

GENERAL CONFLICT OF INTEREST POLICY

1 Introduction

· Acting in the customer's interest is the guiding principle that defines the business relationship of North Channel Bank GmbH & Co. KG ("NCB") to its customers. This also means that NCB intends to take appropriate precautions to identify, avoid, or fairly resolve potential conflicts of interest that could result in disadvantages for its customers. This policy is NCB's general guideline for dealing with conflicts of interest. It describes how to identify and avoid conflicts of interest and how to deal with them. It also specifies the decision-making process and responsibilities.

2 Potential Conflicts of Interest

In principle, the interests of customers (may conflict with:

- The interests of NCB and external businesses, e.g. advisory companies, which are contractually connected with NCB
- Interests of the NCB staff, or
- Interests of other customers / investors

The provision of securities services may create a conflict of interest in particular in the following cases:

- Incentive systems for directors or employees
- Transfer of tasks to external enterprises / companies
- Improvement in fund performance as of the reporting date ("window dressing")
- The interests of investors wishing to redeem their investments and of investors maintaining their investments in investment funds
- This also applies to the conflicts of interest between the investment management objective of investing in less liquid assets and the redemption principles of the respective investment fund
- The customers place orders with the bank in financial instruments without specific information on order execution (customer order without instructions)
- NCB executes orders for different customers in the same financial instrument
- NCB executes orders in the same financial instrument for customers and for proprietary trading or portfolio management purposes
- Combination of customer orders in the interest of NCB to the detriment of customers
- Disadvantage to certain customer orders in forwarding or execution
- NCB employees could exploit insider information
- NCB or NCB employees could receive benefits from third parties when providing services

- NCB grants credit lines to the special assets of a fund and at the same time acts as an outsourced portfolio manager for the special assets. The execution of these activities also includes decisions on the management of credit lines, which may result in costs for the fund and income for the bank
- Under certain circumstances, receivables of the NCB-managed investment fund due from insurance companies may be sold to the bank or to companies affiliated with the bank to provide the fund with more flexibility. The sale of receivables may be subject to a markdown or commission. This generates income for NCB and costs for the fund
- The bank's portfolio managers responsible for the investment fund purchase insurance policies from the bank's own portfolio. There may be a conflict of interest with respect to the pricing and selection of policies
- As a sales representative for fund shares, the bank has an interest in sales success. In principle, the interest in maximizing the sales success may conflict with investor protection

3 Measures to Avoid Conflicts of Interest

In all business segments, the bank relies on fairness, solidarity, and trust among customers, the bank, and employees. The bank must be able to rely on its employees to avoid any questionable actions, interlocking interests, or dependencies within or outside the bank that would interfere with their free decision in the best interests of customers and the bank.

To avoid possible conflicts of interest to the detriment of customers, NCB has taken various organizational measures:

- The bank's remuneration systems are designed to ensure that customer interests are not adversely affected by the remuneration of employees. For example, the bank's remuneration systems are designed to avoid incentives that could induce employees to place the interests of the bank or their own interests above the interests of customers
- The bank has implemented a code of conduct regarding benefits
- The contractually bound external companies of the bank, e.g. advisory companies, were committed to avoiding conflicts of interest
- The bank has concluded contractual agreements to prevent window dressing on the reporting date
- The bank considers the interests of investors who wish to return their investments and investors who wish to maintain their investments in investment funds as part of asset management
- The above also applies to the conflicts of interest between the investment management objective of investing in less liquid assets and the redemption principles of the investment fund
- The bank has implemented guidelines for the best possible execution of customer orders to purchase or sell financial instruments
- Each order is always considered separately and in the order in which it is received. A combination of the orders is generally not permitted, unless the customer expressly agrees

in individual cases

- The bank has set up confidentiality areas for individual departments to prevent the misuse of confidential information from the services or improper influence on these services by other departments within NCB
- The bank maintains a blocking list for market instruments that may pose a risk regarding conflicts of interest. In addition, trading prohibitions, holding periods, or approval requirements for employee transactions may be imposed as appropriate
- Employees in special functions who, as part of their official duties, regularly receive information that is likely to have a significant influence on market conditions in securities trading and trading in derivatives bear a special responsibility and are therefore subject to additional obligations (e.g. disclosure obligations to the Compliance Department for their own transactions in financial instruments)
- The bank's employees are also subject to the statutory prohibition of insider dealing and market manipulation (Market Abuse Ordinance (EU) No. 596/2014) as well as to the provisions on employee transactions resulting from the organizational requirements of the German Securities Trading Act (WpHG) and Article 25a of the German Banking Act (KWG)
- The bank has established rules of conduct for employees' private transactions to avoid possible conflicts of interest
- The bank has established rules of conduct for the acceptance and granting of benefits
- The bank has defined principles for proprietary trading (trading strategy)
- The bank pays attention to the careful selection, training, qualification, and continuing education of its employees
- In addition, employees are obliged to report to the bank any additional occupations and business interests which are not directly related to the employment relationship and which could have a direct or indirect influence on the interests of the bank or its customers, and to obtain prior approval
- In addition, employees are obliged to immediately report newly identified conflicts of interest to the Compliance Department
- The bank has established a complaints management system which is regularly reviewed by Compliance to identify any additional unknown conflicts of interest
- The bank has a reporting system that enables employees to report violations of certain laws and regulations within the company at an appropriate location, while maintaining the confidentiality of their identity
- The bank maintains a register of mandates
- The bank keeps a register of conflicts
- Decisions on the application for and use of credit lines for special assets managed by the bank are justified in writing by portfolio management and documented diligently
- Receivables of the investment fund are sold only if there is a justified need to do so, e.g., to increase the fund's financial flexibility, to acquire new policies at an early stage, or to

save on borrowing costs. Decisions to do so are justified in writing by the portfolio management and documented diligently

- The pricing of the purchase of insurance policies for the fund from the bank's portfolio is based on the fund's valuation model, which has already been independently determined in advance. The selection of policies is only relevant (or potentially conflicting) if investors other than the bank itself already hold shares in the fund at the time of purchase of the policies. If this is the case, the asset selection must be justified according to the purchase criteria of the fund's portfolio management
- The bank's relevant sales processes and the resulting measures are set up in compliance with regulatory requirements and are documented accordingly

Conflicts of interest which cannot be avoided despite the measures taken shall be disclosed to the customers before providing the service.

Compliance with the above obligations is continuously monitored by the independent Compliance Function at NCB and regularly audited by internal and external auditors.