Bellevue
Excellence in Specialty Investments

Dealing with Conflict of Interest

1. SCOPE, PURPOSE AND LEGAL BASIS

1.1. Scope

This directive applies to all employees of Bellevue Asset Management AG (hereinafter "BAM"), including its subsidiaries. It applies to all activities, products, services and business relationships in which actual or potential conflicts of interest may arise.
Local legal, regulatory, company law or contractual requirements applicable to individual subsidiaries, products or markets apply in addition. Where they impose stricter requirements, they take precedence over this directive.

1.2. Purpose

This directive sets out BAM's principles, responsibilities and measures for identifying, avoiding, managing, disclosing, documenting and monitoring conflicts of interest. Its purpose is to protect clients' interests, ensure fair business conduct with integrity, comply with supervisory requirements and maintain the trust of clients and business partners.

1.3. Legal Basis

This directive takes account in particular of the applicable provisions of Swiss financial services law, namely Articles 25–27 of the Financial Services Act (FinSA; FIDLEG) and Articles 24–30 of the Financial Services Ordinance (FinSO; FIDLEV), as well as FINMA Circular 2025/2 "Conduct Duties under FinSA/FinSO". Where applicable to a company, activity or client relationship, the relevant requirements under MiFID II, UCITS and AIFMD, as well as local supervisory requirements, must also be observed.

2. DEFINITION AND IDENTIFICATION OF CONFLICTS OF INTEREST

2.1. Definition

A conflict of interest exists where competing interests arise that could impair the proper, objective provision of a service in the client's interests. Conflicts of interest may arise in particular between:

- BAM, its governing bodies or employees and a client;
- different BAM clients;
- BAM and companies or persons of Bellevue Group AG;
- BAM and external management companies, issuers, distribution partners, brokers, research providers or other business partners; or
- employees' private or financial interests and their professional duties.

2.2. Criteria for Identifying Conflicts

When identifying conflicts, particular consideration must be given to whether BAM, a relevant person or an affiliated company:

- could make a financial gain or avoid a financial loss at a client's expense;
- has an interest in the outcome of a service, transaction or business conducted for a client that differs from the client's interest;
- has a financial or other incentive to favour the interests of one client or client group over those of other clients;
- carries on the same or a competing activity as a client;
- receives or grants an inducement, remuneration or other benefit from or to a third party in connection with a client service; or

- could have its objectivity impaired by group relationships, own products, affiliated issuers, remuneration structures, personal transactions or outside activities.

3. GENERAL PRINCIPLE AND ORDER OF MEASURES

BAM and its employees act professionally, honestly and in the best interests of clients. Conflicts of interest must be avoided where possible. Where they cannot be avoided entirely, they must be managed through appropriate organisational and other measures to prevent clients from being disadvantaged. Disclosure to a client is permissible only where the organisational and administrative measures taken are insufficient to ensure with reasonable certainty that risks of harm to the client's interests are avoided. Disclosure is not a substitute for inadequate organisational measures.
If a conflict of interest cannot be adequately controlled even through appropriate management and disclosure measures, the activity, transaction or business relationship concerned must not be undertaken or must be terminated.

4. MEASURES TO PREVENT AND MANAGE CONFLICTS

4.1. Organisational Measures

BAM's processes and organisational structure are designed with appropriate separation of functions. BAM has an internal control system and suitable processes to prevent and manage conflicts of interest. These include in particular:

- functional and hierarchical separation of activities that could give rise to conflicts, where appropriate;
- information barriers, confidential areas, and watch lists and restricted lists;
- rules concerning inside information, market abuse, and front-running, parallel-running and after-running;
- Best Execution and Order Allocation rules, including fair allocation of block orders;
- rules and controls concerning personal securities transactions;
- controls concerning remuneration, inducements, gifts, outside activities and intra-group relationships; and
- appropriate employee training.

4.2. Own Products, Group Products and Related Parties

When selecting or recommending BAM's own financial instruments, products managed by BAM, products of group companies or financial instruments of affiliated issuers, the resulting conflicts of interest must be expressly identified and managed.
Own or group-affiliated products must not be favoured solely because of the financial interests of BAM, a group company or individual employees. Selection, recommendations and allocations must be based on objective, traceable criteria that take account of the client. Where required by law or regulation, clients are appropriately informed before the service is provided about the product universe and any related conflicts of interest.
Material financial, personnel or corporate links with issuers, counterparties, distribution partners or other parties involved must be taken into account when assessing conflicts.

4.3. Inducements and Distribution Remuneration

The receipt and payment of retrocessions, commissions, distribution compensation, non-monetary benefits and other inducements are governed by the current “Inducements” directive. Inducements must also be assessed under this directive to determine whether they create or intensify an actual or potential conflict of interest.
The substantive rules on the permissibility of inducements, client information, waivers, passing on benefits and disclosure are not repeated in this directive, to avoid inconsistencies with the “Inducements” directive.

4.4. Gifts, Invitations and Other Benefits

Gifts, invitations and other monetary or non-monetary benefits may be accepted or granted only if they are appropriate, customary in business and unlikely to unduly influence decisions or create the appearance of such influence.

- Cash, securities or comparable liquid benefits are prohibited in all cases.
- Gifts or invitations worth CHF 200 to CHF 500 must be disclosed before acceptance or without delay, as applicable, through the internal gifts and entertainment process in ComplySci.
- Gifts, invitations or other benefits worth more than CHF 500 must generally not be accepted; justified exceptions require prior written approval from Compliance and must not circumvent legal or regulatory prohibitions.
- Multiple benefits from the same counterparty or affiliated counterparties must be assessed cumulatively. Compliance may set lower thresholds or additional approval requirements for particular functions, counterparties or periods.

Gifts or benefits granted to persons related to an employee are treated in the same way. Related persons include, in particular, spouses or life partners, children and persons living in the same household.

4.5. Outside Activities, Mandates and Financial Interests

Outside activities and external mandates, in particular board, foundation board or advisory board positions, public offices and senior political or military roles, must be disclosed and approved under the applicable approval process before they are taken up. The same applies to material financial holdings or other external interests insofar as they may give rise to a conflict of interest.
Employees promptly record relevant outside activities in ComplySci (“Outside Affiliation”). Material changes must be reported immediately. Compliance reviews reported activities on a risk-based and at least periodic basis; where necessary, conditions, information barriers, recusal arrangements or termination of an activity may be required.
Members of executive management are also subject to the applicable company and group approval processes. The board of directors is informed or involved in approval in accordance with the applicable governance rules.

4.6. Remuneration

Remuneration and performance-target systems must not create incentives that could cause employees to unduly subordinate clients’ interests, favour particular products or transactions without objective justification, or take excessive risks. Variable remuneration and sales-related targets must be included in the conflict assessment.

5. CONFLICTS REGISTER, REPORTING AND ASSESSMENT

5.1. Employee Duty to Report

Employees must report actual or potential conflicts of interest to Compliance without delay. This also applies where there is doubt about whether a matter constitutes a conflict of interest.

5.2. Conflicts Register

Compliance maintains a confidential conflicts register. It documents actual and potential conflicts of interest and recurring types of conflict and includes, where applicable, at least:

- a description of the conflict, its cause and type;
- the affected company, organisational unit, employees, clients, products or services;
- a risk assessment and possible effects on clients' interests;
- measures taken to avoid, manage and control the conflict;
- required approvals and decisions on recusal or escalation;
- any disclosure to clients;
- the responsible function, status, review date and closure; and
- identified control weaknesses and follow-up actions.

5.3. Conflict Assessment and Approval

Compliance assesses reported conflicts in consultation with the relevant specialist and control functions. Material or novel conflicts, as well as conflicts involving significant client, legal, regulatory or reputational risk, must be escalated to executive management without delay. The board of directors must be involved where necessary.

6. DISCLOSURE OF CONFLICTS THAT CANNOT BE ADEQUATELY MANAGED

Where a conflict of interest affecting a client cannot be avoided or managed with reasonable certainty despite appropriate organisational and administrative measures, the affected client must receive clear and appropriate disclosure before the service or transaction concerned, insofar as disclosure is permitted and required by applicable law.
The disclosure must be sufficiently specific for the client to understand the nature and source of the conflict of interest, the resulting risks to the client's interests and the measures taken to mitigate those risks, and to make an informed decision. It must make clear that the existing organisational measures are insufficient to eliminate the risk entirely.
The form and timing of disclosure depend on the applicable regulatory regime and the service concerned. Communications to clients about specific conflicts of interest must be coordinated with Compliance and documented.

7. RESPONSIBILITIES AND MONITORING

7.1. First Line / Specialist Functions

Business units and specialist functions are responsible for continuously identifying and appropriately managing conflicts of interest in their activities and for implementing the prescribed controls.

7.2. Compliance

Compliance is responsible for the regulatory framework for managing conflicts of interest, advises the specialist functions, maintains the conflicts register, assesses reported conflicts, coordinates client disclosures and monitors the implementation of required measures.

7.3. Risk Control

Risk Control takes account of conflicts of interest in its independent monitoring and control activities and coordinates material findings with Compliance.

7.4. Executive Management and Board of Directors

Executive management ensures appropriate organisation and sufficient resources for managing conflicts of interest. Material conflicts and control deficiencies are escalated without delay. Compliance reports to executive management at least annually on the main types of conflict, relevant individual cases, developments in the conflicts register and the status of material measures. The board of directors is appropriately informed through regular Compliance or risk reporting and in the event of material matters.

8. DOCUMENTATION, TRAINING AND REVIEW

Conflict assessments, approvals, measures, client disclosures and escalations must be documented in a traceable manner and retained in accordance with applicable legal, regulatory and internal retention requirements.
Employees receive training when they join and regularly thereafter, as well as when material changes occur, on the conflict of interest requirements relevant to their role.
This directive is reviewed at least annually and in the event of material regulatory, organisational or business changes, and amended where necessary.