the returns of the financial products it makes available or advises on unless clients instruct otherwise. The integration of Sustainability Risks in the investment decision-making or advisory process is reflected in the Vontobel Group's Sustainable Investing and Advisory Policy, available under [Vontobel.com/SFDR](https://vontobel.com/SFDR). Information on how the Sustainable Investing and Advisory Policy is implemented in the product offered or advice given may be obtained from [Vontobel.com/SFDR](https://vontobel.com/SFDR).

In addition, a portfolio management mandate can also be classified as:

- a) promoting environmental or social characteristics;
- b) having a sustainable investment as its objective.

A portfolio management mandate is classified as promoting environmental or social characteristics if it seeks to contribute to the promotion of sustainability factors (environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters as identified in the Vontobel Group's Sustainable Investing and Advisory Policy). The promotion of environmental or social characteristics includes, for example, selecting companies with better than average management of sustainability factors, engaging with companies to improve certain environmental and / or social characteristics or excluding certain harmful economic activities (such as thermal coal, tobacco, biological, and chemical weapons). However, such type of portfolio management mandate does not have as its objective sustainable investments. Additional information about the investment policies of such mandates are included in the respective portfolio management mandate documentation.

When a portfolio management mandate has a sustainable investment as its objective, the investments in scope of such a mandate are in an economic activity that contributes to an environmental or social objective. The contribution of investments to an environmental objective can be measured, for example,

Information Document

by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy. The contribution of investments to a social objective includes, for example, investments that contribute to tackling inequality or that foster social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities. It must be noted that the investments in scope of such a mandate do not significantly harm any other environmental or social objectives and that the investee companies follow good governance practices, in particular with respect to, for example, sound management structures, employees relations, remuneration of staff and tax compliance. Additional information about the investment policies of such mandates are included in the respective portfolio management's documentation.

Sustainability Preferences

VAMSA will assess, among others, the client's sustainability preferences, i.e. the choice on whether, and if so, to which extent, the following financial instruments shall be integrated into the client's portfolio or recommended investment:

1) financial instruments investing in environmentally sustainable investments according to EU Taxonomy Regulation: these are investments in one or several economic activities that contribute substantially to (a) climate change mitigation; (b) climate change adaptation; (c) the sustainable use and protection of water and marine resources; (d) the transition to a circular economy; (e) pollution prevention and control; and / or (f) the protection and restoration of biodiversity and ecosystems; environmentally sustainable investments shall also satisfy three additional criteria: 1) the investment shall not significantly harm any other environmental or social objective; 2) the investee companies shall follow good governance practices and 3) shall comply with technical screening criteria established by the European Commission.

2) financial instrument investing in sustainable investments according to SFDR: these are investments in one or several economic activities that contribute substantially to an environmental objective or to a social objective (such as investments that contribute to tackling inequality or that fosters social cohesion, social integration and labour relations, or investments in human capital or economically or socially disadvantaged communities). Sustainable investments shall also satisfy two additional criteria: the investment shall not significantly harm any other environmental or social objective and the investee companies shall follow good governance practices (such as sound management structures, employee relations, remuneration of staff and tax compliance).

3) financial instruments that consider principal adverse impacts on sustainability factors: these are financial instruments that considers principal adverse impacts, i.e. indicators measuring the negative external impact of economic activities on sustainability factors, which are environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

X. INFORMATION ON DEALING WITH COMPLAINTS

The client or potential client can send any **complaints** by registered letter to the following address:
VONTOBEL ASSET MANAGEMENT S.A. Milan Branch
 Piazza degli Affari, 2
 20123 Milan - Italy

Information Document

VAMSA has adopted appropriate procedures to ensure the prompt handling of complaints submitted by clients or potential clients.

VAMSA will respond to the complaint within 90 days of receiving it. VAMSA keeps a record of the main details of complaints submitted by investors. VAMSA assesses the complaint and informs the investor in writing of the final outcome of the complaint containing its determinations. If VAMSA agrees with the client's complaint, VAMSA must inform the client of the technical time-scale within which it undertakes to take action. This feedback will be sent to the address indicated by the client at the time of signing the contract or to another subsequently communicated in writing. In the case of potential clients, the address used will be that provided when the complaint was forwarded.

If the client is not satisfied or has not received a reply from VAMSA, he can activate, if the conditions are met and before appealing to the judge, alternative dispute resolution systems (or "ADR"). The latter are forms of alternative justice to judicial justice organised in such a way as to ensure at the same time the impartiality of the deciding body, the speed of the decision, the cost-effectiveness of the procedure and the effectiveness of the protection of the client. The prior completion by the client of a mediation process pursuant to Legislative Decree no. 28 of 4 March 2010 or, in the case of retail clients, recourse to the Arbitrator for Financial Disputes is a condition for the prosecution of the legal proceedings.

As a mark of receipt,
