



Conflicts of interest: basic principles

Principles for dealing with conflicts of interest

At Maerki Baumann & Co. AG (subsequently referred to as “MBC”), the interests of our clients, owners and staff are at the heart of everything we do. Therefore, we constantly strive to avoid conflicts of interest. However, given the wide range of high-quality financial services that MBC provides for a large number of different clients on a daily basis, it is not always possible to avoid conflicts of interest entirely.

To comply with legal and regulatory requirements and protect the interests of clients and shareholders, MBC has put measures in place to identify and avoid potential conflicts of interest before they occur. If conflicts of interest should nevertheless arise, Maerki Baumann & Co. AG has internal processes outlining how to deal with them in general. Moreover, conflicts of interest are disclosed to clients.

Conflicts of interest can arise between clients of MBC and MBC, its staff – including the Executive Board – and persons affiliated to MBC, or between clients of MBC. Further conflicts of interest can arise, in particular, from personal relationships between members of MBC’s staff or Executive Board and third parties. In addition, conflicts of interest may result from

- MBC or individual members of staff having information that is not public knowledge at the time of a client transaction
- MBC receiving inducements from third parties, including the issuers of products, in connection with securities services
- staff receiving performance-related remuneration.

Conflicts of interest can mean that the bank does not act in the client’s best interests, and the client may suffer a financial disadvantage as a result. The bank has implemented various measures to avoid potential conflicts of interest from the outset.

Measures to avoid conflicts of interest

As an investment firm we have an obligation to act in the best interests of our clients and to provide all services honestly, professionally and with integrity, avoiding conflicts of interest insofar as possible. Both the bank and our staff are required to meet high ethical, professional and industry standards. The responsibility for the identification and management of conflicts of interest lies with the Chairman of the Executive Board, and also with the respective heads of the individual departments. The Risk & Internal Control department as well as the Legal & Compliance department, which as independent bodies are directly responsible to the Executive Board, support the aforementioned persons in charge.



Organizational measures

To avoid conflicts of interest from the outset, MBC has implemented the following organizational measures in particular:

- Organizational procedures to protect clients' interests when providing investment advice and asset management services
- Staff are required to notify the Legal & Compliance department immediately of anything that could result in conflicts of interest
- Disclosure of inducements and any gifts offered and accepted
- Establishment of Chinese walls to protect confidential information through the separation of responsibilities and/or physical separation; sharing sensitive or confidential information between these defined areas is forbidden if it could result in conflicts of interest
- Maintaining insider lists which serve to monitor sensitive information and which help to prevent the misuse of insider information
- Maintaining of a Restricted List and a Watch List for financial instruments, which might cause conflict of interest
- Regulation of employees' securities transactions in which conflicts of interest may arise in the course of their work
- Safeguarding the confidentiality of electronic information by granting different IT access authorizations
- Disclosure of all private securities transactions of employees

MBC is convinced that the measures outlined above avoid most potential conflicts of interest before they arise. If, in exceptional cases, conflicts of interest cannot be prevented by the above-mentioned organizational measures, MBC informs its clients appropriately and discloses the conflicts of interest to the client before providing the service. Such information is only provided if, in individual cases, our extensive precautions cannot with a reasonable degree of certainty be deemed sufficient to protect the client's interests. If MBC becomes aware of conflicts of interest that cannot be eliminated and that affect the client, it will notify the client thereof without delay.

Our principles for dealing with conflicts of interest are being reviewed regularly to ensure that they are effective and appropriate.



Important additional information

Maerki Baumann & Co. AG provides investment advice as a non-independent service and not on a fee basis; in connection with giving such advice, it may receive remuneration in the form of portfolio management commissions and issue or redemption premiums from distribution partners such as fund management companies and securities issuers. The revenues represented by these payments and inducements are used to provide efficient and high-quality infrastructure for buying and selling financial instruments. These inducements are in line with market practice. The inducements are intended to enhance the quality of service for our clients. They do not impair the bank's duty to act in the best interests of the client.

Finally, MBC receives minor non-monetary benefits from other securities firms in connection with securities transactions. These benefits are used to provide and continuously improve our services in the high quality expected by our clients. Such minor non-monetary benefits may comprise the following in particular: attending conferences, seminars and other educational events on the advantages and characteristics of a specific financial instrument or a specific securities service; information or documentation relating to a financial instrument or a securities service, insofar as these are of a general nature or aligned to the individual situation of a specific client; hospitality of an acceptable minor value; and training, market analyses and other non-monetary benefits.

In the context of asset management, MBC employees do not accept and retain any inducements from third parties or persons acting on behalf of third parties, with the exception of minor non-monetary benefits whose type and scope are acceptable and appropriate.

In some cases, we pay commissions and fixed fees to third parties who refer clients or specific items of business to us. These commissions are used by the intermediaries to enhance the quality of their services for clients.

Information on the receipt or granting of inducements can be found in our General Terms and Conditions and other contractual documents. Upon request, we will provide you with further details on our principles on dealing with potential conflicts of interest.