

Information on dealing with conflicts of interest

Globalance aims to exclude potential conflicts of interest between Globalance (including its management, employees and companies or persons associated with Globalance) and our clients and between our clients themselves from the outset.

However, conflicts of interest that may stand in the way of acting in the best interests of our clients cannot be avoided in every case. Globalance therefore informs its clients in the following about such conflicts of interest and the precautions taken to limit or avoid the risk of impairment of client interests.

Types of conflicts of interest

Possible conflicts of interest may arise within the scope of our business activities:

- In asset management and advice to customers, in which bank-owned products or services of third parties are used;
- from remuneration-related incentive systems for the management and/or employees;
- from any benefits granted to employees of Globalance or to Globalance itself;
- from the possible granting of benefits to third parties;
- from the timing of the handling of client orders;
- from the commissioning of closely associated companies and persons in return for payment;
- from the existence of price-relevant, material information which is not yet publicly known at the time of a client transaction;
- from other business activities of Globalance;
- from personal relationships of the employees or the management.

Principles for dealing with conflicts of interest:

Globalance has taken organisational precautions and established processes to

- Identify conflicts of interest as early as possible;
- avoid conflicts of interest whenever possible;

- in the case of conflicts of interest that cannot be avoided, to limit or avoid the risk of client interests being prejudiced;
- in the case of conflicts of interest that cannot be avoided or in the case of which it cannot be ensured that they will not have a detrimental effect on the client, to inform the client of the conflict of interest or to disclose it.

If the above precautions are not sufficient to protect the interests of customers, the business will be avoided.

Dealing with conflicts of interest in detail

The Globalance analyses and evaluates conflicts of interest in the individual business units and applies the principles for dealing with conflicts of interest mentioned above. Among other things, the following specific measures have been defined, taking into account the type of conflict of interest:

Asset management and investment advice

The implementation of the investment guidelines agreed for asset management (model portfolios) is decided in the Investment Committee and then implemented in asset management. Employees of Globalance are not permitted to make divergent investment decisions.

Conflicts of interest that may arise in connection with retrocessions are described in the section "retrocessions".

Trading and execution of orders for financial instruments

In processing and executing your orders, Globalance observes the principle of fairness and the principle of equal treatment and ensures that you achieve the best possible results in terms of price, cost, speed and the likelihood of execution and settlement.

Globalance considers market capitalization and liquidity when acquiring financial instruments for its customers, which can reduce or avoid disadvantages due to possible own dealing. Also, no contacts are held with publicly traded companies on the basis of which investment decisions are made.

Orders in the context of discretionary portfolio management which affect several customers are executed as so-called block trades wherever possible and sensible and therefore the same price is billed for each customer.

The Globalance maintains watch lists and restriction lists, in which financial instruments are included, in which conflicts of interest may occur.

Personal transactions of employees that could have negative impacts on the interests of customers are prohibited and employees are required to disclose all their transactions in financial instruments as needed.

Retrocessions

Conflicts of interest may arise if Globalance or its employees accept or grant any retrocessions (commissions, fees, other monetary benefits and all non-monetary benefits) or accept or grant benefits for relationship management. Globalance has a clear policy on the acceptance and granting of retrocessions and their disclosure to and, in the case of the acceptance of monetary retrocessions, their distribution to clients, in order to ensure that the provision of services is in the best interests of clients.

In connection with the asset management services provided to clients and the acquisition, holding or sale of shares, bonds, units of collective investment schemes, structured products and other assets/financial instruments or in other transactions, the bank may receive retrocessions. Globalance does not retain any monetary retrocessions received but returns them in full and periodically to the clients, in particular within the scope of asset management. In addition, Globalance informs the clients about the monetary benefits paid out.

In addition, it is possible that Globalance accepts non-monetary contributions (e.g. specialised training events, services such as advisory support, brochures, forms and contract documents). The non-monetary benefits may vary greatly and cannot be quantified in general terms.

In the context of asset management, Globalance may only accept and retain non-monetary benefits of minor value that do not conflict with the provision of asset management in the best interests of the client.

In the context of investment advice, Globalance may only accept benefits/retrocessions if the benefit/retrocession is designed to improve the quality of the investment advice and does not conflict with the proper provision of the investment advice.

Compensation

Compensation can influence the behaviour of management and employees.

In order to prevent the compensation structure from leading to employees acting irresponsibly or violating internal or external bank rules, Globalance has enacted regulations governing the principles of compensation for members of the Executive Board and employees. The aim of the principles is to eliminate any conflicts of interest resulting from the remuneration structure between the members of the Globalance Executive Board and its employees on the one hand, and the investors in the collective investment schemes managed by Globalance and/or the asset management and investment advisory clients of Globalance on the other.

Collective investments

Globalance is the asset manager and investment advisor for bank-owned investment funds (collective investments).

For its management and advisory services, Globalance receives compensation from the collective investment. These management fees are specified in the respective fund documents (prospectus, Key Investor Information Document (KIID) or Basic Information Sheet).

Where Globalance uses proprietary investment funds in asset management and client relationships with all-in fee models, special internal fund classes are used for this purpose. Globalance does not receive any management fee in respect of these internal fund classes. These fund classes only include an annual administration fee of max. 0.18% p.a. This fee is a compensation for the additional administrative and organisational effort of Globalance in portfolio management. The bank's own products are only used where implementation by means of single securities would not make sense or would be too cost-intensive due to the minimum denomination.

Structured Products

The Globalance is a wealth manager and investment advisor for structured products that are set up by the bank with recognized counterparties.

The products include an annual administration fee of up to 0.18% p.a. This flat fee is compensation for the administrative and organizational additional effort in portfolio management. Structured products are used to ensure efficient and cost-effective implementation in various areas:

- Adjustments in asset allocation (e.g., hedging of stocks);
- Optimization of investment restrictions (e.g., no direct US securities).

Further information

Upon request, Globalance will gladly provide its clients with further information on how to deal with conflicts of interest.