GENERALI INSURANCE ASSET MANAGEMENT S.p.A. Società di gestione del risparmio

INFORMATION DOCUMENT

This Information Document (hereinafter ‘‘Document”) is intended for the Clients and potential Clients of Generali Insurance Asset Management S.p.A. Società di gestione del risparmio (hereinafter “GIAM” or “Company” or “the SGR”) has been prepared in accordance with the relevant Community legislation.

The purpose of the Document is to provide information aimed at a clear and correct representation of the Company, the nature of the investment services provided, the mutual funds promoted, the specific type of financial instruments involved and the related risks, so that the Client/Investor can make informed decisions on investments.

Any subsequent significant changes to the information contained in this document will be promptly communicated to the Client/Investor.

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A) Information on the Company and the investment services it offers

Company Data

The Company, having its registered office in Italy, in Trieste, Via Machiavelli no. 4 and secondary offices in Milan 20145, Piazza Tre Torri 1, in France - Rue Pillet-Will 75309 Paris Cedex 09 and in Germany 50667 Cologne, Tunisstraße 29 and with operational offices in Italy located in Trieste 34132, Piazza Duca degli Abruzzi, no. 1 and in Rome 00187, Via Leonida Bissolati no. 23, belonging to the Assicurazioni Generali Group, subject to the management and coordination of Generali Investments Holding S.p.A., Tax Code and entry in the Venezia Giulia Trade Register no. 05641591002, VAT number 01004480321 [tel. 040671111 - fax 040 671400] is an Asset Management Company authorised by a provision of the Bank of Italy on 8 May 1999 and entered in the Register of asset management companies in the UCITS Section under no. 18 and in the AIF Section under no. 22.

Means of communication between the Client and the Company

Communications of any kind between the Client/Investor and the Company concerning the provision of investment services, including the sending of any orders (special instructions) to the Company by the Client, must be in writing and must be sent:

- **for correspondence to the Client/Investor:** to the address indicated by the Client/Investor to the Company in the portfolio management agreement, in the investment advisory agreement, in the agreement for the service of reception and transmission of orders for execution (hereinafter “the agreements for investment services”) or in the subscription form for the mutual funds promoted by the Company (the “Funds”), or to another address subsequently communicated in writing;

- **for correspondence to the Company:**
  - in Italy, to Generali Insurance Asset Management S.p.A. Società di gestione del risparmio –, 34132, Piazza Duca degli Abruzzi, no. 1, Trieste, and 20145, Piazza Tre Torri 1, Milano or to any different address and with any different procedures that may be agreed upon with the Client and indicated in the relative agreement;
  - in France, to Generali Insurance Asset Management S.p.A. Società di gestione del risparmio, French Branch - Rue Pillet - Will 2, 75309 Paris Cedex 09, or to any different address and with any different procedures that may be agreed upon with the Clientand indicated in the relative agreement; • in Germany to Generali Insurance Asset Management S.p.A. Società di gestione del risparmio, Zweigniederlassung Deutschland - 50667 Cologne, Tunisstraße 29 or to any different address and with any different procedures that may be agreed upon with the Client and indicated in the relative agreement.

Language used

The agreements for investment services, as well as all documents relating to the Funds, shall be drawn up in the Client’s/Investor’s reference language or the language of the place of domiciliation of the relevant Fund; the same language must also be used in all subsequent verbal or written communications between the Client/Investor and the Company.

Complaints handling

The Company has adopted appropriate procedures to ensure the prompt handling of complaints from Clients/Investors that are submitted in writing and communicated in accordance with the internal procedures set out in the "Complaints Management" Operating Procedure . The procedures adopted provide for records to be kept of the essential elements of each complaint received and of the measures implemented to solve the issue.
The Compliance Department is the organisational structure responsible for handling complaints. Complaints must contain:

i) the complainant's details;
ii) the reasons for the complaint;
iii) the signature or similar reference allowing the Client to be identified with certainty.

All complaints in Italy must be sent in writing to:

- Generali Insurance Asset Management S.p.A. Società di gestione del risparmio - Compliance Function, 20145, Piazza Tre Torri 1, Milano;
- or to the following email adress: InvestmentsCompliance@generali.com;

in France to:

- Generali Insurance Asset Management S.p.A. Società di gestione del risparmio, French Branch - Rue Pillet-Will 2, 75309 Paris Cedex 09 - Compliance Department;

in Germany to:

- Generali Insurance Asset Management S.p.A. Società di gestione del risparmio, 50667, Zweigniederlassung Deutschland -Cologne, Tunisstraße 29 - Compliance Department

The final outcome of the complaint, containing the Company's decisions, will, as a rule, be communicated in writing to the Client/Investor within 60 days from receipt.

Out-of-court resolution of disputes

The SGR adheres to arbitration provided by the Arbitrator for Financial Disputes (hereinafter the "Arbitrator"), provided for by Legislative Decree no. 130 of 6 August 2015, in implementation of Directive 2013/11/EU on the alternative resolution of consumer disputes, established by CONSOB with resolution no. 19602 of 4 May 2016 and effective as from 9 January 2017.
Retail Clients/Investors who are not satisfied with the outcome of their complaint, or who have not received a reply within 60 days, can bring an appeal to the Arbitrator before resorting to the courts. Disputes regarding an intermediary's compliance with the obligations of due diligence, information, correctness and transparency, envisaged to protect the investor when providing investment services, may be brought before the Arbitrator.
The following shall be excluded: (i) disputes having a value over EUR 500,000; (ii) disputes concerning damages that are not a direct and immediate consequence of the non-fulfilment or breach by the intermediary of the aforementioned obligations of due diligence, information, correctness and transparency and (iii) disputes concerning non-material damages.
The right to appeal to the Arbitrator cannot be waived by the investor and can always be exercised, even when the agreement covering the service contains clauses providing for disputes to be assigned to other out-of-court resolution bodies. For all information regarding appeals to the Arbitrator and the organisation and operation of said appeals, please refer to the Arbitrator's website https://www.acf.consob.it/.

In order to bring an action relating to a dispute regarding the signed agreement, the Client/Investor is obliged to first carry out the mediation procedure pursuant to Legislative Decree no. 28/2010, as amended by Art. 84 of Decree Law 69/2013 converted into law, with amendments, from Law no. 98 of 9 August 2013. To this end, the SGR and the Client/Investor may appeal to one of the bodies registered in the register of mediation bodies held by the Ministry of Justice, available on the website: www.giustizia.it, provided that it specialises in banking and financial disputes.

By carrying out the aforesaid procedure with the Arbitrator, the Client/Investor will be exempt from the obligation of first carrying out the mediation procedure as provided for in the paragraph above.

Investment services and activities that can be exercised

The Company is authorised by the Bank of Italy to carry out the following investment services and activities:

- portfolios management;
- collective portfolio management;
- reception and transmission of orders (RTO);
- distribution of the units and shares of its own and third parties' UCITSs and AIFs; - investment advice.

Documentation provided to the investor reporting on the activity carried out

In relation to the specific portfolio management investment service, the Company sends monthly reports to the Client on the activity carried out at the end of the reporting period in accordance with the methods and content envisaged by current legislation. In addition, the Company sends an annual report to the Client on all the aggregate costs and charges related to both the portfolio management service and the investment advisory service. The aforementioned report is sent to the Client's domicile, as resulting from the management agreement or to any other address that may subsequently be communicated.

Further information may be agreed upon in the management agreement granted by the Client.

In providing the portfolio management service, the Company informs the Client when the total value of the portfolio, valued at the beginning of any reference period subject to disclosure, undergoes a depreciation of 10% and subsequently of multiples of 10%. This notice is made by the end of the day on which the threshold is exceeded (or on the following day, if it is exceeded on a non-working day).

With regard to the collective portfolio management service, the Company makes available – for each order (subscription, switch, reimbursement) given by the Investor on the Fund/ Funds in which it participates

- a notice on a durable medium that confirms execution by the Company. This notice is sent to the Investor within the terms established by current legislation.

The Funds' statements are published on the Company's website and may be acquired by the Investor on a durable medium. It is also the Investor's right to request that such reports be sent to their address for correspondence.

Information on compensation or guarantee systems

The Company adheres to the **National Guarantee Fund**, established to protect clients/investors (website http://fondonazionaledigaranzia.it/).

The National Guarantee Fund indemnifies clients/investors, within the limits of the amount provided for by Art. 5 of Treasury Decree no. 485 of 14 November 1997, for receivables deriving from the provision of investment services and the ancillary service of the custody and administration of financial instruments to Intermediaries in cases of compulsory liquidation, bankruptcy or by prior agreement with said Intermediaries.

Within the terms and with the procedures more clearly specified in the Operating Regulations approved with the Decrees of the Treasury, Budget and Economic Planning Ministry of 30 June 1998 and 29 March 2001 and of the Ministry of Economy and Finance of 19 June 2007, any investor meeting the requirements may file an indemnity request, by sending a registered letter with acknowledgment of receipt to the Fund.

The financial coverage of the operating expenses and institutional interventions of the Fund shall be the responsibility of the participating Intermediaries.

Conflicts of interest policy

The Company has identified the types of conflicts of interest that may arise in the provision of investment services or activities and ancillary services, and the collective portfolio management service, between the Company (including its executives, employees and or persons directly or indirectly related to the Company) and the Client/Investor, or between Clients/Investors. Pursuant to current legislation, the Company has developed an effective policy for managing conflicts of interest, aimed at preventing such conflicts adversely affecting the Client's/Investor's interests, also taking into account the structure and activities of the members of the Assicurazioni Generali Group (hereinafter, the "Group").

The conflicts of interest policy adopted by the Company is set out in the "Extract of the conflicts of interest policy" document which is available online at: https://www.generali-investments.com/content/GIAM_Conflict_of_Interest_Policy.pdf

Order execution/transmission policy and trading venues

The Company adopts all appropriate measures and effective mechanisms to obtain the best possible results for the UCITs and the managed portfolios when it executes orders on financial instruments and when it transmits orders to third parties for their execution.

The Company has drawn up a strategy for the execution and transmission of orders to define the measures and criteria aimed at obtaining the best possible results for the Client in the execution of orders for the UCITs and managed portfolios.

The strategy for the execution and transmission of orders is defined in the "Best Execution Policy" document.

Whenever there are specific instructions given by the Client, the Company is obliged to follow these instructions when executing the order. The Client's specific instructions may, however, prevent the Company from adopting the measures envisaged in the execution strategy in order to obtain the best possible results, with regard to the elements covered by these instructions.

Recording of telephone conversations and electronic communications

The Company applies a policy of recording telephone conversations and electronic communications drawn up in accordance with applicable legislation. In this regard, the Client/Investor acknowledges and authorizes that conversations and communications are recorded and that a copy of the recordings of conversations and communications with the Client/Investor will be available, upon request, for a period of 5 years.

B) Information concerning the protection of Clients'/Investors' financial instruments and liquid assets

Procedures for depositing financial instruments and liquid assets with custodians

The liquid assets and financial instruments under management and the liquid assets and financial instruments that may from time to time derive from the portfolio management service performed by the Company on the Client's behalf are deposited in accounts and deposits in the Company's name, explicitly registered as third-party accounts.

The custodians (or sub-custodians) are chosen by the Company according to their skills and market reputation; the laws, regulations and practices in the markets in which they operate are also taken into account.

The accounts held by the Company on behalf of third parties are kept separate from those of the Company.
Legal and judicial compensation does not apply to such accounts and conventional compensation cannot be settled with respect to receivables due from custodians or sub-custodians to the Company.
The Company periodically monitors the activities carried out by the custodians in order to review the efficiency and reliability of the service they provide.

The specific identification of custodians and the conditions and procedures for holding deposits are set out in detail in the specific management agreement, which also takes into account the Client's specific needs arising from the rules applicable to the Client.

The safekeeping of the financial instruments and liquid assets of the Funds managed by the Company is entrusted to a Custodian that acts independently of the Company and in the interests of the participants of each Fund.
Being responsible vis-à-vis the Company and the participants of each Fund for any prejudice they may suffer as a result of the non-fulfilment of its obligations, the Custodian:

a) ascertains the legitimacy of the operations of issuing and redeeming the units of the Fund;
b) calculates the value of the units of the Fund;
c) executes the Company's instructions provided they are not contrary to the law, the Regulations or the provisions of the Supervisory Bodies.

Each Fund is a separate asset pool that is, for all intents and purposes, distinct from the Company's assets and from the assets of each participant and any other assets managed by the Company.
Shares of the Company's creditors or in their interests, or those of the custodian's creditors or in their interests, are not admitted to such assets.
Shares of the creditors of the individual participants are admitted only to the limit of their participation rate.

The Company is still liable towards its Clients/Investors even when the Clients'/Investors' financial instruments or liquid assets are deposited with third parties.

Insolvency of the custodian

Without prejudice to the Company's liability as set out in the paragraph above, if the third-party holder should become insolvent, the Client's/Investor's prospects of regaining possession of its money and deposits held could be conditioned by regulations in force in the places where the custodian is located, and by the guidelines of the bodies attributed, in cases of insolvency, with the powers to control the ownership of the failed party's financial dealings.

Deposits with non-EU institutions

In the case of deposits with non-EU institutions, the legal system, supervisory provisions and settlement rules may differ substantially from those in force within the EU (especially as regards the rules for the separate identification of clients' assets); therefore, before depositing the financial instruments or sums of money belonging to the Client/Investor in a non-EU state, the Company finds out about the rules in force and the potential effects that the application of the provisions of the non-EU legal system could have on the Client's/Investor's rights and takes into consideration the fact that, in such cases, the supervisory authority will be unable to ensure compliance with the regulations in force.

In particular, the Company does not deposit clients' assets with persons established in countries whose laws do not provide for regulation and forms of supervision for entities involved in the custody and administration of financial instruments unless one of the following conditions is fulfilled:

a) the financial instruments are held on behalf of professional investors and these request the Company in writing to deposit them with that entity;

b) the nature of the financial instruments or the investment services or activities connected to them requires that they be deposited with a given entity.

When national law does not allow the Client's/Investor's financial instruments held by a third party to be identified separately from the financial instruments owned by said third party or the Company, the Company shall inform the Client/Investor and provide a clear indication of the risks involved.

Accounting records at the Company

The Company draws up specific accounting records of the Client's/Investor's financial instruments and money at its premises.
These records relate to each Client/Investor and are subdivided by type of service and activity provided, and also indicate the custodian of said assets.

The records are always promptly updated so as to be able to accurately reconstruct each Client's/Investor's position at any time. They are also regularly reconciled - taking into account the frequency and volume of transactions concluded in the period - with the statements (cash and financial instruments) produced by the custodians.

The Company's records include the transaction date, the settlement date envisaged by the contract and the effective settlement date of individual transactions relating to clients' assets.

The Company does not offset between the positions (cash or securities) of individual clients/investors. Should the transactions carried out on behalf of clients provide for the establishment and settlement of margins with third parties, the Company will take particular care to ensure that the positions of each Client/Investor relating to these margins are kept constantly separate in order to avoid offsetting between collected and payable margins relating to transactions carried out on behalf of different clients or on its own behalf. Lastly, for transactions in derivative instruments listed on regulated markets, depending on the contractual practices adopted by the relevant brokers, a security interest or lien over the liquid assets/financial instruments in the portfolio may be established to cover the commitments deriving from the aforesaid transactions.

C) Information concerning Clients/Investors

Information on classification categories and the ensuing level of protection

When Clients/Investors enter into the relationship with the Company by signing the agreement for investment services or subscribing the mutual funds offered by the Company, the latter, eventually through the subject to whom the distribution of the mutual funds is given, informs the Client /Investor of the assigned classification - retail Client or professional Client - pursuant to current legislation with reference services and activities provided by the Company.
With reference to such Clients/Investors, the Company carries out a substantial assessment of their characteristics in order to determine if they are eligible to be classified as professional clients.

It is the Client's/Investor's responsibility to inform the Company of any changes in status that might affect its classification, without prejudice to the Company's right to change the classification of any Client/Investor that no longer meets the requirements of a previously assigned classification.
Retail clients have the right to request for a different classification (either generally or in relation to a particular category of transactions). Following such a request, the Company informs the Client/Investor on a durable medium of the consequences of any such change in terms of minor protection regulations and rights.
In order to put the Client's/Investor's choice into effect, the Client/Investor is required to sign a declaration confirming that it has understood the consequences of the choice made.
If the Client/Investor provides this confirmation, the Company assesses his/her characteristics and eligibility to be treated as a professional client and informs him/her whether or not the request has been accepted.
If a Client/Investor classified as a professional client asks to be treated as a retail client, either generally or for a specific transaction or class of transactions, the Company reserves the right to suspend the Client's/Investor's portfolio with immediate effect and to withdraw from the agreement.
The Company may on its own initiative treat a Client/Investor classified as a professional client as a retail client.

D) Information concerning the assessment of suitability and appropriateness

When providing investment services, the Company obtains from the Client/Investor all the information needed to ensure that the investment services and/or financial instruments are suitable or/and appropriate for the Client/Investor.

In particular, the range of information that the Company collects from its Clients/Investors in order to assess whether a specific transaction to be recommended or to be carried out within the scope of the service provided is in line with the Client's/Investor's interests includes:

- knowledge and experience of the specific type of product or service;
- financial situation, including the ability to withstand losses;
- investment objectives, including risk tolerance;
- time horizon of the investment.

In particular, with regard to the investment advisory service, the Company provides the retail client with an appropriateness assessment report that includes a description of how the recommended transaction is suitable for the Client and how it meets its investment objectives, its knowledge and experience and its risk appetite and ability to sustain losses.

With regard to the portfolio management service, the aforesaid appropriateness assessment is carried out on the entire management line, and not on the individual transaction to be carried out within the mandate, and is provided to the Client upon signing said mandate. However, if there are specific instructions given by the Client, the individual instruction is assessed within the limits indicated in the mandate.

E) Information regarding the essential terms of the portfolio management agreement and the Funds

Essential terms of the portfolio management agreement

The portfolio management agreement concerns the provision of the portfolio management service by the Company, according to the investment criteria and management lines chosen by the Client. The management characteristics comprise:

a) the types of financial instruments that may be invested, as well as the associated risks;

b) the types of transactions that can be performed on the aforesaid instruments and assets;

c) the possible use of financial leverage;

d) the benchmark to which the return on the client's portfolio will be compared;

e) the management objectives.

The elements referred to in points a) to d) are shown below.

o Types of financial instruments

Without prejudice to the provisions of the agreement and the related management line chosen by the Client, the financial instruments that may be included in the Client's portfolio or constitute the investment of the Funds are classified as follows:

a) corporate shares and other securities equivalent to shares in companies, partnerships or other entities and share deposit receipts;
b) bonds and other debt securities, including deposit receipts related to such securities;
c) any other securities normally traded that permit the acquisition or sale of the securities referred to in the points above;
d) any other security that involves a spot settlement determined with reference to the securities referred to in the points above or to currencies, interest rates, yields, commodities, indices or measures;
e) "money market instruments": categories of instruments normally traded on the money market such as treasury bonds, certificates of deposit and commercial bills;
f) units in a collective investment scheme;
g) options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled by physical delivery of the underlying asset or in cash;
h) options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or that may be settled in cash at the option of one of

the parties (otherwise than by reason of a default or other event leading to the termination of the agreement);

i) options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that can be physically settled provided that they are traded on a regulated market, a multilateral trading facility or an organised trading system, with the exception of wholesale energy products traded in an organised trading system which must be settled by physical delivery;

j) options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that may be settled by physical delivery of the underlying asset in a manner other than those mentioned in i) and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls;

k) derivative instruments for the transfer of credit risk;

l) financial contracts for differences;

m) options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, inflation rates or other official economic statistics, that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other event leading to the termination of the agreement), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in the points above, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market, a multilateral trading facility or an organized trading system.

- Assessment of the risk of an investment in financial instruments

In order to assess the risk deriving from an investment in financial instruments, the Company takes the following risk factors into consideration:

a) *price change risk:* the price of each financial instrument depends on the specific characteristics of the issuing company (its financial soundness and economic prospects of the sectors in which it operates) and on the performance of the reference markets and investment sectors and may vary more or less significantly according to its nature. In fact, changes in the **share** price are generally linked to the income prospects of the issuing companies and may be such as to result in the reduction or even loss of the invested capital, while the value of **bonds** is influenced by the performance of interest rates and market rates and by assessments of the issuer's ability to meet the payment of interest due and the repayment of debt capital upon maturity;

b) *liquidity risk*: the liquidity of financial instruments, that is their ability to be transformed promptly into money, without loss of value, depends on the characteristics of the market on which they are traded. In general, financial instruments traded on regulated markets are more liquid and therefore less risky, as they are more easily mobilised than those not traded on such markets. Moreover, the lack of an official listing makes it difficult to assess the effective value of a financial instrument whose determination is subject to discretionary assessments;

c) *currency risk* : for the investment - direct or indirect – in financial instruments denominated in a currency other than the currency of the management line or the Fund, the variability of the exchange rate ratio between the reference currency of the management line or the Fund and the foreign currency in which the investments are denominated must be taken into consideration;

d) *risk associated with the use of derivative instruments*: the use of derivative instruments allows risk positions to be assumed on financial instruments that are higher than the disbursements initially incurred to open these positions (leverage effect). As a consequence, even a slight change in market prices has an amplified impact on the managed portfolio or the Fund in terms of gain or loss compared to when leveraging is not used.

e) *other risk factors*: transactions on emerging markets may expose the investor to additional risks associated with the fact that such markets may be regulated in such a way as to offer reduced levels of guarantee and protection to investors. The risks related to the political and financial situation of the country of the issuing entities must also be considered. Investing in financial instruments or

participating in transactions that combine two or more different financial instruments or services may involve risks that are greater than the risks associated with the individual components.

- Type of transactions

The Company may carry out the following types of transactions on financial instruments, without prejudice to the provisions of the agreement with the Client:

- spot trades
- forward trades
- securities lending and swap operations
- repurchase agreements

as well as, by way of example and not exhaustively:

- subscription of share capital increases
- subscription and conversion of bonds and request for their reimbursement
- purchase, exercise or disposal of rights relating to financial instruments.

The Company may process transactions carried out on behalf of the Client/Fund together with transactions carried out on its own behalf or on behalf of other clients/Funds.
Under such circumstances the Company undertakes to minimise the risk of this being detrimental to the Client/Fund.
The Client is hereby informed and acknowledges that the effect of this aggregation could be detrimental in relation to these particular orders.

Furthermore, in the event of aggregation of transactions carried out on behalf of the Client/Fund together with transactions carried out on its own behalf, the Company does not assign trades in a way that is detrimental to the Client and, in any case, will assign such trades first to the Client, unless it proves that without the aggregation it would not have been able to execute the order under equally favourable conditions or would not have been able to execute it at all, in which case the Company may assign the transaction proportionally.

- Financial leverage

Financial leverage is understood as the ratio between the market value of net positions in financial instruments and the equivalent value assigned by the Client as part of the portfolio management service. In the agreement governing the portfolio management service, the maximum measure of the financial leverage, represented by a number equal to or higher than the unit, must be established for each management line. The use of a financial leverage ratio higher than the unit entails an increase in the risk level of the management line which, in the event of negative results, may result in losses that even exceed the value of the assets under management and the Client could end up being in debt towards the Company.

- Benchmark

The benchmark is merely indicative of the risk/return profile of the portfolio under management and is useful for comparing the results obtained in the management activity. Under no circumstances can the benchmark be considered as a guarantee of a minimum, or potential, return of the management line. The Company cannot therefore be held liable if the result achieved by the management line deviates, even significantly, from that obtained by the benchmark.

It does not constitute an indicator of the future results of the management activity and the Company is under no obligation to achieve or exceed it.

Furthermore, the Company's aim is not to replicate the benchmark, but to carry out active management and therefore the results of such management may deviate from the performance of the benchmark, which in any case does not take into account the direct and/or indirect charges that affect the portfolio under management, such as taxes, commissions and expenses, transaction costs, etc.

- Essential terms of the collective portfolio management service

The Company performs the collective portfolio management service through the management of open- ended mutual investment funds offered to the public pursuant to Art. 98-ter et seq. of the Consolidated Finance Act (TUF) whose investment criteria and policies are duly identified in the Fund's Prospectus. If the Investor intends to receive a copy of the Prospectuses, these are available on a durable medium on the SGR's website or may be requested to be sent by post. The Company performs the collective portfolio management service also through the management of open-ended and closed-ended reserved AIFs.

F) Sustainability risks integration into investment decisions

A policy for the integration of sustainability risks into the investment decision-making process has been adopted by the Company. Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments.
The policy sets out the principles which guide the integration of sustainability risks into investment decision, through their identification, measurement and mitigation.
In particular, sustainability risks are identified at sector and issuer level and then assessed leveraging on ESG scores and ESG news, raw data, analyses and also other ESG factors, such as voting and engagement results. In addition, GIAM is committed in active ownership and in engagement owing that these activities contribute to risk mitigation and value creation for its clients and defines the pillars leading the engagement and monitoring behavior vis-à-vis investee issuers relating to the managed individual portfolios.
As detailed in the policy, the integration of sustainability risks aims at mitigating such risks and can be achieved through different approaches. GIAM implements a wide range of strategies, including, for example, negative, norms-based and positive screening strategies.
Appropriate customization of the above activities is made, on a case-by-case basis, consistently with the clients' indications and needs as defined in the Individual Management Agreement.
The policy and any update thereof are available on the Company's website.
The level of exposure of an individual portfolio to Sustainability Risks depends mainly on the eligible investments and their level of diversification as defined on a tailor-made basis with the Client. Therefore, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the individual portfolios.
The investments underlying the Client's portfolios not subject to Article 8(1) or to Article 9(1), (2) or (3) of Regulation (EU) 2019/2088do not take into account the EU criteria for environmentally sustainable economic activities.
Owing to the fact that GIAM is currently finalizing the adoption of internal systems adequate to cover the entire set of products made available, the Portfolios classified as art. 6 pursuant to SFDR, currently do not consider Principle Adverse Impacts on sustainability factors at product level. It remains intended that exclusion lists indicated under the Sustainability Policy available on GIAM website are integrated in the investment process and also applied to Article 6 Products.
For products classified as art. 8 or 9 pursuant to SFDR, please refer to the relevant "Disclosure pursuant to articles 8/9 of Regulation (EU) n. 2019/2088", prepared for each product, where the relevant ex ante disclosure also on the possible PAI consideration at product level is included.

Where the managed portfolio promotes ES characteristics and / or has sustainable investments as an objective, see the addendum “Disclosure pursuant to articles 8/9 of Regulation (EU) n. 2019/2088” to this information document.

G) Strategy for the exercise of the rights relating to the financial instruments of the Funds under management

The Company has drawn up a strategy for the exercise of voting rights in the shareholders’ meetings of the companies in whose capital the Funds have invested. The strategy is defined in the “Strategy for the Exercise of Rights Linked to the financial instruments within managed UCIS” policy.

H) Further information on the portfolio management agreement

Information on management mandates

The Company may delegate certain portfolio management activities providing Clients with details of any mandates granted, specifying their extent.

Valuation of the financial instruments under management

The valuation of all financial instruments takes place generally on a daily basis using the prices provided by different types of sources, depending on the quality and in accordance with the following priorities:

- reference markets (only for listed companies);
- alternative exchange circuits that have similar transparency and liquidity characteristics as regulated markets;
- counterparties;
- internal models for calculating “fair price”.

Ways in which the Client can issue instructions

The Client has the right to give the Company specific instructions for the execution of specific transactions (“Instructions”).

Instructions must be given in writing and must contain an exact indication of the type and quantity of the financial instruments that the Client intends to buy or sell, also specifying the methods of executing the transaction. Further methods of transmitting Instructions are set out in the management agreement. Where the Company, on the basis of the information in its possession, considers that the Instructions received from the Client refer to an inappropriate transaction, it informs the Client of this circumstance and of the fact that it will not be able to proceed with its execution.

Period of effectiveness and procedure for the renewal of the Agreement

The Agreement is, as a rule, for an unspecified term. The Client may withdraw from the Agreement at any time, without prior notice and without any penalty, by sending written notice to the Company in the manner specified in the Agreement.

From the moment of withdrawal, the Company will not as a rule be able to perform management actions on the managed assets, unless such actions are necessary in order to ensure the preservation of the value of the aforementioned assets. The Company may also carry out any

transactions already arranged by the Client and not yet performed, unless they have already been revoked.

Procedures for amending the Agreement and Withdrawal

The Agreement may be amended at any time based on the consent of the parties.
The Client has the right to withdraw from the Agreement at any time or to arrange for the transfer or withdrawal of its securities, in whole or in part, without being charged any penalty.

I) Information on costs and charges related to the provision of services

The costs and charges applied by the Company to the Client in relation to the portfolio management service, and the procedures for making payments to, or through, the Company are set out in the management agreement.

Information on *ex ante* costs and charges

Before providing the service, the SGR provides the Client with all the information, in an aggregated form, on the costs and charges of the investment service and, where appropriate, the financial instruments involved in the transactions carried out, as well as the effect of the costs on the profitability of the service/financial instruments, in accordance with the applicable legislation. The Client has the right to request further details. Details of the costs relating to the specific investment service are sent to the Client before the provision of the service, by means of a specific information document.

Information on ex post costs and charges

The SGR shall provide the Client, on an annual basis, *ex post* information on all the costs and charges relating to the service provided and to any ancillary services and the financial instrument or instrument; it shall also provide an illustration showing the effect of the costs on the profitability of the service/financial instruments, in accordance with the applicable legislation. This information is based on the costs incurred and is provided in a personalised form on an aggregate basis. The Client has the right to request further details.

In particular, the fee structure applied by the Company and set out in the management agreement is divided as follows:

a) **management fees,** which may have a fixed component and/or a variable component expressed as a percentage calculated on the average value of the portfolio.
b) **incentive/performance fees** based on the performance of the portfolio compared to the benchmark.

Different methods of determining and settling the aforesaid fees may be agreed upon with the Client at the time the management agreement is concluded.

Other charges to the Client comprise:

a) **trading fees** charged by third party intermediaries for each transaction and whose amount is determined by applying a percentage (which varies according to the type of financial instrument traded and/or trading market) to the equivalent value of the transaction;

b) **expenses for the administration and safekeeping of the assets with custodians** (e.g.: expenses for the settlement of transactions, sending statements, issuing tickets for participation in shareholders' meeting, custody rights on listed and unlisted domestic and foreign securities); The amount of the expenses for safekeeping the assets is not included in the costs associated with the portfolio management service as they are negotiated with the custodian bank or banks;

c) **taxes** (e.g.: withholding taxes on interest and dividends, tax on stock exchange agreements and stamp duty on security and liquidity safe custody accounts as indicated by current legislation).

The tax regime applied to the management service depends on the Client's specific classification for tax purposes and shall be indicated in the agreement.

The amounts relating to the fees and expenses referred to in the points above are, as a rule, taken from the cash and cash equivalents of the assets under management, with proof given to the Client in reports.

The costs and charges applied by the Company to the Investor for the collective portfolio management service, and the procedures for making payments to or through the Company are set out in the Fund Prospectuses and/or the management regulations, to which reference is made.

J) Regulation of Incentives

Incentives paid

In compliance with the regulations in force, the SGR may pay a fee or commission or provide non-monetary benefits in relation to the provision of investment advisory, portfolio management and collective portfolio management services to a person other than the Client/Investor, provided that the payments or benefits:

- have the purpose of increasing the quality of the service provided to the Client/Investor, and
- do not compromise the SGR's duty to act honestly, fairly and professionally in the Client's/Investor's best interests.

Prior to providing the aforesaid investment services, the SGR informs the Client/Investor of the existence, nature and amount of the payments or benefits paid. If the amount of the payments or benefits cannot be ascertained and only the calculation method is disclosed, the SGR shall communicate ex-post the exact amount of the payments or benefits paid and, in the case of continuous incentives, shall inform individual Clients/Investors, at least once a year, of the actual amount of payments or benefits paid during the reference period (it being understood that minor monetary benefits can be described in a generic way).

Payments to third parties

For the services of marketing the investment services and the Funds carried out by some distributors, the Company pays these distributors a part of the management fees applied to the related service, when such payment is aimed at increasing the quality of the service and does not compromise the obligation to act honestly, fairly and professionally.

In this regard, the SGR believes that payments to third parties are considered to improve the quality of the service when they are justified by the provision of an additional or higher level of service to the Client/Investor, proportional to the incentives received, such as:

a) the provision of a non-independent investment advisory service together with access to a wide range of appropriate financial instruments that includes an appropriate number of third-party instruments that do not have close links with the intermediary;
b) the provision of a non-independent investment advisory service together with the valuation, at least annually, of the continuing appropriateness of the financial instruments in which the client has

invested, or the provision of another continuous service that may be of value for the client such as advice on optimal asset allocation; or

c) access, at a competitive price, to a wide range of financial instruments able to satisfy client needs, including an appropriate number of third-party instruments that do not have close links with the intermediary, together with the provision of:

d) i) value-added tools, such as objective information tools that assist clients in making investment decisions or allow them to monitor, model and adjust the range of the financial instruments in which they have invested; or ii) periodic performance reports and reports on the costs and charges relating to financial instruments.

With regard to the portfolio management service provided in Italy, such payments are, on average, approximately 66% of the total management fees received by the Company.

With regard to the collective portfolio management service carried out in Italy, Italian distributors are paid, on average, 80% of the total management fees received by the Company.

With regard to the collective portfolio management service carried out in France, French distributors are paid, on average, 55% of the total management fees received by the Company.

The Company may pay incentives, on an individual or collective basis, to the portfolio managers that invest in the Funds it promotes. These incentives consist in the retrocession of management fees periodically accrued on the assets of the Funds subject to investment by these managers and are paid to said managers upon their formal commitment to pay these retrocessions back into the assets they manage (and therefore to the client's benefit).

To the professional clients referred to in Annex no. 3 of CONSOB resolution no. 20307/2018, and to public professional clients within the meaning of Article 6, paragraph 2 sexies of Legislative Decree no. 58/98, ("professional investors"), which make substantial subscriptions into the funds of the SGR in their own name, the Company may grant the partial retrocession of up to 99% of the management commission, in relation to the value of the Fund's assets represented by the shares subscribed by the professional investor.

Incentives received

In relation to portfolio management, collective portfolio management and the investment advisory services on a non-independent basis, in compliance with current regulations, the SGR may receive a fee or commission or receive non-monetary benefits from a person other than the Client/Investor or a person operating on its behalf, provided the payments or benefits:

- have the purpose of increasing the quality of the service provided to the Client/Investor, and
- do not compromise the SGR's duty to act honestly, fairly and professionally in the Client's/Investor's best interests.

Prior to providing the aforesaid investment services, the SGR informs the Client/Investor of the existence, nature and amount of the payments or benefits paid. If the amount of the payments or benefits cannot be ascertained and only the calculation method is disclosed, the SGR communicates ex- post the exact amount of the payments or benefits paid and, in the case of continuous incentives, informs individual Clients/Investors, at least once a year, of the actual amount of payments or benefits paid during the reference period (it being understood that minor monetary benefits can be described in a generic way).

With regard to the portfolio management service, in compliance with the prohibition on receiving and retaining incentives pursuant to Art. 24(1-bis) of the Consolidated Finance Act, the SGR does not

receive fees, commissions or other monetary or non-monetary benefits paid or provided by third parties or by a person acting on behalf of third parties, with the exception of minimal non-monetary benefits that can improve the quality of the service offered to clients and that, due to their size and nature, cannot be considered such as to compromise compliance with the duty to act in the client's best interests.

The Company, with regard to the portfolio management service, may receive the following minor non- monetary benefits:

- information or documentation relating to a financial instrument or an investment service of a general nature or customised for a particular Client;
- material written by third parties, commissioned and paid by a corporate issuer or by a potential issuer to promote a new issue by the Company or, when the intermediary is contractually committed and paid by the issuer to produce such material on an ongoing basis, on condition that the relationship is clearly documented in the material and that the material is made available to any intermediary who wishes to receive it or to the general public at the same time;
- participation in conferences, seminars and other training events on the advantages and characteristics of a specific financial instrument or investment service; hospitality of a reasonable *de minimis* value, such as food and drink during a business meeting or conference or other training events.

K) Privacy disclaimer

The information to be given to the Client/Investor concerning the processing of personal data and the form showing consent are set out in the Privacy notices provided in the countries in which the Company operates, in compliance with the applicable regulations.