BANOR
SIM SpA

Contract no.

INFORMATION DOCUMENT ON INVESTMENT AND ANCILLARY SERVICES

CONTENTS

Background

This pre-contractual information document (hereinafter referred to as the "Information Document") is intended to provide the client or prospective client (hereinafter also referred to as "Client" or "Investor") of Banor SIM S.p.A. (hereinafter also referred to as "SIM"—*Società di investimento mobiliare*, an Italian investment firm—or "Firm" or "Intermediary") with sufficient information to reasonably understand the nature of the investment and ancillary services and the financial instruments offered by the SIM, as well as the relevant risks, so as to make informed investment decisions.
The Client shall be notified of any material change in the information included in this Information Document.

1. Information on Banor SIM S.p.A. and its services

Name and address of the SIM and relevant contact details

Banor SIM S.p.A. has its registered office in Milan, Via Dante no. 15, Fiscal Code and VAT Number 06130120154, Milan Economic and Administrative Register no. 1073114.

MILAN OFFICE Via Dante, 15 – 20123 Milan Phone +39.02.8962891 Fax +39.02.896289950
TURIN BRANCH Piazza Carignano, 2 – 10123 Turin Phone +39.011.5119925 Fax +39.011.5119933
Web: www.Banor.it

Languages in which the Client may communicate with the SIM, and receive documents and other information from the SIM

The Client may communicate with the SIM in Italian or English.
The documents and information concerning the provision of investment services and activities and ancillary services, as well as any notice or statement provided to the Client by the SIM, shall be prepared in Italian.

Methods of communication to be used between the SIM and the Client, including for the sending and reception of orders

Communications between the SIM and the Client, including the orders and specific instructions for the execution of particular transactions, shall be in writing and delivered by mail or hand delivery, or, at the Client's request, via long-distance communication methods such as fax, e-mail, and telephone.
Considering the operational characteristics and risks associated with the use of long-distance communication methods, the SIM shall record the orders given over the phone by the Client on magnetic tape or other equivalent medium, as well as keep records of the orders given in electronic form by the Client.
The methods of communication, including those for the sending and reception of orders, between the SIM and the Client in respect of the provision of the individual investment services are governed by the relevant agreements.

Statement of the fact that the SIM is authorised and name and contact details of the competent authority that has authorised it

Banor, reference no. 31 in the Register of Italian investment firms maintained by Consob, is authorised to provide the following services:

- dealing on own account (Resolution no. 11761 of 22/12/1998);
- execution of orders on behalf of clients (Resolution no. 11761 of 22/12/1998);
- placing without a firm commitment to the issuer (Resolution no. 11761 of 22/12/1998);
- portfolio management (Resolution no. 11761 of 22/12/1998);
- reception and transmission of orders (Resolution no. 15204 of 25/10/2005);
- Underwriting and/or placing on the basis of a firm commitment to the issuer.

Pursuant to Italian Legislative Decree no. 164 of 17 September 2007, the SIM is also authorised to provide investment advice.

The competent authority that has authorised Banor is Consob, Via G.B. Martini, 3 - 00198 ROME - phone 39 06 84771 (operator), fax 39 06 8417707. Branch office: Via Broletto, 7 - 20121 MILAN - phone 39 02 724201 (operator), fax 39 02 89010696. E-mail: consob@consob.it - web: http://www.consob.it.

Services offered

The SIM offers the following services to its clients:

- ***Reception and transmission of orders:*** the SIM receives Client orders in relation to financial instruments and transmits them for the purpose of their execution to another intermediary authorised to trade/execute orders as described in the document "Order execution and transmission strategy".

- ***Dealing on own account:*** service through which the SIM trades over the counter with Clients.

- ***Execution of orders on behalf of clients:*** service through which the SIM executes client orders by directly accessing one or more execution venues (as at the date of this information document, the SIM does not have access to any execution venue).

- ***Safekeeping and administration of financial instruments and funds:*** an ancillary service aimed at safekeeping and administering financial instruments on behalf of Clients. With this service, the SIM sees to the safekeeping of financial instruments and fulfils the relevant administrative and accounting requirements. This means that the SIM safekeeps and administers financial instruments and securities on behalf of the Client. Generally, such financial instruments and securities are dematerialised (equities, bonds, government bonds, etc.), and the SIM maintains the relevant accounting records, collects interest and dividends, verifies the lots drawn to assign premiums or principal repayments, and, at the express request of the Client, performs specific operations (exercise of subscription rights, conversion, payment of calls), and generally protects the rights attaching to the securities. While performing the service, the SIM, with the authorisation of the Client, may sub-deposit securities and financial instruments with central depositaries and other authorised depositaries. The SIM shall deposit the funds received from clients with a bank into accounts in the name of the SIM, specifying that they represent third-party assets.

The services consisting in reception and transmission as well as brokerage, dealing on own account, execution of orders, and safekeeping and administration are collectively referred to as "Administered Services"

- ***Placing and distribution:*** the SIM places its own investment and ancillary services as well as financial instruments and financial products of third parties. The placing service involves also out-of-office canvassing through financial advisors. The service consists in offering—including through out-of-office canvassing—the services as well as the financial instruments and products offered, promoted, or placed from time to time by the Intermediary where this has entered into an agreement for placing and/or distributing financial instruments and products with the company issuing, offering, or responsible for placing them (so-called Specialist Product Company). The service also involves providing operational support to clients in the period following the placing (so-called after-sales service). The SIM always provides the placing service together with investment advice on a NON-independent basis.

- ***Portfolio management:*** service through which the SIM undertakes to manage the assets entrusted to it by the Client through transactions in financial instruments in exchange for a fee. To this end, the SIM may delegate the management of the portfolios to third parties.

- ***Investment advice***: the provision of investment advice is contingent on the finalisation of a specific written agreement between the SIM and the Client. At the Client's request or on its own initiative, the SIM provides personal recommendations in respect of one or more transactions relating to specific financial instruments. The recommendation is personal when it is presented as suitable for the Client or based on a consideration of the Client's circumstances. A recommendation is not personal if it is issued to the public through distribution channels.

The SIM may provide investment advice, including to the Client, on both an independent and NON-independent basis. The SIM has implemented appropriate organisational requirements to ensure the two types of investment advice are clearly distinct from one another, chief among them the fact that they are provided by two different and separate structures. The SIM provides investment advice in the following areas and with the following differences:

a) Investment advice on a NON-independent basis. The SIM provides investment advice on a non-independent basis only and exclusively in respect of products and instruments that are the subject of the placing service. This means that the personal recommendations the SIM provides to the Client may concern financial instruments issued by third parties having close links with the SIM or other issuers with which the SIM has entered into agreements, specifically for placing/distribution services, under which it may receive inducements, in accordance with applicable laws. These inducements represent the indirect remuneration received for the service of investment advice. However, financial instruments and products are recommended only if this is in the interest of the client and they are compatible with their needs, circumstances, and objectives. As for the range of financial instruments the SIM may recommend when providing investment advice on a NON-independent basis, including the relationship with the relevant issuers:

- units or shares in open- and closed-end Italian and international Collective Investment Undertakings (CIUs) within the scope of Directive 2009/65/EC (UCITSs, Undertakings for Collective Investment in Transferable Securities) or Directive 2011/61/EU (AIFs, Alternative Investment Funds); such instruments may be issued or managed by companies of the group or investees of the SIM, or entities in which the SIM's directors, executives, and employees own an interest or hold key positions;
- Italian and international financial instruments placed as part of offers addressed to the public or specific categories of investors.

In both cases, the SIM may enter into placing and/or distribution agreements with the issuers or distributors of the recommended financial instruments under which it may receive inducements, in accordance with applicable laws.

b) Investment advice on an independent basis. The SIM may provide investment advice on an independent basis exclusively in respect of products and instruments that are not the subject of the placing service and whose issuers or distributors do not have close links or relationships with the SIM as well as its directors, executives, and employees. As for the instruments offered while providing investment advice on an independent basis, the SIM as well as its directors, executives, and employees do not have links or legal, economic, and contractual relationships with none of the issuers or distributors of the recommended financial instruments. Should the SIM have such links over the course of the relationship, it shall disclose the fact to the Client when making its recommendation.
The SIM, while providing investment advice on an independent basis, shall not receive or retain inducements; therefore, the consideration for the service shall be paid directly by the Client. The advice provided is based on a comprehensive analysis of the various types of financial instruments. To this end, the SIM assesses a sufficient range of financial instruments available on the market that are sufficiently diverse with regard to their type and issuers or product providers to ensure the Client's investment objectives can be suitably met. More specifically, investment advice may concern:

- shares traded on Italian and international execution venues (regulated markets, multilateral trading facilities, and organised trading facilities), denominated in euros or currencies other than euro;
- government and corporate bonds traded on Italian and international execution venues, including those issued by unlisted issuers, denominated in euros or currencies other than the euro;
- – units or shares in open- and closed-end Italian and international Collective Investment Undertakings (CIUs) within the scope of Directive 2009/65/EC (UCITSs, Undertakings for Collective Investment in Transferable Securities) or Directive 2011/61/EU (AIFs, Alternative Investment Funds), other than those that are the subject of the placing service provided together with investment advice on a NON-independent basis;
- derivatives traded on Italian and international execution venues, denominated in euros or currencies other than the euro.

For a description of the characteristics of the type of financial instruments the SIM may potentially recommend, please see the relevant section in this document.

When selecting the financial instruments to recommend, the SIM considers the following factors: risks, costs, and complexity of the financial instruments.

The SIM offers also ancillary services of ***corporate finance*** and ***family office*** to Clients.

- ***Corporate finance***: ancillary service that consists in providing advice to undertakings on financial structure, industrial strategy, and related matters, and advice and services relating to mergers and the purchase of undertakings. The advice provided by the SIM focuses specifically on the analysis of the undertaking's financial structure and the support for non-recurring corporate finance transactions (acquisitions, mergers, and restructuring of liabilities) as well as restructuring processes or growth plans.

- ***Family Office:*** the SIM offers this service to families to assist them in planning, managing, administering, and reorganising their corporate and real estate assets as part of the reorganisation and distribution of estates and investments. The SIM offers support to families in the financial sector: specifically, it provides advice and selects investment portfolio managers and, more generally, the providers of investment services.

Out-of-office canvassing

As part of the canvassing for financial instruments and products as well as investment services out of the registered office or the Turin Branch ("Out-of-office Canvassing"), the SIM, in its direct relationship with the Client, relies on registered financial advisors authorised to conduct out-of-office canvassing (hereinafter referred to as "financial advisors").

Nature, frequency, and timing of the reports on the work carried out to be provided to the Client

As part of **Administered Services and the Placing Service**, the Intermediary shall promptly provide the Client with essential information on the execution of the order in a durable medium. The Intermediary shall send a notice to the Client in a durable medium confirming execution of the order as soon as possible and no later than the first business day following execution. Where the Intermediary must receive confirmation from a third party, it shall send the notice to the Client no later than the first business day following receipt of the confirmation from the third party.
The Intermediary shall not send any confirmation notice if this must already be provided to the Client by an entity other than the Intermediary.
At the express request of the Client, the Intermediary shall provide them with information about the status of their order.
In the case of Client orders relating to units or shares in CIUs which are executed periodically, the Intermediary may provide the client, at least once every six months, with information on the execution of the order in place of said confirmation notice.
The order confirmation notice shall include the information required by the regulations applicable from time to time.

In addition, the Intermediary may provide a periodic statement about the Administered Services only upon express request of the Client, with whom it shall agree the frequency of said statements.

Should it hold the Client's financial instruments or funds, the SIM shall send the Client a statement on a quarterly basis including the information required by the relevant regulations, and specifically the details of all the financial instruments and funds held by the SIM for the Client at the end of the period covered by the statement.
In the case of unsettled transactions, the above information shall be based on the trade date and the settlement date.

In any case, with the year-end statement, the SIM shall provide the Client, on a personalised basis, with aggregated information on the costs and charges of the investment services rendered and the financial instruments that are the subject of the executed/recommended transactions, as well as the effects of the costs on the return of such financial instruments, where required and in accordance with the relevant regulations. The Client may request further details.

In the case of the **Portfolio Management Service**, unless otherwise requested by the Client or otherwise required by law, on a quarterly basis the Firm shall send the statement for the reporting period, prepared in accordance with article 60, paragraph 2, of Delegated Regulation (EU) 2017/565 as amended and supplemented, as well as the other regulatory provisions applicable from time to time.
In cases where the Client elects to receive information about executed transactions on an individual basis, with the relevant costs, the SIM shall send them a transaction confirmation notice containing the information required by the regulations applicable from time to time no later than the first business day following receipt of said confirmation, unless such confirmation is to be provided by a third party. In these cases, the SIM shall nonetheless provide the Client with the periodic statement at least once every 12 months or on a quarterly basis in respect of portfolios involved in transactions in derivative financial instruments.

Where the agreement between the SIM and the Client authorises a leveraged portfolio, the SIM shall provide the periodic statement at least once a month.

The portfolio management service year-end report shall contain an updated statement of how the investment meets the Client's preferences, including those related to sustainability, objectives, and other characteristics, as well as the statement on a personalised basis of the costs and charges associated to the provision of the service, aggregating the total costs charged to the Client during the reporting period, as well as the effects of the costs on the return of the service, where required and in accordance with the relevant regulations. The SIM shall also inform the Client: 1) where the overall value of the portfolio, as evaluated at the beginning of each reporting period, depreciates by 10 % and thereafter at multiples of 10 %, no later than the end of the business day in which the threshold is exceeded or, in a case where the threshold is exceeded on a non-business day, the close of the next business day; ii) if the managed portfolio includes positions in leveraged financial instruments or contingent liability transactions, where the initial value of each instrument depreciates by 10% and thereafter at multiples of 10%. Such reporting should be on an instrument-by-instrument basis and in a durable medium, unless otherwise agreed with the Client, and shall take place no later than the end of the business day in which the threshold is exceeded or, in a case where the threshold is exceeded on a non-business day, the close of the next business day.

Should it hold the Client's financial instruments or funds, the SIM shall summarise the situation of such financial instruments and funds in accordance with the regulations applicable from time to time in the periodic statements.

In the case of the **Service of Investment Advice**, when issuing recommendations, the SIM shall provide the Client with documentation in a durable medium containing the essential elements as well as the outcome of the recommendation that is the subject of the advice, and a suitability statement, describing the advice provided and illustrating how the recommendation meets the Client's preferences, including those related to sustainability, objectives, and other characteristics.
In addition to such documentation, the SIM shall provide the Client with an annual statement summarising the recommendations provided, containing also information on a personalised basis on the costs of the service rendered and the financial instruments, aggregating the total costs charged to the Client, and an illustration showing the cumulative effect of costs on the return of the portfolio during the reporting period. At the Client's request, an itemised breakdown shall be provided.

Additional information on the provision of the portfolio management service

a) information on the method and frequency of valuation of the financial instruments in the client portfolio

The financial instruments comprising the managed portfolio are measured on a daily basis according to the following criteria:

a) for financial instruments traded on regulated markets (markets of OECD countries established, organised, and governed by provisions adopted or approved by the competent authorities based on the laws applicable in the country where such markets are located), the price shall be that available on said markets on the last trading day of the reporting period. In the case of financial instruments traded on multiple markets, the reference price shall be that of the market where the securities are predominantly traded. This category includes equity financial instruments, listed derivatives, and Italian government bonds. However, should financial instruments traded on a regulated market register more significant prices on other execution venues, they shall be measured using the price available on there. If no price is available on the last trading day of the reporting period, the SIM shall use the measurement basis referred to in b);

b) for financial instruments traded on execution venues other than regulated markets (i.e. multilateral trading facilities and organised trading facilities), the price shall be that available on said venues on the last trading day of the reporting period. In the case of financial instruments traded on multiple venues, the reference price shall be that of the venue where the securities are predominantly traded. If no price is available on the last trading day of the reporting period, the SIM shall use the measurement basis referred to in c);

c) for financial instruments not traded on the venues referred to in a) and b), the price shall be determined by reference to the estimated realisable value, identified using a broad range of information, objectively assessed by the Intermediary, on the situation of both the issuer and the market; in the case of derivative financial instruments not traded on markets (so-called OTCs), they shall be measured by reference to market conditions (so-called “mark to market”). Where it is not possible to conduct a significant measurement of the financial instrument, this shall be measured at cost;

d) for securities traded ex-coupon, the price shall be expressed ex-coupon, showing the interest accrued separately;

e) for zero-coupon bonds, the price shall include the interest accrued;

f) for securities traded on the markets referred to in point a) of this paragraph and suspended from trading subsequent to their purchase, the last available price shall be adjusted based on the lower of such price and the estimated realisable value, calculated in accordance with the reasoned and conservative assessment of the Intermediary. After one year from the trading suspension, the suspended securities shall be measured on the basis used for securities not traded on regulated markets; a similar measurement shall be conducted for suspended securities purchased after the suspension date;

g) for units and shares issued by collective investment undertakings, their value shall be the most recent Net Asset Value (NAV) for the reporting period;

h) for financial instruments denominated in a foreign currency, the price, determined for the different categories as described above, shall be denominated in euros, applying the relevant exchange rates as at the measurement date. For securities denominated in currencies other than fully convertible currencies, their value shall be determined by reference to exchange rates available on in markets of international relevance and significance;

i) in the case of transactions in financial instruments with deferred settlement, the price shall be discounted using the market's risk-free interest rate for the same maturity as the settlement date.

b) details of any management delegation, specifying the extent of the delegation

According to the type of management strategy selected by the Client, the SIM may delegate the management of all assets as well as one or more sectors or sub-funds comprising the strategy to third-party intermediaries authorised to provide investment portfolio management services. The SIM may delegate to authorised EU as well as non-EU intermediaries to the extent permitted by the regulations applicable from time to time. In any case, no delegation shall eliminate or limit the liability of Banor, including in respect of transactions carried out by the delegated intermediary. The SIM shall promptly notify the Client in writing of the details of the delegated intermediary, as well as the scope of the delegation, before such delegated entity begins operations and in the event of subsequent changes.

c) specification of the benchmark against which the performance of the client portfolio will be compared

The Benchmark against which the performance of the portfolio must be compared is expressly indicated in the description of the management styles attached to the Contract, to which reference should be made. A copy shall be made available to the Client upon request.

Please note that the Benchmark represents an indicative measure based on commonly used financial indicators provided by third parties and consistent with the risks associated with the management strategy, and that it does not create an obligation for Banor to achieve or ensure a minimum or otherwise guaranteed return. The SIM is therefore released from any liability should performance differ, including significantly, from the benchmark.

d) the types of financial instrument that may be included in the client portfolio and types of transaction that may be carried out in such instruments, including any limits

e) the management objectives, the level of risk to be reflected in the manager's exercise of discretion, and any specific constraints on that discretion

Banor provides information on the type of financial instruments, the management objectives, the level of risk and the sustainability characteristics in respect of the individual management strategy whose specific features are illustrated in the Contract, to which reference should be made. A copy shall be made available to the Client upon request.

Please note that, as far as the “personal” management strategy is concerned, the SIM shall identify and define its contents and, specifically, management objectives, risk profile, the categories of financial instruments that may be included in the portfolio and the sustainability characteristics on a case-by-case basis with each individual client.

In any case, all management styles share the following characteristics:

<u>Categories of financial instruments that may be included in the Client's portfolio</u>

The financial instruments may fall into the following categories:

- debt securities;
- equity securities, or securities that are convertible into equity;
- units or shares in collective investment undertakings;
- derivative financial instruments (mainly futures and options on indices and securities);
- debt securities with a derivative component (so-called structured securities).

The SIM may also include illiquid or highly volatile financial instruments in the Client's portfolio.

The SIM may also include “complex” financial instruments in the Client's portfolio, as long as this is considered consistent with the mandate received and the Client's risk profile.

<u>Type of transactions</u>

When providing the portfolio management service, the SIM may freely carry out the following types of transaction in financial instruments and currencies; spot trades, forward trades, securities lending and contango trades, repurchase agreements, short selling. In the case of transactions carried out on foreign markets, the SIM may also hedge the foreign exchange and interest rate risk with forward trades or similar transactions, including in currencies. Banor may also purchase, sell, subscribe to, swap, and redeem financial instruments, exercising discretion as to their quality and quantity; collect all gains on transactions in financial instruments as well as all gains and income earned and accruing to the Client (including, but not limited to: interest, dividends, principal repayments, redemptions at maturity, distributions from liquidations, etc...). In addition, it may subscribe to rights issues, subscribe to and convert bonds as well as request their repayment; purchase, exercise, or dispose of rights attaching to securities; purchase financial instruments as part of public offerings. The SIM may finalise transactions in financial instruments traded outside a regulated market and/or a multilateral trading facility.

2. Information concerning safeguarding of Client financial instruments or Client funds

Summary description of the steps taken by the SIM holding Client financial instruments or Client funds to ensure their protection

As part of the services provided by the SIM, the Client's funds and financial instruments, as well as the funds and financial instruments arising from investing and/or management activities carried out by the Firm on behalf of the Client from time to time, are deposited into accounts and deposits in the name of the Firm and expressly designated as third-party accounts. The SIM selects depositaries or sub-depositaries based on their expertise and market reputation, taking into account also legal or regulatory provisions as well as practices prevailing in the markets where they operate. The accounts registered in the name of the SIM on behalf of third parties are kept separate from those owned by the Firm. The contractual offsetting of receivables due from the Firm to depositaries or sub-depositaries does not apply to these accounts.

The Firm maintains specific accounting records of the financial instruments and funds held on behalf of Clients at its office.

These records refer to each Client and are broken down by type of service and activity provided, specifying the depositary (or sub-depositary) of the assets.

The records are updated on an ongoing basis and in a timely manner to allow reconstructing the position of each Client at any time and with certainty. In addition, they are regularly reconciled—considering also the frequency and volume of day-to-day trading—to the account statements (funds and financial instruments) issued by depositaries (or sub-depositaries).

In respect of individual transactions in Client assets, the SIM's records set out the date of the transaction, the settlement date under the contract, and the actual settlement date.

The SIM does not offset the positions (either in cash or securities) of individual Clients. Should the transactions carried out on behalf of clients require posting and settling margins with third parties, the SIM shall pay special attention to ensure the positions of each Client related to such margins are kept constantly separate, so as not to offset margins collected and owed as part of transactions entered into on behalf of different Clients or on its own account.

The SIM regularly monitors the operations of depositaries and sub-depositaries to review the efficiency and reliability of the service they provide.

Applicable investor compensation or deposit guarantee scheme, including an outline of its funding

The SIM is a member of Italy's ***Fondo Nazionale di Garanzia* (National Compensation Fund)**, which was set up to protect investors. The organisation and operation of the "Fund" are governed by its Bylaws. Its institutional interventions are governed by the "Operating Regulation". A copy of the Bylaws and the Operating Regulation is available at the website **www.fondonazionaledigaranzia.it**.
The National Compensation Fund compensates investors, within the limits as per Article 5 of Italian Treasury Minister's Decree no. 485 of 14 November 1997 for claims arising from the provision of investment services and the ancillary service of safekeeping and administration of financial instruments against Intermediaries in the event of compulsory administrative liquidation, bankruptcy, or composition with creditors involving said Intermediaries. Pursuant to Article 5 of the mentioned decree, **the Fund shall compensate each investor to the extent** of the overall amount of claims allowed to share in the bankruptcy estate, less the amount of any partial distributions made by the bodies of the bankruptcy proceedings, **up to an overall limit of 20,000 Euros**. For the purposes of compliance with said limit, for each investor the claims arising from individual investment transactions are added to their share of claims arising from joint investment transactions involving two or more investors. In the case of joint investment transactions involving two or more investors in their capacity as owners of a company or members of an association, the investment shall be considered made by a single investor for the purposes of calculating the limit. In the case of joint investment transactions, unless otherwise specified, the claims shall be divided into equal parts. No investor may receive compensation greater than their overall claims.

In accordance with the time limits and procedures laid down in the Operating Regulation approved with the decrees of the Italian Ministry of the Treasury, Budget, and Economic Planning of 30 June 1998 and 29 March 2001, and of the Italian Ministry of Economy and Finance of 19 June 2007, eligible investors may apply for compensation via registered mail with receipt of delivery addressed to the Fund.

The Intermediaries that are members of the Fund are responsible for funding its operating expenses and institutional interventions.

3. Information on the proposed financial instruments and investment services

Introduction
Below is an outline of the characteristics, nature, and risks of the main financial instruments that the SIM makes available to clients and potential clients as part of the investment services it provides.

Types of financial instrument
The SIM deals in the following financial instruments or products as part of the investment services and activities it provides:
- shares and other equity securities negotiable on the capital market;
- bonds, governments bonds and other debt securities negotiable on the capital market, including convertible bonds and debt securities with a derivative component (so-called structured bonds);
- units or shares in open- and closed-end Italian and international CIUs (mutual funds, SICAVs, Exchange-Traded Funds - ETFs), within the scope of both Directive 2009/65/EC (UCITSs, Undertakings for Collective Investment in Transferable Securities) and Directive 2011/61/EU (AIFs, Alternative Investment Funds);

- securities which are normally dealt in on the money market;
- any other security normally dealt in allowing to purchase the previously mentioned instruments;
- futures contracts on financial instruments, interest rates, currencies, commodities, and the relevant indices;
- spot and forward swaps on interest rates, currencies, and commodities, as well as equity swaps;
- forward contracts linked to financial instruments, interest rates, currencies, commodities, and the relevant indices;
- options to purchase or sell the instruments referred to in the previous letters and the relevant indices, as well as options on currencies, interest rates, commodities, and the relevant indices;
- combinations of previously mentioned contracts or securities.

The SIM considers the following types of financial instrument or product to be "complex financial products":

i. financial productions from securitisations of receivables or other operations (e.g. Asset Backed Securities);
ii. ii. financial products that, upon the satisfaction of specified conditions or on the issuer's initiative, are converted into equity or written down (e.g. Contingent Convertible Notes, financial products that qualify as additional tier 1 pursuant to Article 52 of Regulation (EU) no. 575/2013 (so-called "CRR"));
iii. iii. credit-linked financial products (exposed to third-party credit risk);
iv. derivative financial instruments as per Article 1, paragraph 2, letters d)-j) of the Consolidated Law on Finance, not traded on trading venues, other than hedging derivatives;
v. structured finance products, not traded on trading venues, whose pay-off does not ensure the full repayment of principal at maturity;
vi. derivative financial instruments as per Article 1, paragraph 2, letters d)-j) of the Consolidated Law on Finance, other than those referred to in point iv;
vii. financial products with pay-off linked to indices that do not meet ESMA's Guidelines on ETFs of 18 December 2012;
viii. perpetual bonds;
ix. so-called alternative CIUs;
x. structured finance products, traded on trading venues, whose pay-off does not ensure the full repayment of principal at maturity;
xi. financial products with leverage greater than 1;
xii. CIUs as per Article 36 of Regulation (EU) no. 583/2010 as well as class III or V insurance policies with similar characteristics.

Consob believes that, among the types of highly complex products included in the above list, those referred to in points i. through v. are normally not suitable for retail clients, and therefore recommends that these types of product are not suggested nor distributed directly (as part of executive services, whether accompanied or not by investment advice) to retail clients. Therefore, the SIM has conformed to the recommendations of the Authority for the purposes of performing investment services and activities.

<u>Shares</u>

The share is the minimum unit of equity interest in a joint-stock company, limited partnership, co-operative, or limited liability company. All shares in a company have the same par value and carry rights, and they are indivisible, independent, and outstanding. The holder of multiple shares may do with them separately and independently (e.g. they may sell some shares and retain others, or exercise the voting rights of some shares but not others). There are several types of share, which differ based on:

- the rights attaching to the shares:
  - Ordinary shares
  - Savings shares
  - Preference shares
  - Shares with limited voting rights
- the arrangements for their transfer:
  - Registered shares
  - Bearer shares
- the issuer's market capitalisation:
  - Blue chips
  - Small caps
- other types:
  - Converted shares
  - Recovery shares
  - Listed shares

<u>Bonds</u>

They are debt securities that represent a loan issued by a private- or public-sector entity to meet part of its borrowing requirements.

A bond is a debt security representing a fraction of a financing transaction of equal par value and carrying the same rights. The buyer or holder of the bond becomes a creditor of the issuer, which shall repay the principal amount at maturity.

The characteristic features of a bond are:

- the nominal interest rate, which may be fixed throughout the term of the bond or variable (predetermined or indexed);
- the duration;
- the coupon, which may be zero (zero-coupon bond) or regularly paid at fixed maturities;
- the redemption, which may be either ordinary (a single repayment at maturity, or gradual repayments at fixed maturities) or extraordinary (early repayment or repurchase on the market);
- the call price, which may be fixed or variable.

The issuer has considerable latitude to determine the content of such characteristic features as well as embed some optional features typical of derivative contracts in the bond. There are therefore several categories of bonds on the market.

<u>Convertible bonds</u>

Convertible bonds are securities that sit in between bonds and equities. Their holder may decide whether to remain a creditor of the issuer throughout the term of the loan, or convert its status from creditor to owner (shareholder) during specified periods based on a fixed conversion ratio (set out in the terms of issue).

The characteristic features of this bond are:

- the conversion method: direct (where the converted shares are in the bond issuer), or indirect (where the converted shares are issued by an entity other than the bond issuer);
- the conversion price (or conversion ratio), which represents the number of shares the holder may receive for every bond;
- the conversion period, which represents the period(s) starting from which the bond can be converted.

The right to convert represents an option implicitly sold by the issuer to the buyer; in exchange, the bondholder earns a return calculated according to a nominal rate lower than that on an ordinary bond with similar characteristics, as this difference represents the premium of the option.

Convertible bonds cannot be issued below par, and shareholders have pre-emptive rights to these securities.

<u>Structured bonds</u>

Bonds that embed a derivative contract, which is usually an option, in a conventional debt instrument.

Structured bonds are financial instruments with variable returns stemming from the combination of an ordinary bond with one or

several derivative contracts. The bond component ensures the repayment of principal at maturity (for the entire nominal amount) in addition to any regular coupons, while the derivative component determines the variability of returns.
The derivative component may consist in an option, in which case the holder will receive a premium coupon of variable amount at the time of the principal repayment, or a swap, in which case the holder will receive regular coupons of variable amount.
Structured bonds can be classified according to:
- the type of asset underlying the derivative component: equity linked, index linked, basket linked, floater, reverse floater;
- the indexation structure (or type of derivative instrument embedded in the security): plain vanilla, average, cliquet, reverse cliquet, rainbow, digital, etc.

Mutual Fund
Mutual funds fall within the category of Collective Investment Undertakings (CIUs) and are investment vehicles that bring together financial resources from multiple investors into a single undifferentiated pool of funds, which are invested in financial assets.
Article 1 of Italian Leg. Decree 58/1998 (Consolidated Law on Finance) defines the mutual fund as an "independent pool of funds, divided into units, owned by multiple unitholders and managed collectively".
The assets of a mutual fund consist of the set of assets (financial instruments, receivables, funds, or other assets) received from unitholders; it is independent, as it is an entity legally separate from the assets of the individual unitholders as well as the manager (separation of assets).
It is possible to invest in a mutual fund by purchasing units represented by specific certificates issued by the fund. These units carry equal rights and have the same value. Each unitholder is entitled to a share of the assets proportional to their investment. This way, they also assume the risk arising from the investments made by the manager.
The value of each unit is calculated at regular intervals as the ratio of the net asset value (i.e. the value of all assets included in the portfolio less any potential costs) to the number of units outstanding.
The fund's assets must be managed collectively according to a series of rules intended to reduce the risks of the investments and deliver a return. This implies that individual unitholders cannot influence the fund's management and investment decisions.
Mutual funds are divided into different categories according to some key characteristics:
- based on the variability of their assets, mutual funds may be open- or closed-end;
- based on how units are sold, mutual funds may be harmonised or non-harmonised; only harmonised mutual funds may sell units in any European Union country without requesting the authorisation of the supervisory authority of each member state (principle of mutual recognition).
- based on the strategic objectives and assets in which the fund invests, it is possible to distinguish between equity funds, real estate funds, and pension funds;
- based on how dividends are distributed, they may be dividend reinvestment funds (profits are not distributed to investors, but rather automatically reinvested in the fund and gradually capitalised) or dividend payout funds (allowing investors to choose whether to cash the dividend or immediately reinvest it).

Equity funds and pension funds may be open- or closed-end, whereas real estate funds fall within the different categories of closed-end funds.

SICAVs
SICAVs (*Société d'investissement à capital variable*), introduced in Italy in 1992, qualify as CIUs (Collective Investment Undertakings), similarly to mutual funds. The peculiarity of SICAVs—which also sets them apart from mutual funds—is that the investor becomes a shareholder in the company, and therefore acquires a series of property rights (right to profits and to principal repayment following a redemption request) as well as administrative rights. Similarly to mutual funds, the capital of a SICAV is not fixed, but varies according to new subscriptions and redemption requests. SICAVs are "open-end": an investor may always subscribe for new shares and ask to redeem them. This also leads to the main difference compared to joint-stock companies. The share capital is not fixed; rather, it is equal to net assets, which vary in accordance with new subscriptions and redemptions. The shares shall be fully paid up when they are issued and only in cash.
Similarly to mutual funds, SICAVs can have several sub-funds (umbrella fund SICAV), for each of which a separate category of shares is issued; in this case, each sub-fund represents an independent and distinct pool of assets.
The shares may be registered or bearer shares. The latter give only one vote to each member, regardless of the number of shares owned. The value of each share is calculated as the ratio of the SICAV's net asset value (NAV) to the number of shares issued.

ETFs
Exchange-traded funds represent a type of passively managed mutual funds or SICAVs traded on stock exchanges, similarly to regular stocks.
Exchange-traded funds (ETFs) are passively managed mutual funds. ETFs differ from regular indexed funds because they are traded on stock exchanges, similarly to stocks. Therefore, an ETF combines the characteristics of funds and stocks, allowing investors to leverage the strength of both instruments:
- the diversification and reduction of risk that is peculiar to funds;
- the flexibility and transparency of real-time trading that is peculiar to stocks, allowing to immediately measure the units and giving investors the possibility to use them for medium/long-, short-, or very short-term investments. ETFs are suitable for different strategies:
  - medium/long-term investments (ETFs do not have a maturity date);
  - short-term (including intraday) trading, in order to capture gains in the benchmark index (by purchasing and then immediately selling the ETF);
  - short selling, in order to short the benchmark index (if your intermediary offers this service).

One of the main benefits of ETFs is their low cost in terms of management fees. This is typically the result of their passive management, which seeks to closely track the benchmark index, keeping the asset manager's involvement to a minimum as well as the turnover ratio (peculiar to indexed portfolios) low. Annual fees apply in proportion to the holding period of the ETF, and purchase and sale prices on the market are already net of said fees.
The innovative way ETFs work allows the quoted price to remain in line with the fund's net asset value (NAV); in addition, the indicative net asset value is calculated on an ongoing basis for each ETF.

Futures
A standardised forward contract under which the parties agree to exchange a certain real or financial asset at a fixed price with settlement deferred to a future date.
The futures contract is a derivative contract traded on regulated markets under which the buyer and seller agree to exchange a specified amount of a certain real or financial asset (also known as underlying asset) at a fixed price and with settlement deferred

to a specified date in the future. It is a symmetric contract, as both parties have to fulfil a performance obligation at maturity. The buyer of the futures contract (i.e. who agrees to buy the underlying asset at maturity) takes a long position, whereas the seller takes a short position.
In most cases, futures contracts do not end with the physical delivery of the underlying asset, as investors prefer to "close" open positions by reselling a previously purchased futures contract or buying the previously sold futures contract; this allows to save on delivery costs. Conversely, if the futures contract reaches maturity, it can be settled in cash (calculating its monetary value) or by physically delivering the underlying asset. In the latter case, the exact quantity and quality of deliverable assets are set by the market in which such contract is traded.
The underlying asset of a futures contract may be a stock, a bond, a long-term or short-term interest rate, a currency, a share index, or a commodity.
The contract size defines the amount the seller shall deliver to the buyer for each contract entered into.

<u>Swap</u>
A contract under which two parties agree to exchange future payments. Such contract defines the dates on which the mutual payments are to be made and how to calculate the relevant amounts.
A swap is a symmetric derivative contract under which two parties agree to exchange funds on a regular basis, calculated by applying two different benchmarks relating to two different market variables to the notional principal amount. Conversely, the parties exchange the notional principal amount only under specific types of swaps. A swap is very similar to a forward rate agreement, with the difference that the contract does not involve a single exchange, but rather a series of future payments.
Swaps are not traded on regulated markets, and are entered into from time to time through bilateral agreements between the parties (over the counter - OTC market). These instruments are used for several purposes: to change the nature of an asset or liability (e.g. convert a position from fixed to floating rate, and vice versa), hedge risks, or speculate.
Based on the benchmark or market variable, swaps can be divided into:
- interest rate swaps;
- currency swaps;
- commodity swaps;
- credit default swaps.

Based on how the funds that the parties agree to exchange are calculated, swaps can be divided into:
- fixed to fixed swaps;
- fixed to floating swaps;
- floating to floating swaps;
- plain vanilla swaps;
- total rate of return swaps.

<u>Forward contracts</u>
Derivative contract under which two parties agree to exchange a specified asset at a future date and a price agreed upon at the time of the contract.
The forward is a forward contract traded OTC (over the counter) with a real or financial asset as the underlying asset. It is a symmetric derivative contract, as both parties have to fulfil a performance obligation at maturity. The party that takes the long position agrees to buy the underlying asset on the agreed date at the agreed price; conversely, the party that takes the short position agrees to sell said asset on the same date at the same price.
The agreed price is known as the delivery price and is agreed upon at the time of the forward contract, whose initial amount is zero. Therefore, taking a long or short position under a forward contract does not require any immediate outlay of cash.
The forward contract may be used to speculate, hedge risks, and arbitrage.

<u>Options</u>
Options are derivative contracts that give the buyer the right to purchase or sell an underlying asset on (or by) a specified date at a fixed price.
Options are asymmetric derivative contracts, as only the seller has the obligation to satisfy the demands of the buyer; conversely, the latter may decide whether or not to exercise the right implicit in the contract.
The characteristic features of an option are:
- the underlying asset: it may be a stock, an index, a foreign currency (or foreign exchange rate), a futures contract, a commodity, or any real or financial asset. All options with the same underlying asset constitute a "series".
- the right: the options that give the holder the right to purchase the underlying asset at a future date are known as call options. The options that give the holder the right to sell the underlying asset are known as put options. All options of the same type (call or put) constitute a "class".
- maturity: the options that give the holder the right to exercise them exclusively at maturity are known as European options, whereas the options that give the holder the right to exercise them at any time up to and including the maturity date are known as American options.
- The strike price represents the price at which the holder of the call or put option can purchase or sell the underlying asset, respectively.

The buyer of an option takes a long position, whereas the seller takes a short position. Therefore, the are four option positions:
- long call position (right to forward buy the underlying asset);
- long put position (right to forward sell the underlying asset);
- short call position (right to forward sell the underlying asset if the counterparty requests it);
- short put position (right to forward buy the underlying asset if the counterparty requests it).

Since options give the holder a right, but not an obligation, their value will be either positive (if they are in the money) or, at most, nil.
At maturity, the value of an option coincides with its intrinsic value, whereas at any time prior to maturity the value of an option is the sum of intrinsic value and time value. The latter depends on the probability that intrinsic value will increase over time. Therefore, in addition to the underlying asset's spot price and the strike price, the factors that influence the price of an option prior to maturity are: the residual life, price volatility in the underlying asset, the level of interest rates, and whether there is recurring income (e.g. dividends from a stock).
Considering the asymmetry between the rights and obligations of the buyer and the seller, purchasing an option always requires an outlay of cash known as premium.
Investors use options to speculate, hedge risks, or arbitrage.

The list of instruments may be subject to change according to the business decisions the SIM makes from time to time.

<u>Risks associated with financial instruments and investment services</u>
The following paragraphs provide information on the risks associated with the investment services performed by the SIM and the financial instruments in which the Client's assets may be invested (as part of the Management service) or that may be recommended (as part of the Investment Advice service) or that may be the subject of investment (as part of the Administered Services).

The following is intended to provide non-exhaustive basic information on the risks associated with the services and investments in financial instruments, and specifically the risks associated with the Portfolio Management and Investment Advice services.

PART A
Assessing the risk of an investment in financial instruments

Appreciating the risk of an investment in financial instruments requires taking the following into account:

- the variability in the price of the financial instrument;
- the liquidity of the financial instrument;
- the currency in which the financial instrument is denominated;
- other general risk factors.

1) The variability in the price of the financial instrument

The price of each financial instruments depends on several circumstances and can vary more or less markedly according to its nature.

1.1) Equity and debt securities

To begin with, it is necessary to distinguish between equity securities (the most popular of which are shares) and debt securities (the most popular of which include bonds and depositary receipts), bearing in mind that:

- buying equity securities means becoming a shareholder in the issuer, participating fully in its business risk; investors in shares are entitled to receive the dividend paid each year out of the profits generated during the reporting period as decided by the general meeting of shareholders. However, the general meeting may also decide not to distribute any dividend;
- buying debt securities means becoming a lender to the company or entity that issued them, and being entitled to regularly receive interest payments as per the terms of issue as well as the repayment of principal at maturity.

Other things being equal, an equity security carries more risk than a debt security, as the remuneration payable to its holder is tied more closely to the financial performance of the issuer. Conversely, the holder of debt securities risks not being remunerated only in the event the issuer defaults.

In addition, in the event of the issuer's bankruptcy, the holders of debt securities may share in the proceeds from the sale of the company's assets—although this usually takes a very long time—along with the other creditors, whereas holders of equity securities are all but certain to lose the entire principal investment.

1.2) Specific risk and market risk

In the case of both equity and debt securities, risk can be ideally broken down into two components: specific risk and market (or systematic) risk. Specific risk depends on the peculiar characteristics of the issuer (see the following point) and can be substantially reduced by investors spreading their investment among securities from different issuers (portfolio diversification), whereas systematic risk represents the portion of the variability in the price of each security that depends on market fluctuations and cannot be eliminated through diversification.

Systematic risk on equity securities traded on an organised market stems from the fluctuations in the overall market, which can be identified with the movements in the market index.

Systematic risk on debt securities (see point 1.4) stems from fluctuations in market interest rates. The longer the residual life of the securities, the greater the repercussions of such fluctuations will be on their prices (and thus their yields). The residual life of a security at a given date is the time that must elapse from that date until its redemption.

1.3) Issuer risk

When investing in financial instruments, it is crucial to appreciate the financial soundness and business prospects of the issuer, taking into account the characteristics of the sectors in which it operates.

Investors must consider that the prices of equity securities reflect at any time an average of the expectations of market participants as to the issuer's earnings outlook.

In the case of debt securities, the risk that the companies or financial entities that issued them may not be able to pay the interest or principal is reflected in the rate of interest that these bonds guarantee to the Investor. The greater the perceived riskiness of the issuer, the higher the interest rate the issuer will have to pay to the Investor.

Assessing whether a security pays a fair rate of interest requires taking into account the interest rates paid by issuers whose risk is considered to be the lowest, and specifically the yield on government bonds with the same maturity.

1.4) Interest rate risk

In the case of debt securities, Investors must consider that the actual rate of interest constantly adjusts to market conditions through movements in the price of the securities. The yield on a debt security will approach that incorporated in the security at the time of purchase only if Investors hold them to maturity.

Should Investors need to dispose of the investments before maturity, the actual yield may differ from the one guaranteed by the security at the time of purchase.

Specifically, in the case of securities that pay interest at a fixed and invariable rate over the life of the loan (fixed-rate securities), the longer the residual life, the greater the variability in the price of the security relative to fluctuations in market interest rates. For instance, consider a zero-coupon bond—a fixed-rate security that pays interest in a lump sum at the end of the period—with a residual life of 10 years and a yield of 10% per year; a 1 percentage point increase in market rates will cause the price of the security to fall by 8.6%.

Therefore, in order to assess the suitability of an investment in this category of securities, it is crucial for Investors to consider when they may need to dispose of their investment.

1.5) The effect of investment diversification. Collective investment undertakings

As mentioned, it is possible to eliminate the specific risk of a given financial instrument through diversification, i.e. by Investors spreading their investments among multiple financial instruments. However, diversification can prove expensive and hard to implement for Investors with limited capital. Investors can achieve a high degree of diversification at a low cost by investing their capital in units or shares in collective investment undertakings (mutual funds and SICAVs - *Société d'investissement à capital variable*). These undertakings invest the funds received from investors into the different types of security set out in their terms or investment plans.

In the case of open-end mutual funds, for instance, investors may invest or disinvest by buying or selling units in the fund based on the theoretical value (plus or minus the relevant fees) of the unit; this value is obtained by dividing the value of the entire portfolio managed by the fund, calculated at market prices, by the number of outstanding units.

Please note that investing in these types of financial instrument may nonetheless carry risks because of the characteristics of the financial instruments in which funds plan to invest (e.g. funds investing only in securities issued by companies operating in a specific sector or based in specific countries) or an insufficient diversification of their investments.

1.5) Sustainability risk

Sustainability risk is defined as an environmental, social, or governance-related event or condition which, if it occurs, could have a significant actual or potential negative impact on the value of the investment.

Sustainability risk related to environmental matters includes, for example, climate risk — both physical and transitional. Physical risk stems from the acute or chronic physical effects of climate change; for instance, frequent and severe climate events can impact products, services, and supply chains. Transitional risk, on the other hand, is linked to companies' ability to mitigate and adapt to climate change, and to their alignment with a low-carbon economy.

Risks related to social issues may include — but are not limited to — workers' rights and community relations, matters such as inequality and inclusiveness, investment in human capital, and accident prevention.

Governance-related risks may include, among others, the composition and effectiveness of the Board of Directors, management incentives, the quality of governance, alignment of management with shareholders, corruption, and the use of unfair sales practices.

2) The liquidity of the financial instrument

The liquidity of a financial instrument consists in the possibility of converting it promptly into cash without losing value.

This depends in the first place on the characteristics of the market in which the security is traded. As a rule, other things being equal, **securities traded on organised markets are more liquid than securities not traded on such markets**. This is because the demand for and supply of securities is largely channelled into such markets, so that the prices available on them are more reliable indicators of the actual value of financial instruments.

Nevertheless, Investors must bear in mind that disposing of securities traded on organised markets which are hard to access because they are located in distant countries or for other reasons may make it difficult for investors to liquidate their investments and force them to incur additional costs.

3) The currency in which the financial instrument is denominated

Where financial instruments are denominated in currencies other than the Investor's reference currency—typically the Euro for Italian investors—in order to assess the overall riskiness of investments, Investors must take into account the volatility in the exchange rate between the reference currency (the Euro) and the foreign currency the investment is denominated in.

Investors need to consider that the exchange rates with the currencies of many countries—and especially of developing ones—are highly volatile, and that the exchange rate movements may influence the overall result of the investment.

4) Other general risk factors

4.1) Money and assets deposited

Investors should find out about the safeguards provided for the sums of money and assets deposited for the execution of transactions, especially in the event of the intermediary's insolvency. The possibility of regaining possession of the money and assets they have deposited could be affected by specific legal provisions applicable in the countries where the depositary is located as well as the guidelines of the bodies which, in cases of insolvency, are empowered to settle the defaulting party's claims and liabilities.

4.2) Fees and other charges

Before starting to invest, Investors should obtain detailed information regarding all the fees, expenses, and other charges that will be payable to the Intermediary. The fees payable to the Intermediary as well as the objective criteria for determining them must be stated in the portfolio management contract. Investors must always remember that such charges will be deducted from any gains on transactions, and they will be added to any losses (except for fees based on the performance of the Management Styles, which the SIM does not receive in the event of negative returns).

4.3) Transactions executed in markets located in other jurisdictions

Transactions carried out on markets located abroad, including transactions in financial instruments that are also traded on domestic markets, may expose Investors to additional risks. The regulation of such markets may provide investors with fewer guarantees and less protection. Before giving any specific instructions relating to transactions on such markets, Investors should find out about the rules governing such transactions. They should also bear in mind that Italian supervisory authorities will not be able to ensure compliance with the rules applicable in the jurisdiction where the transactions are carried out. Investors should therefore find out about the rules applicable in such markets and the actions that can be taken with respect to such transactions.

4.4) Electronic trade support systems

Most trading systems are supported by computerised systems for order routing and trade checking, recording, and clearing. Like all automated procedures, these systems are subject to outages and malfunctioning.

The possibility for Investors to be indemnified for losses deriving directly or indirectly from the above-mentioned events could be impaired by liability limitations established by system vendors or markets. Investors should ask their intermediary about any such limitations of liability bearing on the transactions they are preparing to carry out.

4.5) Electronic trading systems

There may be differences between computerised trading systems as well as between them and call-auction systems. Orders to be executed in markets that use computerised trading systems may not be executed in accordance with Investors' instructions or may remain unexecuted where a trading system suffers a malfunctioning or outage due to its hardware or software.

4.6) Transactions executed outside organised markets

Intermediaries may execute transactions outside organised markets. The intermediary Investors choose may also trade over the counter with Clients (i.e. deal on their own account). In transactions carried out outside organised markets it may prove difficult or impossible to liquidate a financial instrument or appreciate its actual value and assess the actual exposure to risk, especially if the financial instrument is not traded on any organised market.

Such transactions therefore involve higher risks.

Before carrying out such transactions, Investors should collect all relevant information about the transactions, applicable rules, and the ensuing risks.

PART B
The riskiness of investing in derivative financial instruments

Derivative financial instruments are characterised by a very high degree of risk, which is difficult for investors to appreciate because of their complexity.

Investors should therefore enter into transactions in such instruments only if they understand the nature and extent of the exposure to risk they entail. Investors must bear in mind that the complexity of these instruments may result in inappropriate transactions that cannot be executed by the SIM.

As a rule, trading in derivative instruments is not suitable for many investors.

After assessing the risk associated with the transaction, the Investor and the Intermediary must determine whether the investment is appropriate for the Investor, especially considering the latter's financial situation, investment objectives, and knowledge and experience in investing in derivative instruments.

Below are some risk characteristics of the most popular derivative financial instruments.

1) Futures

1.1) Leverage

Transactions in futures involve a high degree of risk. The initial margin is low (a few percentage points) in relation to the value of the contracts, and this produces the so-called "leverage". This means that a relatively small movement in market prices will have a proportionately larger impact on the funds Investors deposit with their Intermediary: such effect may be unfavourable or favourable to Investors. Therefore, Investors may lose the initially deposited margin as well as the additional deposits made in order to maintain their position. If the movements in the market are unfavourable to Investors, these may be called on to deposit additional funds at short notice in order to maintain their positions in futures. If Investors do not make the additional deposits requested within the established time limits, their positions may be liquidated at a loss and they will be responsible for any other liability that arises.

1.2) Orders and strategies designed to reduce risk

Certain types of order designed to keep losses within predetermined limits may prove ineffective because particular market conditions can make it impossible to execute them. Investment strategies that use combinations of positions, such as "standard combination orders", may be just as risky as individual "long" or "short" positions.

2) Options

Transactions in options involve a high level of risk. Investors intending to trade in options should do so only if they understand the operation of the types of contract they intend to trade (puts and calls).

2.1) Buying an option

Buying an option is a highly volatile investment, and the probability of it expiring without any value is very high. In this case, Investors will lose the entire price paid for the premium plus fees. After buying an option, Investors can hold it through the expiration date or carry out a transaction of the opposite sign, or else, for "American" options, exercise the option before it expires.

Exercising an option can involve either the cash settlement of a difference or the purchase or delivery of the underlying asset. Exercising an option on futures contracts results in taking a position in futures and assuming the related obligations to adjust margins.

Investors intending to buy options on an asset whose market price is very far from the price at which it would be profitable to exercise the option (deep out of the money) should bear in mind that the possibility of their becoming profitable is remote.

2.2) Selling an option

Selling an option generally involves taking on a much greater risk than buying an option: although the premiums option sellers receive are fixed, the losses they can incur are potentially unlimited.

If the market price of the underlying asset moves in an unfavourable direction, option sellers are required to adjust their margins in order to maintain their positions. If the option is an "American" option, the seller can be called on at any time to settle the transaction in cash or to purchase or deliver the underlying asset. If the option is on futures contracts, the seller will take a position in futures and assume the related obligations to adjust margins.

Sellers of options can reduce their exposure to risk by holding positions in the underlying asset (securities, indices, or other) corresponding to the positions associated with the options they have sold.

3) Other risk factors typical of transactions in futures and options

In addition to general risk factors, Investors should also consider the following issues.

3.1) Contractual terms and conditions

Investors should ask their Intermediary about the terms and conditions of the derivative contracts they intend to buy or sell. They should pay particular attention to the conditions on which they can be forced to deliver or receive the assets underlying futures contracts and, in respect of options, the expiration dates and procedures for exercising them.

Under certain circumstances, the market supervisory authority or the clearing house may amend contractual terms and conditions in order to incorporate the effects of changes in the underlying assets.

3.2) Suspension or limitation of trading and of the relationship between prices

Particular conditions of market liquidity or the application of certain rules in force in some markets (such as circuit breakers) can increase the risk of losses by making it impossible to carry out transactions or liquidate or offset positions. In the case of positions deriving from the sale of options, this may increase the risk of incurring a loss.

Moreover, the relationship that normally exists between the price of the underlying asset and the derivative instrument may not hold when, for example, the futures contract underlying an option contract is subject to price limits but the option is not. The absence of a price for the underlying asset could make it difficult to judge the significance of the pricing of the derivative contract.

3.3) Foreign exchange risk

Gains and losses on contracts denominated in currencies other than the Investor's reference currency (typically the Euro) may be affected by exchange rate movements.

4) Transactions in derivative instruments executed outside organised markets. Swaps

Intermediaries may execute transactions in derivative instruments outside organised markets. The Intermediary Investors choose may also trade over the counter with Clients (i.e. deal on their own account). In transactions carried out outside organised markets it may prove difficult or impossible to liquidate a position or appreciate its actual value as well as assess the actual exposure to risk.

Such transactions therefore involve higher risks.

Furthermore, the rules applicable to such transactions may be different and offer Investors less protection.

Before carrying out such transactions, Investors should collect all relevant information about the transactions, applicable rules, and the ensuing risks.

4.1) Swap contracts

Swap contracts involve a high degree of risk. There is no secondary market for these contracts, nor is there a standard form. At most, there are standardised model contracts, the details of which are usually adapted case by case. For these reasons, it may prove impossible to terminate the contract before the agreed maturity date without incurring high costs.

The value of a swap is always zero at the time the contract is signed, but can rapidly turn negative (or positive) depending on the movements in the benchmark to which the contract is linked.

Before signing contracts, Investors should be certain they understand how and how quickly fluctuations in the benchmarks are reflected in the calculation of the spreads they are to pay or receive.

In some situations, Investors can be called on by their Intermediary to deposit margins even before the date fixed for settling the spreads.

The counterparty's financial viability is especially important in these contracts, since Investors actually receive payment of any spread in their favour only if the counterparty is solvent.

For contracts entered into with third parties, Investors should find out about the viability of the third party and make sure that the Intermediary will be held accountable in the event the counterparty defaults.

If the contract is entered into with a foreign counterparty, the risks associated with its execution may be greater depending on applicable regulations.

PART C
The riskiness of a personal asset management strategy

The portfolio management service allows Investors to take advantage of the knowledge and experience of industry professionals in selecting the financial instruments in which to invest and in executing the relevant transactions.

Investors may intervene directly in the performance of the management service by giving the manager binding instructions in accordance with previously agreed procedures.

The risk of a management strategy is reflected in the variability of the earnings achieved by the manager.

Investors may influence the riskiness of the management service by contractually setting the limits to management decisions. Taken together, these limits define the features of a management strategy and must be set out in a specific written contract.
However, the actual riskiness of a management strategy depends on the decisions the intermediary makes. While these must remain within the contractual limits, there is usually a wide margin of discretion with regard to which securities to buy and sell and when to execute transactions.
Intermediaries must explicitly indicate the level of risk of each management strategy.

Investors should obtain detailed information from intermediaries about the features and level of risk of the management strategy they intend to select, and should enter into the contract only if they are reasonably certain they understand the nature of the management strategy and the exposure to risk it entails.

Before entering into the contract, after assessing the level of risk of the selected management strategy, the investor and the Intermediary must determine whether the investment is appropriate for the investor, especially considering the latter's financial situation, investment objectives, and experience in investing in financial instruments. Intermediaries are also required to assess whether the selected management strategy meets the sustainability preferences expressed by the investor.

1) The riskiness of a management strategy

Investors can influence the riskiness of a management strategy mainly by establishing: a) the categories of financial instruments in which their capital may be invested and the limits for each category; b) the degree of leverage that can be used as part of the management strategy.

1.1) Financial instruments eligible for the management strategy

With regard to the categories of financial instrument and the assessment of the risk they entail for investors, please refer to the section of this document concerning the assessment of the risk of investing in financial instruments. The risk characteristics of a management strategy will tend to reflect the riskiness of the financial instruments in which investments may be made relative to the proportion of the portfolio these instruments account for.

For instance, a management strategy that involves investing a significant percentage of the portfolio in low-risk securities will have similar risk characteristics; conversely, where low-risk investments account for a relatively small proportion, the management strategy will have a different and higher overall level of risk.

1.2) Leverage

The Portfolio Management (or Investment Advice, if applicable) contract must set the maximum leverage allowed; leverage is represented by a number equal to or greater than 1.

A leverage ratio of 1 is to be considered appropriate for many investors, as this does not influence the riskiness of the management strategy (or investment advice).

In short, leverage measures how many times the intermediary can increase the value of the financial instruments in the portfolio relative to the Client's assets. An increased leverage causes the riskiness of the asset management strategy (or investment advice) to rise.

Intermediaries may increase the level of leverage by borrowing, making arrangements with counterparties to defer the settlement of transactions, or using derivative financial instruments (if allowed under the contract).

Before setting a maximum leverage greater than 1, besides assessing together with the Intermediary whether this is appropriate relative to their personal characteristics, Clients shall:

a) in the case of the Portfolio Management Service, specify the loss threshold at which the Intermediary must notify the Client in the contract;

b) understand that minor fluctuations in the price of financial instruments in the portfolio may determine changes that will be greater the higher the leverage used, as well as that the value of their assets may considerably decline in the event of negative fluctuations in the price of financial instruments;

c) <u>understand that, in the event of negative performance, a leverage greater than 1 may cause losses exceeding the initial capital, and therefore Investors may end up indebted to their Intermediary (in the case of the Portfolio Management Service).</u>

2) Other general risks associated with the portfolio management service

2.1) Reminder

As part of the portfolio management service, the intermediary carries out transactions in financial instruments on behalf of the Client. Therefore, investors should take notice of the relevant information reported in the parts “A” and “B” of this document.

2.2) Fees and other charges

Before entering into a management contract, investors should obtain detailed information regarding all the fees—and how these are calculated—expenses, and other charges that will be payable to the intermediary. This information must be set out in the contract. When assessing whether management fees are fair, investors should bear in mind that the application of the fees associated directly or indirectly with the number of executed transactions may increase the risk that the intermediary will execute unnecessary transactions.

PART D
EU banking crisis management rules (BRRD)

Italian Legislative Decrees no. 180 and 181 of 16 November 2015 transposed Directive 2014/59/EU (so-called Banking Resolution and Recovery Directive, “BRRD”) into Italian law. Said directive introduces a harmonised framework for preventing and managing crises at banks and investment firms throughout the European Union.
The resulting regulatory framework is mainly intended to allow managing crises in an orderly fashion by using private-sector resources, mitigating adverse effects on the financial system and preventing taxpayers from bearing the cost of bailouts. Except in specific circumstances, an unsound intermediary may receive public financial support only once the resolution tools described below have been applied and if the conditions laid down in the State aid framework at the European level are met.

Specifically, pursuant to Italian Leg. Decree no. 180/2015, when the conditions for taking measures to manage the “crisis” of the intermediary are met, the Bank of Italy shall:

a) order the reduction or conversion of shares, other investments, and equity instruments issued by the entity concerned, should this allow to deal with an intermediary that is failing or likely to fail;

b) where the measure referred to in (a) does not allow to deal with an institution that is failing or likely to fail, take steps to resolve the intermediary or initiate compulsory administrative liquidation proceedings.

The resolution measures referred to in letter b) include the so-called bail-in, which consists in reducing the rights of shareholders and creditors or converting their rights into equity. As for creditors, pursuant to Article 49, paragraph 1 of Italian Leg. Decree no. 180/2015, «all liabilities are subject to bail-in», except for those specified in paragraphs 1 and 2 of the decree. The resolution measure concerned applies also to derivative contracts.

In the event of bail-in, the amount of the reduction or conversion, determined by an independent expert (or, in an emergency, the Bank of Italy or the special commissioner), shall be absorbed by shareholders and creditors according to the hierarchy laid down in Article 52 of Italian Leg. Decree no. 180/2015 as well as Articles 1, paragraph 33, and 3, paragraph 9, of Italian Leg. Decree no. 181/2015, whose rationale is that investors in riskier financial instruments should incur any potential losses or see their rights converted into equity before others. The next category shall be bailed in only once the resources of the riskier category are exhausted. The order of priority in a bail-in is as follows:

i) shareholders;
ii) holders of other equity instruments;
iii) other subordinated creditors;
iv) unsecured creditors (e.g. senior bondholders);
v) individuals and small and medium businesses with deposits over 100,000 Euros;
vi) the Italian deposit guarantee fund, which contributes to the bail-in in place of the protected depositors.

The following liabilities are expressly excluded from the bail-in:

- deposits protected by the deposit guarantee scheme (i.e. deposits up to 100,000 Euros);
- secured liabilities, including covered bonds and other secured instruments;
- any obligation arising from holdings of client assets (such as financial instruments held in a specific account), including the assets held as part of the performance of investment and ancillary services and activities, as well as by or on behalf of collective investment undertakings or alternative investments funds, as long as these clients are protected in the applicable insolvency proceedings;
- any obligation arising as a result of a fiduciary relationship between the institution under resolution and a third party, in their capacity as beneficiary, as long as the latter is protected in applicable insolvency proceedings;
- liabilities with an original maturity of less than 7 days owed by banks or investment firms that are not part of the Group;
- liabilities arising from participation in settlement systems with a residual maturity of less than 7 days;
- liabilities to employees, suppliers of goods and services, and deposit guarantee schemes, as long as they are given preference under bankruptcy law.

The Bank of Italy has specific powers to implement the measures to reduce or convert equity instruments as well as resolutions measures. Besides the power to reduce, including to reduce to zero, the nominal amount of the equity instruments and liabilities of the institution under resolution, it also has the power to amend the maturity of securities, the amount of interest payable under such securities, or the date on which the interest becomes payable, including by suspending payment for a temporary period.

The reduction/conversion of equity instruments is applicable as of 16 November 2015; the additional resolution measures, including the bail-in, are applicable as of 1 January 2016. The framework concerned applies also to equity instruments and liabilities issued prior to 1 January 2016.

1) Financial instruments concerned by the BRRD

The financial instruments that may be subject to the reduction or conversion of equity instruments and/or bail-in are:

- securities issued (and derivative contracts entered into) by:
  - banks and investment firms with registered office in Italy;
  - Italian parent companies of a banking group and companies that are members of a banking group pursuant to Articles 60 and 61 of the Consolidated Law on Banking;
  - companies subject to consolidated supervision pursuant to Article 65, paragraph 1, letters c) and h), of the Consolidated Law on Banking;
  - companies with registered office in Italy subject to consolidated supervision in another Member State;
- securities issued (or entered into) by entities subject to the supervision of another European Union Resolution Authority, as well as banks and investment firms with registered office in third countries and branches in the European Union.

Investment firms, including those that are not members of banking groups, fall within the scope of the regulation concerned if they are authorised to provide one or more of the following services: a) dealing on own account, b) underwriting and/or placement or standby commitments to issuers, c) operation of MTFs.

2) Investing in financial instruments subject to the BRRD

When providing portfolio management or investment advice services, the SIM may include or recommend in the Client's portfolio also the financial instruments referred to in the previous paragraph, which may be subject to the reduction or conversion of equity instruments and/or bail-in, as long as this is considered consistent with the mandate received and the Client's risk profile.

When providing investments services other than investment advice and portfolio management, at the Client's request and without prejudice to the assessment of appropriateness, the SIM may carry out transactions in such financial instruments.

4. Information on Classification and summary of the main rules of conduct as per the MIFID II Directive

In accordance with Directive 2014/65/EU (so-called Mifid II) and the relevant implementing regulation on the protection of investors, the SIM shall notify clients of their classification into the three specific categories of retail client, professional client, and eligible counterparty. When providing investment services, the SIM shall abide by different rules of conduct specific to each of the three categories, with a level of protection of the client that is higher in the case of retail clients, and becomes gradually less stringent for the category of professional clients and eligible counterparties.

The provisions applicable to the classification of clients allow intermediaries to distinguish between the following categories:

- retail clients;
- professional clients;
- eligible counterparties.

Retail clients are a residual category, since they are defined as anyone who is neither a professional client nor an eligible counteparty.

Professional clients may be private- or public-sector entities. A private-sector professional client is a client who possesses the experience, knowledge and expertise to make their own informed investment decisions and properly assess the risks that they incur. Professional clients are divided into:

- per se professional clients;
- elective professional clients.

Specifically, per se professional clients include:

(1) Italian or international (EU/non-EU) entities which are required to be authorised or regulated to operate in the financial markets, such as: banks, investment firms, dynamic trusts, Divisione Banco Posta of Poste Italiane S.p.A., other authorised or regulated financial institutions (entities as per Article 107 of the Consolidated law on Banking), insurance companies, collective investment schemes and management companies of such schemes, pension funds and management companies of such funds, commodity and commodity derivative dealers, entities that deal exclusively on their own account on markets for financial instruments and are indirect members of the settlement service, as well as the clearing and settlement system (locals), other institutional investors (entities as per Articles 106 and 113 of the Consolidated Law on Banking), “agenti di cambio”, entities as per Article 18 of the Consolidated Law on Banking, electronic money institutions, banking foundations, other entities qualifying as eligible counterparties under the law of the Member State where they are based;

(2) large undertakings meeting at least two of the following size requirements on a company basis:

- balance sheet total: EUR 20,000,000;

- net turnover: EUR 40,000,000; - own funds: EUR 2,000,000.

(3) national governments and their corresponding offices, including public bodies that deal with public debt;

(4) any other categories of public-sector professional clients identified by a decree to be issued by the Italian Ministry of Economy and Finance;

(5) central banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB, and other similar international organisations;

(6) institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

The category of **elective professional clients** includes clients, other than the previously listed ones, who possess the experience, knowledge, and expertise to make investments decisions and properly assess the risks that they incur. A client may fall within this category provided it expressly requests it and certain criteria and procedures are fulfilled. When assessing such a request, Intermediaries should not make any assumption and must duly verify the client's market expertise and experience.

Therefore, to be classified into this category requires following a specific procedure involving:

(a) a written upgrading request from the client (either a natural or legal person), in which the client states they wish to be treated as a professional client;

(b) a written warning from the Intermediary to the client of the protections and rights they may lose in the event the upgrading request is accepted;

(c) a written statement by the client that they are aware of the consequences of losing such protections and rights;

(d) an assessment by the Intermediary of the client's ability to make their own informed investment decisions and understanding the risks involved. The assessment concerns the expertise, experience and knowledge of the client.

For the purposes of the assessment, Intermediaries may use the “fitness test” applied to managers and directors of entities licensed under Directives in the financial field as reference.

In the course of the above assessment, as a minimum, two of the following requirements shall be satisfied:

- the client has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters;
- the size of the client’s financial instrument portfolio, defined as including cash deposits, exceeds 500,000 Euros;
- the client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.

In the case of legal persons, the person subject to the above assessment shall be the person authorised to carry out transactions on behalf of the entity and/or the legal person itself.

(e) an assessment by the Intermediary, based on the reasonable steps it has taken to this end, that the client requesting to be treated as a professional client meets the requirements referred to in the above letter d);

(f) approval or denial of the upgrading request by the Intermediary.

Eligible counterparties are per se professional clients to which the intermediary providing the services of execution of orders on behalf of third parties, dealing on own account, and/or reception/transmission of orders, has no obligation—unless otherwise agreed with the client—to abide by general rules of conduct that impose, among others, pre-contractual disclosure requirements, requirements to assess appropriateness when providing the investment service, as well as best execution, order management, and reporting requirements on the intermediary, except for the publication of limit orders, without prejudice to the relevant provisions on classification disclosures.

Conversely, where services other than the above are provided to the mentioned entities, eligible counterparties shall be treated as “professional clients”: therefore, when providing investment advice, portfolio management, and placement services, intermediaries shall abide by the same rules of conduct applicable to professional investors as laid down in the following paragraph on professional clients. In accordance with the relevant regulations, the client classified as “eligible counterparty” may request, either on a general form or on a trade-by-trade basis, to be classified otherwise, as a professional client or, expressly, as a retail client, resulting in the application of a different level of protection than the current one.

The request is subject to the approval of the intermediary.

For intermediaries, the classification as professional client leads to:

- disapplying certain rules protecting investors, such as:
  - the rule requiring to select order execution venues based on the price of the financial instrument and the costs relating to the execution;
  - the provision requiring to inform a client about any material difficulty relevant to the carrying out of orders promptly upon becoming aware of the difficulty;
  - additional reporting obligations for portfolio management or contingent liability transactions;
  - the provisions on out-of-office canvassing;
- the partial departure from the rules for the assessment of suitability and appropriateness, and, specifically:
  - in respect of professional clients, an assumption is made about their knowledge and experience when assessing both suitability and appropriateness;
  - specifically in respect of per se professional clients, for the purposes of the suitability assessment, an assumption is made about the financial capability to bear any investment risk compatible with the stated investment objectives.

5. Summary description of Banor SIM S.p.A.'s conflict of interest policy

The SIM's conflict of interest policy is illustrated in the document “Summary of Banor SIM S.p.A.'s conflict of interest policy” (Annex 1).

The document is also available at http:// www.Banor.it, and a free copy is available at the SIM's registered office and branch.

In addition, when performing the individual services, the SIM provides information on the nature and/or sources of any conflicts relating to the instrument, the financial product entered into, as well as the service rendered.

6. Disclosure of inducements

Below is the information required by EU and Italian laws on inducements to ensure that the intermediaries providing investment services, which include also the SIM, act honestly, fairly and professionally and comply with the rules laid down for the different types of remuneration (monetary and non-monetary) received and/or paid in respect of the investment or ancillary services provided to clients.

General disclosure of inducements received in respect of the services of management and investment advice on an independent basis

Please note that, in respect of the services of portfolio management and investment advice on an independent basis, the SIM does not receive any type of inducement except for the fees paid by the Client and does not accept non-monetary benefits, with the exception of minor benefits allowed by the relevant regulations. More specifically, the SIM may accept minor non-monetary benefits such as:

a) information or documentation relating to a financial instrument or an investment service, that is generic in nature or personalised to reflect the circumstances of an individual client;

b) written material from a third party that is commissioned and paid for by a corporate issuer or potential issuer to promote a new issuance by the company, or where the intermediary is contractually engaged and paid by the issuer to produce such material on an ongoing basis, provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any intermediaries wishing to receive it or to the general public;

c) participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or an investment service;

d) hospitality of a reasonable de minimis value, such as food and drink during a business meeting or a conference, seminar or other training events mentioned under letter (c).

Such minor non-monetary benefits do not influence the SIM's behaviour in any way that is detrimental to the interests of the client.

As part of the portfolio management service, the SIM may receive fees that are reimbursed by the target CIUs included in the managed portfolios; these fees are transferred in full to the Client.

General disclosure of inducements received or paid as part of services other than portfolio management and investment advice on an independent basis.

In order to comply with the regulations concerning the inducements it pays to or receives from third parties, other than the clients to whom the service is rendered, as part of services other than portfolio management and investment advice on an independent basis, the SIM informs Clients that the SIM receives placement and management fees from third parties with which it has outstanding placement agreements as remuneration for the placement activities carried out, concerning financial instruments issued or promoted by such entities (including, but not limited to, units in CIUs or financial instruments placed as part of offers). In the case of the placement of units or shares in CIUs, management fees vary up to 90% of the management fee of the placed CIU. The payment of such remuneration allows the Client to access a wide range of financial instruments or products and remunerates the support Banor subsequently provides to the Client. Banor combines the placement service with investment advice on a non-independent basis, so as to recommend appropriate investment decisions to retail and elective professional clients; these inducements represent the indirect remuneration received for the service of investment advice on a non-independent basis provided to the Client.

The Intermediary shall comply with its ex-ante and ex-post disclosure obligations by providing more detailed information on the agreements concerning said fees or benefits, in accordance with applicable regulations.

The SIM commits to verifying the validity of said information on an ongoing basis. Should it receive and/or pay inducements in respect of the services rendered, it commits to ensuring such remuneration does not conflict with the interests of its clients, but rather allows to maintain and enhance the quality of the investment services provided by the SIM.

7. Information on Banor SIM S.p.A.'s order execution and transmission strategy

The information on the SIM's order execution and transmission strategy in respect of the services of reception and transmission of orders, dealing on own account, execution of orders, and portfolio management is disclosed in the document "Banor SIM S.p.A. Order Execution and Transmission Strategy" prepared by the SIM and attached to this Information Document that is provided to Clients (Annex 2).

The document is available at http:// www.Banor.it, and a free copy is available at the SIM's registered office and Turin branch.

8. Information on the handling of complaints and out-of-court dispute settlement procedures

Clients or potential clients may submit **complaints** in writing to the SIM's Complaints Department using the following methods:

- via registered mail with return receipt to:
  Banor SIM S.p.A.
  Via Dante, 15
  20123 Milan
  Complaints Department
- via regular or certified e-mail to one of the following addresses:
  reclami@banor.it
  banorsim@legalmail.it

The SIM has put in place adequate procedures designed to ensure the complaints submitted by retail clients or potential retail clients are handled in a timely manner.

The SIM responds to a complaint within 60 days of receiving it. The SIM records the essential information about the complaints filed by investors in a specific register. The SIM reviews the complaint and notifies the investor in writing of the relevant outcome, presenting its determination. If the SIM agrees with the Client's complaint, it shall communicate the time frame for addressing it. The SIM shall send such response to the address specified by the Client at the time of the contract or other address subsequently communicated in writing. In the case of potential clients, the SIM shall use the address provided when the complaint was transmitted.

Should the SIM fail to respond in writing within the above time limits, or in the event the response is deemed unsatisfactory, before referring the case to court, Retail Clients may contact the Italian Securities and Financial Ombudsman (ACF, *Arbitro per le Controversie Finanziarie*) as per Article 32-ter of the Consolidated Law on Finance in accordance with the relevant implementing regulations issued by Consob and published on the website www.acf.consob.it, or by directly requesting information from the SIM, which makes the guide on how to access the ACF available to its clients at its offices and on its website. The right to refer the case to the ACF cannot be surrendered by the Client and can always be exercised, including if any contractual provisions refer disputes to other out-of-court resolution entities.

As an alternative to, or for issues outside the purview of, the ACF, in order to settle any potential disputes with the SIM out of court, including without a prior complaint, the Client may initiate a mediation to promote reconciliation, either individually or jointly with the SIM. The request for mediation is submitted by filing a motion with one of the Entities referred to in Italian Legislative Decree no. 28/2010 as amended and supplemented.

In any case, the motion to settle disputes out of court as per one of the procedures described in the above paragraphs represents a condition for instituting legal proceedings.

9. Disclosure statement on the main rules of conduct for financial advisors in their dealings with clients or potential clients

Pursuant to applicable laws, financial advisors:

- shall provide Clients or potential Clients, at the time of first contact and in the event of any changes in the information specified below, with a copy of a statement prepared by the authorised entity containing the details of said entity, the register number and personal details of the advisor, as well as the mailing address for submitting the termination notice as per Article 30, paragraph 6, of the Consolidated Law;

- shall provide Clients or potential Clients, at the time of first contact, with a copy of this disclosure statement;
- in their direct relationship with clients, they shall comply with the requirements in the Regulation on Intermediaries issued by Consob to implement the MiFID II Directive;
- concerning specifically investment advice or portfolio management services, they shall ask Clients or potential Clients for information allowing to assess their appropriateness. Specifically, advisors shall ask Clients or potential Clients about:
    a) their knowledge and experience in the investment field relevant to each type of instrument or service;
    b) their financial situation;
    c) their investment objectives;
    d) their sustainability preferences.

  and shall inform Clients or potential Clients that, should these fail to provide the information referred to in points a), b), and c), the intermediary providing the investment advice or portfolio management service will refrain from performing said services. The intermediary may, however, provide the aforementioned services even if the Client or prospective Client does not provide the information referred to in point d). In such cases, the intermediary will consider the Client to be neutral in terms of sustainability;
- concerning specifically investment services and activities other than investment advice and portfolio management, they shall ask Clients or potential Clients for information allowing to assess the appropriateness of transactions. Specifically, advisors shall ask Clients or potential Clients to provide information on their knowledge and experience in the investment field relevant to each type of instrument or service;
- shall not discourage a Client or potential Client from providing the above information;
- shall provide Clients or potential Clients, before signing the document to purchase or subscribe to financial products, with a copy of the prospectus or other information documents, where required;
- shall provide Clients or potential Clients with a copy of the contracts and any other document they signed;
- may receive only the following from Clients or potential Clients, so as to immediately transmit them:
    a) non-negotiable bank cheques or banker's drafts made out or endorsed to the authorised entity on behalf of which they operate, or the entity whose investment services and activities, financial instruments, or financial products are offered;
    b) wire transfer requests or similar documents whose recipient is one of the entities referred to in letter a);
    c) registered financial instruments or instruments to order in the name of or endorsed to the entity that provides the investment service or activity offered;
- where the intermediary on whose behalf they operate is not authorised to provide investment advice, or the Client has not provided the information allowing to provide investment advice, they shall not provide recommendations presented as suitable for the Client or based on a consideration of their characteristics;
- shall not receive any kind of fee or loan from the Client;
- shall not use the codes to electronically access the accounts of Clients or potential Clients or those linked to them.

10. Disclosure of fees, costs and charges

The ex-ante disclosure of standard costs and charges associated with the performance of investment services is included in the document “Ex-ante disclosure of fees, costs and charges related to the services provided by Banor SIM S.p.A.”, prepared by the SIM and attached to this Information Document that is provided to Clients (Annex 3).
The document is also available at https:// www.Banor.it, and a free copy is available at the SIM's registered office and branch.
In the absence of any express provisions in the annex “Disclosure of fees, costs and charges related to the services provided by Banor SIM S.p.A.”, costs and charges are disclosed to Clients when the services are activated or as required by applicable laws concerning the ex-ante and ex-post disclosure of costs and charges.

11. Information on the processing of personal data

The information for clients and potential clients on the processing of personal data is included in the document “Information for clients on the processing of personal data by Banor SIM S.p.A.”, prepared by the SIM and attached to this Information Document that is provided to Clients (Annex 4).
The document is also available at https:// www.Banor.it, and a free copy is available at the SIM's registered office and branch.

12. ESG & Sustainability Policy

Banor SIM considers it a priority to integrate environmental, social and governance (hereinafter “ESG”) factors into its decision-making processes related to investments and for the purpose of (a) consolidating the trust of investors and markets, (b) strengthening the Company’s reputation, and (c) countering the development of practices and activities not in line with the principles and philosophy of the SIM. As a matter of fact, ESG criteria are fundamental factors for creating economic and financial value in an environmentally and socially responsible way.
The ESG & Sustainability Policy adopted by Banor SIM in the context of portfolio management and investment advisory services is disclosed in the document “Information on sustainability and ESG Policy of Banor SIM S.p.A. (Annex 5).
The document is available at http:// www.Banor.it, and a free copy is available at the SIM's registered office and Turin branch.

ANNEX 1

Summary of Banor SIM S.p.A.'s conflict of interest policy

1. Background

Intermediaries shall maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of their clients.

In addition, the relevant regulations have expanded the list of persons (Relevant Persons in relation to the intermediary) who may have potential conflicts with the interest of the client when providing investment services or activities or ancillary services.

The Company has put in place an effective policy for managing conflicts of interest (hereinafter referred to also as the "Policy") that is appropriate to the size and organisation of the SIM, as well as the nature, scale and complexity of its business. The SIM shall operate and maintain an appropriate conflict of interest policy. Such Policy requires the SIM to:

- conduct ex-ante analyses of the documents concerning the activities relevant to the Policy, also in order to put the arrangements described in the following paragraphs in place;
- identify, with reference to the investment services and activities and ancillary services carried out by the SIM, the circumstances which constitute or may give rise to a conflict of interest detrimental to one or more clients;
- acquire information on actual and potential conflicts of interest by mapping conflicts of interest and updating the document;
- assess the appropriateness of the procedures and measures put in place to manage such conflicts;
- establish and maintain a record of conflicts showing, for each service and activity, the situations that may give rise to conflicts of interest detrimental to clients;
- disseminate the policy to all Relevant Persons concerned and verify the implementation of the procedure for managing conflicts;
- monitor regulations concerning conflicts of interest;
- assess how the evolution of business operations impacts the Firm's conflict of interest policy.

2. Objectives of the Policy

When providing investment services and activities, the Firm shall adopt an organisation intended to ensure an independent, sound and prudent management, the control of risks, financial stability, and the protection of clients' rights on the assets entrusted to it, as well as act with diligence, fairness, and transparency in its dealings with, and in the interest of, investors. The Firm has decided to draw up its conflict of interest policy in accordance with such principles. Pursuant to applicable regulations, the objectives of the Policy are:

1) identify circumstances which constitute or may give rise to conflicts of interest such as to represent an actual or potential risk that may cause significant damage to the interests of one or more clients, illustrating appropriate measures to prevent such conflicts (*identifying conflicts of interest*);
2) describe how the Firm monitors and records potential or actual conflicts of interest on an ongoing basis (*monitoring conflicts of interest*);
3) describe the organisational, procedural and monitoring arrangements put in place by the Firm to prevent and manage conflicts (*managing conflicts of interest*);
4) provide for the necessary disclosures to clients and/or the Governing Body in the event the arrangements put in place to manage conflicts of interest fail to eliminate the risk of damage to the interests of clients (*disclosures*).

3. Identifying conflicts of interest

Based on the services and activities performed, investment and business relationships, as well as the organisational and governance structure, the SIM has identified the following four general macro-areas that could potentially give rise to conflicts of interest:

1) conflicts arising from corporate relationships: this category includes conflicts of interest that may arise from investments in financial instruments issued by the SIM or issuers in which the Firm has material investments or with which it does business;
2) conflicts associated with the SIM's Relevant Persons: this category includes conflicts of interest that may arise from investments in financial instruments of issuers in relation to which the Relevant Persons: i) hold positions, have material investments, or have confidential information, or ii) hold positions or have material investments in entities that provide investment or ancillary services to said issuers;
3) conflicts between different investment services or activities or ancillary services, or different clients: this category includes conflicts arising from the uneven treatment of clients or the willingness to favour a service at the expense of others;
4) conflicts associated with benefits/inducements received by the SIM or the Relevant Persons (to this end, inducements do not include small gifts or hospitality worth less than 1,000 euros).

The SIM maintains and regularly updates a record of the types of activities carried out for which a conflict of interest has arisen—or, in the case of an activity currently underway, may arise—that could actually cause significant damage to the interests of one or more clients.

4. Managing conflicts of interest

To prevent and manage the conflicts of interest identified, and to prevent any damage to clients, the Firm has put in place appropriate organisational, procedural and monitoring arrangements. These arrangements govern the provision of investment services and activities as well as how the Relevant Persons must conduct themselves.

5. Disclosures to clients

The Firm provides clients and potential clients with a summary description of its conflict of interest policy. To this end, during the pre-contractual disclosure process, the SIM provides said persons with a document summarising the conflict of interest Policy. At the client's request, the SIM shall provide them with more details concerning the conflict of interest policy. In addition, the Firm notifies clients about any material change to the information provided using a durable medium (or through the website).

Where the organisational and administrative measures taken to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to client interests will be prevented, the SIM shall clearly disclose to clients the general nature and sources of such conflicts of interest using a durable medium, so that they can make an informed decision on the services rendered.

At the date of preparation of the Policy, the main cases of conflicts of interest identified and that the Firm deems it appropriate to disclose ex-ante to Clients concern:

a) investment, by the Company, of managed portfolios in financial instruments/products issued and/or managed by group companies or companies in which the Company has a stake[1];

b) investment, by the Company, of managed portfolios in financial instruments/products issued and/or managed by companies in which certain directors, executives or employees of the Company hold a stake or occupy significant positions[1];

c) investment, by the Company, of managed portfolios in financial instruments/products issued and/or managed by companies with which the Company has business relationships or relationships relating to the provision of investment services[2];

d) consultancy, by the Company, concerning financial instruments/products issued and/or managed by companies with which the Company has business relationships or relationships relating to the provision of investment services[3];

e) use of the Company's internal trading desk for the transmission or execution of orders on behalf of managed portfolios.

The cases referred to in points c) and d) also include companies which, although not having direct relationships with the Company, are part of a group in which one or more companies have business relationships with the Company or relationships in respect of the provision of investment services.

The Company adopts the following measures to manage the conflicts of interest listed above.

With regard to the cases referred to in points a) to c), in addition to the measures to manage conflicts arising from the investment process and the assessment of the suitability of the transactions carried out, the Company has adopted specific measures, which include setting operational limits on the use of the instruments in question in the managed portfolios, and the monitoring by the Board of Directors of compliance with these limits and of the performance of investments, including a comparison with the performance of similar instruments/products.

With regard to the case referred to in point d), the measures for managing conflicts arising from the consultancy process apply; these entail an assessment of the suitability of the recommendations and monitoring of the performance of the recommended investments, which may require the Company to revise, update and/or amend the recommendations originally formulated.

In the case referred to in point e), the Company monitors the commissions applied by the internal desk to ensure they are lower than, or in line with, those applied by the reference market for similar instruments and services. The Company has also adopted specific measures to mitigate the conflict, including the setting of a maximum allowable percentage of annual trading fees relative to the average balance of the managed portfolios.

[1] As at the date of this information document: Banor Capital Ltd.

[2] As at the date of this information document: FinecoBank SpA, Quaestio Capital Management SGR, BG Fund Management Luxembourg SA, Fineco Asset Management DAC, Banca Generali SpA.

[3] As at the date of this information document: FinecoBank SpA, Banca Generali SpA.

ANNEX 2

Summary of Banor SIM S.p.A.'s Order Execution and Transmission Strategy

1. Background

When providing the services of dealing on own account, execution of orders on behalf of clients, portfolio management, and reception and transmission of orders, Banor SIM ("Banor" or the "SIM") shall take all sufficient steps to obtain, when executing or transmitting orders, the best possible result for its clients, taking into account, pursuant to Article 27 of Directive 2014/65/EU ("**Mifid II**"), price, costs, speed, likelihood of execution and settlement, size, nature of the order or any other relevant consideration.

To this end, in accordance with Mifid II and the relevant implementing regulation (Delegated Regulation (EU) no. 2017/565), Banor has adopted an Order Execution and Transmission Strategy (the "**Policy**") aimed at obtaining the best possible result for its Clients (Best Execution) when executing or transmitting orders while performing the mentioned services.

Banor is authorised to provide the following services:

- dealing on own account;
- execution of orders on behalf of clients;
- placing without a firm commitment to the issuer;
- portfolio management;
- reception and transmission of orders;
- underwriting and/or placing on the basis of a firm commitment to the issuer.

Concerning the execution of orders on behalf of clients (including dealing on own account), the Policy is intended to, among other things:

a) identify, in respect of each category of instruments, the execution venues that enable to obtain on a consistent basis the best possible result for the execution of client orders;
b) influence the choice of execution venue among those identified in accordance with letter a).

Concerning the services of reception and transmission of orders and portfolio management, the Policy is intended to identify, in respect of each category of financial instruments, the entities ("**counterparties**" or "**brokers**") to which the orders are transmitted based on the execution strategies adopted by them.

2. Scope of the Policy

The SIM applies the rules described in this Policy for orders received from retail and professional clients, when providing the services of dealing on own account, execution of orders on behalf of clients, portfolio management, and reception and transmission of orders.
In the relationship with eligible counterparties, when providing the services of dealing on own account, execution of orders on behalf of clients and reception and transmission of orders, the SIM is not required to comply with the best execution and client order handling rules described in the Policy.

3. Best Execution factors and their relative importance

Concerning the execution and transmission of orders, the execution factors the SIM has identified for the purposes of selecting the most appropriate execution venues and brokers so as to obtain "the best possible result" for clients on a consistent and ongoing basis are:

- *Total Consideration*. In accordance with Article 27, paragraph 1, subparagraph 2, of MiFID II, it represents the price of the financial instrument combined with all expenses incurred by the client which are directly relating to the execution of the order; it includes:
  - price: it is the price of the financial instrument;
  - execution cost: includes all expenses directly relating to the execution of the order, including execution venue fees, clearing and settlement fees, and any other fees paid to third parties involved in the execution of the order. (e.g. the fee paid to the broker for the service offered);
  - settlement cost: it is the settlement cost incurred for the transaction.
- *Nature and size of the order*. When selecting the execution venue or broker, it is necessary to consider the size of the order relative to the nature of, and daily average trading volumes in, the financial instrument. For instance, in respect of an order of significant size or concerning a scarcely liquid financial instrument, the liquidity of the execution venue as well as the ability of the broker in "looking after" the order is crucial in order to pursue the best possible result for clients.
- *Likelihood of execution and settlement*. In respect of certain markets and/or financial instruments, the likelihood of execution of the order represents a non-negligible factor when selecting the execution venue or broker: brokers that carefully monitor the post-trade work flow of an order guarantee a greater likelihood of execution and settlement.
- *Speed of execution*. This factor is crucial for some types of financial instrument, especially under certain market conditions.
- *Other factors relevant to the execution of the order*. These include, but are not limited to: the counterparty's standing; the technology used to receive orders and notify executed orders; the level of access to markets and/or multilateral trading facilities; order execution arrangements; the ability to express prices that are indicative of market conditions; etc.

To determine the relative importance of the above factors, pursuant to Article 64, paragraph 1 of Delegated Regulation EU no. 565/2017, Banor takes the following criteria into account:

- the characteristics of the client, including their categorisation as retail or professional client;
- the characteristics of the order;
- the characteristics of the financial instruments that are the subject of the order and the conditions for liquidating them;
- the characteristics of the execution venues to which that order can be directed.

Specifically, when selecting the relevant factors that contribute on a consistent and ongoing basis to obtaining the best possible result for retail clients, Banor believes that total consideration (the sum of the price of the financial instrument and execution costs; in the case of portfolio management, execution costs include also the fees charged by the internal order reception and transmission service—see below) represents the most relevant criterion. As already mentioned, total consideration is considered to be the prevailing factor also in respect of professional clients, provided that specific circumstances do not make other factors more relevant to obtaining the best possible result. In exceptional cases, the SIM may prioritise other factors in addition to price and cost should this become necessary to protect the interests of its clients. In this regard, the other execution factors mentioned above should be considered only where relevant and always in exceptional cases at least for retail clients, specifically when prices and costs fall within a narrow range.

Specifically, it being understood that total consideration remains the main factor regardless of the financial instrument concerned, Banor has established the relevance of the execution factors for both retail and professional clients—based on the type of order and the characteristics of the underlying financial instruments—as follows:

- orders concerning <u>equity financial instruments listed on regulated markets</u>: since these are financial instruments traded largely or exclusively on regulated markets, generally characterised by high levels of liquidity in terms of trading volumes, total consideration is deemed to be highly relevant;
- orders concerning <u>debt financial instruments</u>: in the case of bonds listed on regulated markets, the same order of factors as for equity financial instruments shall apply (i.e. total consideration is deemed to be highly relevant); in the case of bonds that are either unlisted or listed on illiquid execution venues, or traded primarily over the counter, the Firm believes that achieving the best possible result requires executing the orders to obtain the best total consideration, consistent with the need to execute the entire order (size) within a reasonable time frame (likelihood of execution);
- orders concerning <u>listed derivative financial instruments</u>: since these are financial instruments traded largely or exclusively on regulated markets, generally characterised by high levels of liquidity in terms of trading volumes, total consideration is deemed to be highly relevant, consistent with the need to execute the entire order as soon as possible;
- orders concerning <u>unlisted derivative financial instruments</u>: since these instruments are traded over the counter, the Firm believes that achieving the best possible result requires executing the orders to obtain the best total consideration, consistent with the need to execute the entire order (size) within a reasonable time frame (likelihood of execution);
- orders concerning <u>units in ETFs</u>: considering the characteristics of such instruments, which are listed on regulated markets, the same order of factors as for equity financial instruments shall apply; in the case of orders of significant size, the Firm believes that achieving the best possible result requires executing the orders to obtain the best total consideration, consistent with the need to execute the entire order (size) within a reasonable time frame (likelihood of execution);
- orders concerning <u>units in CIUs</u>: except in the case of listed CIUs, to which the same order of factors as for equity financial instruments shall apply, the Firm believes subscription and redemption orders shall be executed on the basis of the unit value of the unit as calculated by the management company or the Sicav. Such orders may be transmitted for the purpose of their execution to the relevant management company/Sicav, placement firms, or third-party fund distribution platforms.

4. Transmission of orders

Based on the execution factors referred to in paragraph 2 above, Banor has selected a list of brokers that execute the orders and allow to obtain the best possible result for clients on a consistent basis.

The SIM selects brokers:

- whose execution strategy and, specifically, chosen execution factors are consistent with the SIM's order of factor importance for each traded financial instrument as per the previous paragraph; first of all, the execution strategy of the intermediaries must ensure that the orders transmitted on behalf of retail clients are executed in accordance with the rules on total consideration laid down in Article 27, paragraph 1, subparagraph 2, of MiFID II:

as well as by taking into account:

- their financial solvency and good repute;
- proven expertise and professional experience in dealing in specific instruments on financial markets;
- transparency in terms of historical financial information, correlation and valuation associated with the instrument;
- the organisational structure and the management of conflicts of interest;
- the availability of adequate organisational and IT arrangements;
- the access to primary markets;
- the availability of sufficient resources to guarantee the settlement of transactions;
- the quality and efficiency of the services rendered (e.g. the ability to settle transactions fairly and on time, minimise trading costs, etc).

The list of brokers selected for each category of financial instrument is presented at the end of this annex.

Any order received by Banor Sim can be sent to other brokers who can run them outside of a Regulated Market or Multilateral Trading Facilities.

Should the SIM receive limit orders in respect of shares admitted to trading on a regulated market, of a size smaller than the limits specified in the relevant regulations, that cannot be immediately executed under prevailing market conditions, the SIM or the intermediaries authorised to execute orders on behalf of the Client may consider whether it is in the best interest of the Client to make the orders concerned public so as to make them easily accessible to other market participants.

5. Execution of orders

<u>Direct access to a trading venue</u>

The SIM may execute the orders of clients or portfolios under management directly from one of the trading venues it has access to.

As of the date of updating this Strategy, in respect of its operations concerning bonds and ETFs, the SIM has direct access to the multilateral trading facilities listed in the annex.

By using a transparent competitive bidding mechanism, these facilities generally allow obtaining the best possible result for the client, considering the mentioned execution factors. The choice of the platform to be used for the individual transaction is dictated by the significance of the contributors on the different platforms for the financial instrument being traded. Within each selected platform, the Firm may carry out the transaction with any of the contributors on it.

In the event one of the platforms is unavailable, or if there is no significant pricing or the price is not convenient on the specific platform, as an alternative, the SIM shall use one of the other platforms it has access to, regardless of the category of the financial instrument concerned. In the event all platforms are unavailable, or market conditions are especially turbulent, making operating through the platform challenging or potentially detrimental to the client's interest, the Firm may execute the order using one of the other execution methods under this Strategy, or transmit it to other brokers for execution. Some cases in which it could not be possible to operate by directly accessing one of the execution venues are:

- Illiquidity of the instrument or scarcely significant pricing on the platforms;
- high/low volume of the transaction, not allowing for proper pricing on the platforms;
- quotes from other brokers with more favourable terms than those offered on the platforms.
- Banor selects trading venues considering the following:
- type of financial instruments tradable on the venue;
- liquidity;
- level of bid/ask spreads;
- market depth and resilience;
- fee structure;
- other relevant information (e.g., evidence of serious failures occurred during the year).

The proposal to use other venues in addition to those already approved may come from the Investment Department (including through a Line Manager), the cash management and dealing on own account unit, or the order reception and transmission unit; access to the new execution venue is subject to prior approval from the Firm's Head Office.

The list of trading venues the SIM has access to, broken down by category of financial instrument, is updated from time to time by the Firm's Top Management and made available under the "Disclosure" section on the website www.banor.it.

Dealing on own account

Dealing on own account over the counter with clients is an order execution method and, therefore, it is subject to the requirements under best execution regulations. In this regard, recital no. 103 of Delegated Regulation (EU) no. 565/2017 expressly states that "*dealing on own account with clients by an investment firm should be considered as the execution of client orders, and therefore subject to the requirements under Directive 2014/65/EU*".

Banor may execute orders received from professional clients concerning bonds over the counter.

In these cases, the SIM shall assess whether the client is submitting a "request for quote" (RFQ) to the SIM and if, in doing so, it expects the best execution protections under this Strategy, considering for instance the following:

- whether the client initiated the transaction/RFQ; this can be verified through the communications exchanged with the client;
- whether the client, based on previous interactions with the SIM, adopts a "look around" approach;
- whether there is transparent pricing in the relevant market; this can be observed by looking at current and historical bid/ask spread levels and trading volumes in the specific market;
- whether the agreements with the client or the information provided to the client do not imply that the latter is entitled to such protection under an RFQ.

If one or more of the above factors are met, the SIM may assume that the client, under an RFQ, does not expect best execution.

Otherwise, the SIM, in providing a quote of the financial instruments to the client, shall apply the rules under this Strategy in terms of best execution, comparing the price offered with the terms and quality of the execution offered by other counterparties or available at other trading venues.

Dealing on own account gives rise to counterparty risk for the client. Specifically, should it default, the SIM may not be able to fulfil its obligations concerning the settlement of transactions already completed or make the relevant payments, and the client may lose all or part of the payments made. In addition, should the SIM not be able to service its debts, the client would be subject to the risk that the Authority could take resolution actions in relation to the SIM under Directive 2014/59/EU (so-called "bail in"), including the termination of existing agreements or the write-down of the relevant amounts or their conversion into equity.

Over the Counter (OTC) Execution

The SIM — subject to the requirements under Regulation (EU) 2014/600 and the relevant implementing regulation concerning trading obligations for shares and derivatives — may execute client orders outside of a trading venue, with the express consent of the client.

The Firm shall execute orders over the counter (OTC) in the following cases:

- when trading in instruments not traded on any trading venue (as in the case of OTC derivatives such as forward exchange contracts);
- in the case of instruments traded on one or more trading venues, when one of the following conditions is met: (i) the OTC execution terms are better than those that could be obtained by executing the order on the execution venue or transmitting the order to another broker; (ii) the size of the order does not allow executing it on the trading venue (directly or by transmitting the order to another broker), and the order is executed at a price in line with that available on the trading venue;
- at the specific instruction of the client.

To determine whether the prices of financial instruments are fair, the SIM shall consider the fair value of the instruments themselves or the fair value of similar or comparable instruments, where available; where such comparison is not possible, the SIM shall determine the value of the instrument based on its internal valuation models.

A classic example of OTC execution is when the Firm submits a request for quote to a broker; the broker is considered to be an actual execution venue, and the Firm shall take all reasonable measures to execute the order on the most favourable terms for the client. Similar considerations shall apply in the event the firm decides to accept the proposed quote for a specific financial instrument issued publicly by a broker (be they a systematic internaliser or not). This is usually the case for certain categories of financial instruments (for instance, several fixed income instruments or unlisted derivatives) that are traded primarily over the counter. The transaction shall therefore be carried out with the broker offering the best price, consistent with the need to execute the entire order within a reasonable time frame. In the event the market for the instrument concerned is especially illiquid or opaque, considering the characteristics of the financial instrument or the order size, there may not be multiple quotes available, as, for instance, the instrument is traded by only one broker, and therefore the Firm would have to deal with them.

Over-the-counter trading gives rise to counterparty risk for the client.

6. Client's specific instructions

Should the client give specific instructions as to how to execute an order, the order is executed by following such instructions only as far as the aspects that are the subject of the instructions received are concerned. This could prevent the SIM from implementing its Execution and Transmission strategy, and thus from obtaining the best possible result for the client. Therefore, only as far as the subjects of such instructions are concerned, the relevant regulations relieve the SIM from the obligation to guarantee the best execution for the client. In addition, please note that should it receive partial instructions from clients, the Firm shall execute the order in accordance with such instructions, implementing the Execution and Transmission Strategy for the part left to its discretion.

7. Transmission of orders as part of the portfolio management service

As part of the portfolio management service, the management staff transmits the orders related to the managed portfolios to the Firm's internal unit responsible for receiving, transmitting and executing orders, in the best interest of the client. In this case: **(i)** the fees and costs charged by said structure shall be considered when calculating total consideration; **(ii)** in any case, said unit shall comply with the best execution provisions set out in the Policy.

The decision to use the internal trading unit stems from the attention it pays to the transmission/execution of orders, also by using advanced electronic systems and identifying several counterparties, selected from time to time according to the specialisation in different markets and consistently with the importance given to the different execution factors for the various categories of financial instruments.

In this regard, since these transactions could give rise to conflicts of interest, the SIM has taken a series of measures to manage such conflicts, which consist in:

- monitoring whether the fees charged by the internal unit are lower than or in line with those prevailing in the reference market for similar instruments and services;
- setting a percentage limit on annual trading fees as a proportion of the average equity of the managed portfolios.

8. Reviewing and updating the order execution and transmission strategy

Banor monitors the effectiveness of its Execution and Transmission Strategy in order to identify and address any deficiencies. Banor reviews its order execution and transmission strategy at least annually and should particular circumstances arise that could affect the suitability of the Policy to continue obtaining the best possible result for clients.

When transmitting orders, the SIM, in order to verify whether the best results for its clients have been obtained, periodically reviews the brokers it selects by analysing their compliance with the criteria that led to selecting them as well as the quality of the resulting execution. Specifically, through specific IT tools, the Risk Management function periodically monitors the quality of the execution services rendered by brokers in terms of price and timeliness of execution as well as other factors deemed significant.

The requirements to review and assess execution quality as per this paragraph apply also to orders that have been transmitted as part of the portfolio management service through the SIM's internal unit responsible for the order reception and transmission service: in this case, the assessment concerns the work carried out by said unit.

9. Summary of the order transmission and execution policy for retail clients

The SIM adopts a transmission and execution strategy for orders received from retail clients intended to deliver the best possible result for clients. As already mentioned, in the case of retail clients, the best possible result is determined by prioritising the price of the financial instrument and the costs relating to execution (so-called total consideration) over other execution factors. Costs include all expenses incurred by the client which are directly relating to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

Given the relevance of total consideration, below are the maximum total trading costs retail clients may incur as part of the execution of orders concerning the following financial instruments. The broker's fee is not charged separately to the client, but rather included in the fee charged by the SIM as specified below.

Category of financial instrument	Maximum fee
Equities	4 per mille (minimum 35 Euros or equivalent foreign currency amount)
Bonds	3 per mille (minimum 25 Euros)
Derivatives	20 Euros per contract (or equivalent foreign currency amount)

The SIM shall make available the following information on a specific page of the private area of its website on an annual basis and for each class of financial instrument:

- the five largest intermediaries by trading volume to which it has transmitted orders or with which it has placed client orders for the purposes of their execution during the previous year (or, if lower, the number of brokers actually used for each class of financial instrument);
- information on execution quality in accordance with applicable regulations.

List of trading venues/brokers

Below is the list of trading venues and brokers selected for each category of financial instrument.

Trading venues

Trading venues	Type	Access
MTF Bloomberg	MTF	Direct
MTF Market Axess	MTF	Direct
Tradeweb	MTF	Direct
Liquidnet	MTF	Direct

Brokers

Asset class	Broker	
Equities, ETFs, Bonds	ABN Amro	Jefferies
	Australia and New Zealand Banking Group	JP Morgan
	Banca Akros (*)	Julius Baer
	Banca Cambiano SpA	Jump Trading Europe B.V.
	Banca CF+	Kbc Securities
	Banca Consulia	Kepler Cheuvreux
	Banca Finnat Euramerica SpA	KNG Securities LLP
	Banca IMI (*)	Knight Capital Group
	Banca Investis	La Banque Postale
	Banca Profilo	Landesbank Baden-Wurttemberg
	Banca Promos	Landesbank Hessen-Thüringen Girozentrale
	Banca Zarattini & Co SA	Lloyds
	Banco BPI	Market Securities
	Banco Carregosa	Mediobanca
	Banco di Desio e della Brianza	Merril Lynch
	Banco Espirito Santo	Millenium
	Banco Santander	MIT Sim
	Banctrust Investment Bank Limited	Mitsubishi Ugi Financial
	Bank of China	Mizuho International
	Bank of Montreal Europe plc	Monte Paschi
	Bankia SA	Morgan Stanley
	Bankinter	MUFG Securities
	Barclays Bank	National Bank Financial Inc.
	BayernLB	Natixis
	BBVA	Natwest Markets (RBS)
	Berenberg	Neonet
	BGC Brokers LP	Nomura
	BNP Paribas	Octo Finances SA
	Brownstone	ODDO
	Caixabank	Oppenheimer Europe Ltd
	Canaccord Genuity	Optiver VOF
	Cassa Depositi e Prestiti	Rabobank
	CIBC	Raiffeisen Bank International AG
	CIC - Crédit Industrial e Commercial	Raymond James & Associates Inc.
	Citadel	RBC Europe
	Citic	RBS
	Citigroup	Redburn (France) SA
	CLSA	Replica Sim
	Commerzbank	Robert W. Baird & Co.
	Crédit Agricole	Scotiabank (Ireland) DAC
	Credit Suisse	Société Générale
	Daiwa	Standard Chartered Bank
	Danske Bank	Stonex Financial Inc.
	Deutsche Bank	Stonex Financial Ltd
	DZ Bank	STX Fixed Income
	ED&F Man Capital Markets	Sumitomo
	Equita Sim	Sumridge
	Euwax AG	Tavira
	Exane	Toronto Dominion
	Flow Trader’s	TP Icap (Europe)

Asset class	Broker	
Equities, ETFs, Bonds	Goldman Sachs Haitong Bank HSBC HVB I-Bankers Securities Incorporation Illiquidx ING Integrae SIM Intermonte Sim (*) IW Bank	Tradition AG UBS Unica SIM Virtu Americas LLC Virtu Europe Trading Ltd Virtu Financial Wells Fargo Wood & Company Zurcher Kantonalbank Zurich Cantonalbank
Listed derivatives	Banca Akros (*) Banca IMI (*) Icap Corporates LLC	IW Bank Societè Generale Unicredit Bank AG
Unlisted derivatives (foreign exchange forward contracts)	Banco di Desio e della Brianza	

(*) These brokers are directly connected with the SIM’s trading systems

Ex-ante disclosure of fees, costs and charges related to the services provided by Banor SIM S.p.A.

Financial terms and conditions applicable to Administered Services

1) "Standard" fees and charges related to the provision of services

Fees	
Stamp duties	Pursuant to applicable laws as amended
Account termination fees	Zero
Securities safekeeping and administration fees	0,025% per quarter (minimum 50 Euros per quarter)
Statement fees	5 Euros per copy sent
Information notice postal fees	3 Euros per copy sent (zero via email)
Incoming transfer of securities	Zero
Outgoing transfer of securities	15.00 Euros per batch of securities
Outgoing wire transfer (Italy)	Fees charged from time to time by the depositary bank
Crediting of coupons and dividends	Zero
Redemption of securities	Zero
Exercise and grant of options	Zero
Futures settlement	Zero
Trading fees	
Italy Equities	3 per mille (minimum 19 Euros)
International Equities	4 per mille (minimum 35 Euros or equivalent foreign currency amount)
OTC Bonds	3 per mille (minimum 25 Euros)
MOT/ EMOT / TLX Bonds	2 per mille (minimum 19 Euros)
Italy Derivatives (options and/or futures on indices and/or securities)	10 Euros per contract (minimum 15 Euros)
Europe Derivatives (options and/or futures on indices and/or securities)	20 Euros or equivalent foreign currency amount per contract
Foreign currency trading	1.5 per mille (as a proportion of turnover)

2) Disclosure of the cumulative effect of costs on return when providing the services

Below is the ex-ante illustration showing the cumulative effect of costs on return when providing Administered Services. This illustration is based on a series of assumptions about the returns of the financial instruments and the relevant holding periods.
Therefore, this information is to be considered for example purposes only. On an annual basis, Banor SIM shall provide a statement detailing the costs actually incurred by the Client as part of the provision of Administered Services.

Securities safekeeping and administration fees

PORTFOLIO VALUE	FEES PER QUARTER	% FEES PER QUARTER
€ 100.000	€ 50,00	0,050%
€ 200.000	€ 50,00	0,025%
€ 500.000	€ 125,00	0,025%
€ 1.000.000	€ 250,00	0,025%

Trading fees

EXAMPLE 1: transaction in Italy equities		HOLDING PERIOD			
		3 months	1 year	2 years	3 years
Turnover	€ 50,000	€ 50,625	€ 52,500	€ 55,000	€ 57,500
Annual return	7%	€ 875	€ 3,500	€ 7,000	€ 10,500
Trading fees	3 per mille	€ 150	€ 150	€ 150	€ 150
	Cumulative effect of cost on return	17.1%	4.3%	2.1%	1.4%

EXAMPLE 2: transaction in Italy bonds listed on MOT		HOLDING PERIOD			
		3 months	1 year	2 years	3 years
Turnover	€ 50,000	€ 50,625	€ 52,500	€ 55,000	€ 57,500
Annual return	2%	€ 250	€ 1,000	€ 2,000	€ 3,000
Trading fees	2 per mille	€ 100	€ 100	€ 100	€ 100
	Cumulative effect of cost on return	40%	10%	5%	3.3%

EXAMPLE 3: transaction in Italy derivatives (options)		HOLDING PERIOD			
		1 month	3 months	6 months	1 year
Underlying turnover	€ 50,000	€ 50,625	€ 52,500	€ 55,000	€ 57,500
Number of contracts	50				
Annual return	10%	€ 416.7	€ 1,250	€ 2,500	€ 5,000
Trading fees	€ 500	€ 500	€ 500	€ 500	€ 500
Cumulative effect of cost on return		120%	40%	20%	10%

FINANCIAL TERMS AND CONDITIONS APPLICABLE TO THE PLACEMENT SERVICE WITH INVESTMENT ADVICE ON A NON-INDEPENDENT BASIS

Unless otherwise expressly agreed by the Parties in respect of the placement service with investment advice on a non-independent basis, the Client shall not pay any fee to the Intermediary. As placement agent, the SIM receives remuneration for the placement service rendered to the Client from the entities that issue and offer the financial products as well as provide the investment services that are the subject of the placement service. The amount of said remuneration or, if not available, the relevant calculation method is disclosed to the Client prior to the provision of the service in respect of each payment or benefit received from or paid to third parties.
Below is the ex-ante illustration showing the costs of the financial instruments distributed by the SIM when providing the Placement Service. This illustration is based on the assumption of an investment value of € 50.000.
Therefore, this information is to be considered for example purposes only. On an annual basis, Banor SIM shall provide a statement detailing the costs actually incurred by the Client as part of the provision of Placement Service.

	(A)	(B)		(C)	(A+B+C)	(B+C)	INDUCEMENTS RECEIVED BY BANOR SIM	
Assuming an investment value of 50.000 €	ONE-OFF COSTS	ON GOING COSTS	(B1) MNGMNT FEE	TRANSACTION COSTS	FIRST YEAR COSTS	STANDARD YEAR COSTS	% OF (B1)	AMOUNT
BANOR EURO BOND ABS RET - R CAP EUR	0,00%	1,47%	(1,00%)	0,06%	765 €	765 €	50%	250 €
BANOR EURO BOND ABS RET - R DIS EUR	0,00%	1,48%	(1,00%)	0,06%	770 €	770 €	50%	250 €
BANOR EURO BOND ABS RET - R CAP USD	0,00%	1,47%	(1,00%)	0,06%	765 €	765 €	50%	250 €
BANOR EURO BOND ABS RET - R DIS USD	0,00%	1,47%	(1,00%)	0,06%	765 €	765 €	50%	250 €
BANOR EUROPEAN DIVIDEND PLUS - R CAP	0,00%	2,50%	(1,80%)	0,06%	1.280 €	1.280 €	50%	450 €
BANOR EUROPEAN DIVIDEND PLUS - R DIS	0,00%	2,52%	(1,80%)	0,06%	1.290 €	1.290 €	50%	450 €
BANOR GREATER CHINA EQ. - R CAP EUR	0,00%	2,75%	(2,20%)	0,01%	1.380 €	1.380 €	50%	550 €
BANOR GREATER CHINA EQ. - R CAP USD	0,00%	2,76%	(2,20%)	0,01%	1.385 €	1.385 €	50%	550 €
BANOR MISTRAL LONG SHORT EQ. - R CAP EUR	0,00%	2,67%	(2,00%)	0,13%	1.400 €	1.400 €	50%	500 €
BANOR MISTRAL LONG SHORT EQ. - R1 CAP EUR	0,00%	1,88%	(1,20%)	0,13%	1.005 €	1.005 €	0%	-
BANOR VOLTA L/S - R EUR	0,00%	3,12%	(2,20%)	0,40%	1.760 €	1.760 €	50%	550 €
BANOR VOLTA L/S - R USD	0,00%	3,11%	(2,20%)	0,40%	1.755 €	1.755 €	50%	550 €
BANOR ROSEMARY - R CAP	0,00%	2,10%	(1,50%)	0,04%	1.070 €	1.070 €	50%	375 €
BANOR RAFFAELLO PIR - P CAP EUR	0,00%	1,93%	(1,20%)	0,08%	1.005 €	1.005 €	70%	420 €
BANOR RAFFAELLO PIR - R CAP EUR	0,00%	2,62%	(1,90%)	0,08%	1.350 €	1.350 €	70%	665 €
ARISTEA CHIRON TOT. RETURN - R CAP EUR	0,00%	2,71%	(1,50%)	0,24%	1.475 €	1.475 €	58%	437 €
ARISTEA CHIRON TOT. RETURN - R DIS EUR	0,00%	2,71%	(1,50%)	0,24%	1.475 €	1.475 €	58%	437 €
ARISTEA SHORT TERM - R CAP EUR	0,00%	0,48%	(0,15%)	0,08%	280 €	280 €	47%	35 €
ARISTEA SHORT TERM - R DIS EUR	0,00%	0,48%	(0,15%)	0,08%	280 €	280 €	47%	35 €
ARISTEA NEW FRONTIERS EQ. - R CAP EUR	3,00%	3,84%	(2,20%)	0,05%	3.445 €	1.945 €	66%	725 €
ARISTEA NEW FRONTIERS EQ. - R CAP USD	3,00%	3,84%	(2,20%)	0,05%	3.445 €	1.945 €	66%	725 €
ARISTEA NEW FRONTIERS EQ. - S CAP USD	3,00%	2,64%	(1,00%)	0,05%	2.845 €	1.345 €	66%	330 €
ARISTEA FIM GEM DEBT - R CAP EUR	0,00%	2,73%	(1,75%)	0,11%	1.420 €	1.420 €	50%	438 €
BANOR ALTERNATIVE ASSETS – ENHANCED CARRY HEDGED OPPORTUNITY - I CAP EUR[1]	0,25%	1,87%	(0,80%)	0,01%	5.325 €	4.700 €	30%	600 €
BANOR ALTERNATIVE ASSETS - TECH GROWTH - I USD[2]	0,00%	1,41%	(1,00%)	n.d.	7.050 €	7.050 €	55%	1.375 €
BANOR ALTERNATIVE ASSETS - TECH GROWTH - S USD[2]	0,00%	1,41%	(0,50%)	n.d.	7.050 €	7.050 €	0%	-
QSF – Banor Global Asset Diversified - R Acc	0,00%	1,40%	(1,30%)	n.d.	750 €	750 €	54%	350 €

[1] Assuming an investment value of 250.000 € (equal to the initial minimum subscription amount).
[2] Assuming an investment value of 500.000 € (equal to the initial minimum subscription amount).

Assuming an investment value of 50.000 €	(A) One-off costs	(B) On going costs	(B1) Mngmnt fee	(C) Transaction Costs	(A+B+C) First year costs	(B+C) Standard year costs	Inducements received by Banor SIM: % of (B1)	Inducements received by Banor SIM: Amount
Banor Alternative Assets - Special Situation II - S Eur Cap[3]	0,00%	2,20%	(1,50%)	0,40%	6.500 €	6.500 €	30%	1.125 €
Banor Alternative Assets - Special Situation II - F Eur Cap[3]	0,00%	2,45%	(1,75%)	0,40%	7.125 €	7.125 €	30%	1.313 €
Alternative Investment Platform - Aristea Multi Strategy - I Eur Cap[3]	2,00%	1,16%	(1,00%)	0,02%	7.950 €	2.950 €	0%	-
Apollo European Private Credit - I A1[4]	0,00%	2,30%	(2,00%)	1,60%	3.900 €	3.900 €	63%	1.250 €
Apollo European Private Credit - I A2[4]	0,00%	2,30%	(2,00%)	1,60%	3.900 €	3.900 €	63%	1.250 €

FINANCIAL TERMS AND CONDITIONS APPLICABLE TO THE PORTFOLIO MANAGEMENT SERVICE

1) "Standard" fees and charges related to the provision of the service

Below are the costs and charges directly related to the provision of the Portfolio Management Service. The relevant consideration shall be subject to VAT at the rate applicable from time to time.

A. An amount equal to 0.166% (or any amount accrued) is billed monthly in arrears and calculated based on the measurement of the Portfolio as of the last day of the month according to the General Terms and Conditions ("Measurement of the financial instruments in the Portfolio"). Fees shall be applied by considering the withdrawals and deposits made after the first one, while the accrual is calculated by reference to the date of the transaction.

B. At the end of each calendar year, in the event of positive returns (calculated from the beginning of the calendar year or the date of the management contract, whichever is later), a performance fee amounting to 10% of the increase in asset value registered during the calendar year shall apply. An amount equal to 10% of the increase in asset value registered during the quarter shall be charged as advance payment of the above performance fees on a quarterly basis. At the end of the year, the Firm shall calculate the final annual performance fee and award a credit for the performance fees already charged on a quarterly basis during the calendar year, which shall be deducted directly from the annual performance fee. Should such credit not be sufficient to settle the debt resulting from the performance fee, the outstanding balance shall be charged to the client; similarly, should such credit exceed the annual performance fee, the excess shall be credited to the client. For contracts terminated during the year, the calculation usually performed at the end of the calendar year is performed at the end of the management activity using the same method.

C. Other charges:
- 10.00 euros per copy of the periodic statement requested;
- 50.00 euros per quarter, or fraction of a quarter, for any direct debit set up with the Intermediary;
- 5.16 euros + VAT per copy of accounting record, relating to the individual transactions carried out, provided to the Client that expressly requests it or is subject to financial reporting or record-keeping and invoicing requirements.

In addition to the performance fees referred to in point "B", the SIM may withhold up to 50% of the gains made by the Client as a result of the individual securities lending transactions carried out as part of the management service (or at the request of the principal) using securities owned by the Client. Such fees shall be charged to the Client's managed Portfolio at the time the relevant gains are credited.

2) Costs and charges "incidental" to the provision of the service

The SIM shall charge certain incidental costs necessary to perform the services to Clients. Specifically:

- wire transfer fees, withheld by the depositary bank for the withdrawals of funds; these fees shall not exceed 15 euros per transaction;
- the fees payable to the settlement bank for purchases/sales/transfers of financial instruments. Such fees vary depending on the bank and are paid for each individual transaction (in the event a transaction involves multiple clients, the amount is divided equally among them). The fee payable to the settlement bank in respect of the traded financial instrument shall not exceed 25 euros per transaction;
- trading fees, payable to the SIM's internal trading unit or third-party brokers for the execution of the orders made by the Intermediary, vary depending on the broker and the execution market. The fee payable to the broker in respect of the traded financial instrument shall not exceed 0.30% of the turnover or 10 cents (in the currency in which the traded financial instrument is denominated) per share. A minimum amount ranging from 5 to 50 euros per execution may apply to such fees (in the event a transaction involves multiple clients, such amount is divided among them in proportion to the turnover settled by each one).
  If the internal trading unit is used, the trading fees are the following:

Venue	Fees
ITALIAN EQUITY TRADING VENUES AND MTF OPERATED BY BORSA ITALIANA	0,10%
ITALIAN FIXED INCOME TRADING VENUES AND MTF OPERATED BY BORSA ITALIANA	0,01%
INTERNATIONAL EQUITIES	0,15%

[3] Assuming an investment value of 250.000 € (equal to the initial minimum subscription amount).
[4] Assuming an investment value of 100.000 € (equal to the initial minimum subscription amount in units or shares of a reserved alternative investment fund (AIF) by a retail investor in the context of the provision of investment advice service).

Venue	Fees
OTC BONDS OR OTHER FOREIGN BOND TRADING VENUES	
MATURITY > 12 MONTHS	0,05%
MATURITY <= 12 MONTHS	0,01%
CERTIFICATES	0,05%
ITALY DERIVATIVES – OPTIONS	€ 2,5 per contract
ITALY DERIVATIVES - FUTURES ON INDICES AND/OR SECURITIES	€ 10,0 per contract
DERIVATIVES – EUREX OPTIONS	€ 2,9 per contract
DERIVATIVES – CBOT OPTIONS	€ 4,9 per contract

- taxes on financial transactions pursuant to the laws applicable from time to time;
- stamp duties pursuant to the laws applicable from time to time;
- tax expenses pursuant to the tax regulations applicable from time to time, based on the chosen tax regime for gains on financial assets.

3) Disclosure of the cumulative effect of costs on return when providing the service

Below is the ex-ante illustration showing the cumulative effect of costs on return when providing the portfolio management service. Costs and charges are stated as an annual average percentage of the value of the portfolio, gross of applicable taxes, assuming an investment of 1 million euros (5 million euros for the “plus” strategies); they represent a measure of the erosion of the portfolio's annual returns.
This illustration is based on a series of assumptions about the return of the portfolio, the calculation of the different categories of costs and charges (specifically those relating to transaction costs and the implicit costs of the financial instruments), and the holding periods; it doesn’t include tax charges (such as capital gain, etc.) which may depend on the personal situation of each Client. Clients usually incur higher trading and settlement costs in the first year of the management service due to the construction of the portfolio, and in the event all or part of the portfolio is disposed of. It is not possible to anticipate additional spikes or fluctuations in costs that may occur as a result of market events or conditions.
Therefore, this information is to be considered for example purposes only. On an annual basis, Banor SIM shall provide a statement detailing the costs actually incurred by the Client as part of the provision of the management service.

Management strategy Investment profile		Estimated costs and charges					Estimated annual costs and charges		
		Investment service				Fin. instruments			
		One-off portfolio construction costs	Ongoing charges	Transaction costs	Incidental costs	Implicit (third-party) costs related to financial instruments	First year	Standard year	VAT
LINEA AMERICA									
Bilanciata	%	0,20	1,00	0,30	0,10	0,50	2,10	1,90	0,24
	€	2.000	10.000	3.000	1.000	5.000	21.000	19.000	2.420
Azionaria	%	0,30	1,25	0,40	0,15	0,50	2,60	2,30	0,31
	€	3.000	12.500	4.000	1.500	5.000	26.000	23.000	3.080
LINEA EMERGENTI									
Azionaria	%	0,10	1,25	0,30	0,15	0,80	2,60	2,50	0,31
	€	1.000	12.500	3.000	1.500	8.000	26.000	25.000	3.080
LINEA HIGH FOCUS									
Bilanciata	%	0,20	1,00	0,30	0,10	0,40	2,00	1,80	0,24
	€	2.000	10.000	3.000	1.000	4.000	20.000	18.000	2.420
Bilanciata Plus	%	0,12	1,00	0,30	0,10	0,40	1,92	1,80	0,24
	€	6.000	50.000	15.000	5.000	20.000	96.000	90.000	12.100
Sviluppo	%	0,20	1,25	0,30	0,15	0,40	2,30	2,10	0,31
	€	2.000	12.500	3.000	1.500	4.000	23.000	21.000	3.080
Azionaria	%	0,20	1,25	0,40	0,15	0,40	2,40	2,20	0,31
	€	2.000	12.500	4.000	1.500	4.000	24.000	22.000	3.080
LINEA INTERNAZIONALE									
Bilanciata	%	0,10	1,00	0,25	0,10	0,80	2,25	2,15	0,24
	€	1.000	10.000	2.500	1.000	8.000	22.500	21.500	2.420
Sviluppo	%	0,10	1,25	0,25	0,15	0,80	2,55	2,45	0,31
	€	1.000	12.500	2.500	1.500	8.000	25.500	24.500	3.080
Azionaria	%	0,10	1,25	0,30	0,15	0,80	2,60	2,50	0,31
	€	1.000	12.500	3.000	1.500	8.000	26.000	25.000	3.080
LINEA MONETARIA									
Monetaria	%	0,15	0,40	0,25	0,05	0,40	1,25	1,10	0,10
	€	1.500	4.000	2.500	500	4.000	12.500	11.000	990

Management strategy Investment profile		Estimated costs and charges					Estimated annual costs and charges		
		Investment service				Fin. instruments			
		One-off portfolio construction costs	Ongoing charges	Transaction costs	Incidental costs	Implicit (third-party) costs related to financial instruments	First year	Standard year	VAT
LINEA VALUE									
Obbligazionaria	%	0,20	0,80	0,25	0,10	0,15	1,50	1,30	0,20
	€	2.000	8.000	2.500	1.000	1.500	15.000	13.000	1.980
Prudente	%	0,20	0,80	0,25	0,10	0,15	1,50	1,30	0,20
	€	2.000	8.000	2.500	1.000	1.500	15.000	13.000	1.980
Bilanciata	%	0,20	1,00	0,30	0,20	0,15	1,85	1,65	0,26
	€	2.000	10.000	3.000	2.000	1.500	18.500	16.500	2.640
Bilanciata Plus	%	0,12	1,00	0,30	0,20	0,15	1,77	1,65	0,26
	€	6.000	50.000	15.000	10.000	7.500	88.500	82.500	13.200
Sviluppo	%	0,20	1,25	0,30	0,30	0,15	2,20	2,00	0,34
	€	2.000	12.500	3.000	3.000	1.500	22.000	20.000	3.410
Azionaria	%	0,20	1,25	0,30	0,30	0,15	2,20	2,00	0,34
	€	2.000	12.500	3.000	3.000	1.500	22.000	20.000	3.410
Flessibile	%	0,20	1,00	0,30	0,20	0,15	1,85	1,65	0,26
	€	2.000	10.000	3.000	2.000	1.500	18.500	16.500	2.640
LIN.ENHANCED RETURN									
Bilanciata	%	0,20	1,00	0,30	0,10	0,15	1,75	1,55	0,24
	€	2.000	10.000	3.000	1.000	1.500	17.500	15.500	2.420
Azionaria	%	0,20	1,25	0,40	0,15	0,15	2,15	1,95	0,31
	€	2.000	12.500	4.000	1.500	1.500	21.500	19.500	3.080
LINEA GLOBALE (GPF)									
Prudente	%	0,05	0,80	0,25	0,05	0,80	1,95	1,90	0,19
	€	500	8.000	2.500	500	8.000	19.500	19.000	1.870
Crescita	%	0,05	1,00	0,30	0,10	0,80	2,25	2,20	0,24
	€	500	10.000	3.000	1.000	8.000	22.500	22.000	2.420
Espansione	%	0,05	1,25	0,30	0,10	0,80	2,50	2,45	0,30
	€	500	12.500	3.000	1.000	8.000	25.000	24.500	2.970

Legend:

- One-off portfolio construction costs: trading and bank settlement fees associated with the investment of the portfolio at the time the initial or additional funds are deposited;
- Ongoing charges: management fees;
- Transaction costs: all costs related to transactions initiated in the course of the provision of the investment service (trading and bank settlement fees associated with transactions in financial instruments carried out under normal operating conditions as part of the portfolio management service, stamp duty, transactions tax, etc.);
- Incidental costs: performance fees;
- Implicit (third-party) costs related to financial instruments: implicit costs consisting in trading, management and performance fees applied by financial instruments such as CIUs, ETFs and ETCs and paid to third parties.

Financial terms and conditions applicable to the service of investment advice on an independent basis

The fee for the service of investment advice on an independent basis that the Client shall pay to the Intermediary, considering the strongly "personal" nature of the Service, is detailed in the Contract and may be determined using one of the following methods:

- a fixed fee, payable for each recommendation or advice provided under the Contract or at predetermined intervals;
- a variable fee calculated in proportion to the Portfolio that is the subject of investment advice on an independent basis during the reference period, payable on a regular basis.

The Client shall also pay any documented expenses to the SIM as well as pay or reimburse any duty, tax, or expense arising from the performance of the Service.
The Client shall be requested to pay the resulting amount upon presentation of an invoice within 20 days of its receipt.
The SIM shall provide Clients in good time with aggregated information on the costs and charges of the service and the recommended financial instruments, as well as the effect of the costs on the return of investments, where required and in accordance with the relevant regulations, allowing them to make informed investment decisions. Should the recommendation concern a packaged retail and insurance-based investment product (PRIIP), the SIM shall provide Clients in good time with the key information document (KID) containing comprehensive and detailed information on the product's costs. The costs and charges associated with investment advice on an independent basis shall be added to any other fees, broker and foreign exchange commissions, stamp duties, and other costs that Clients may incur in relation to the purchase and sale of financial products or instruments that are the subject of investment advice on an independent basis.

Financial terms and conditions applicable to the ancillary services (corporate finance and family office)

For the ancillary services of corporate finance and family office, which are not standardized, it is not possible to provide ex ante information on costs and charges. The fee that the Client is required to pay to the Intermediary, given the specific nature of the services performed by the SIM, is detailed in the Contract.

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Other costs or duties payable by the Client and not paid through, or imposed by, the SIM may emerge in relation to the transactions associated with the financial instrument or investment service concerned.

Information for clients on the processing of personal data by Banor SIM S.p.A.

1. Background

In accordance with the General Data Protection Regulation no. 2016/679 (hereinafter referred to as "GDPR"), the SIM shall provide Clients with information about the collection and use of their personal data.

2. Data controller

The data controller is:

Banor SIM S.p.A.
Via Dante 15,
20123 Milan, Italy
Phone: +39 02 8962891
privacy@banor.it

3. Data Protection Officer

The General Data Protection Regulation introduces the role of Data Protection Officer (DPO). The DPO shall be designated on the basis of professional qualities and expert knowledge of data protection law and practices. The SIM has appointed the Data Protection Officer, which may be contacted at:

Banor SIM S.p.A.
Via Dante 15,
20123 Milan, Italy
Phone: +39 02 896289201
dpo@banor.it

4. Sources of personal data

The personal data held by the SIM are collected directly from the person the data relate to ("data subject") as well as from third parties.

In addition, the SIM processes personal data lawfully obtained from publicly available sources (such as lists of debtors, land registers, business registers and registers of associations, media, Internet) or lawfully disclosed to it by other group companies or third parties, to the extent this is necessary to provide the services under the contract.

The data concerned comprise personal data (name, address and other contact details, date and place of birth, and nationality), identification data (such as data from identification documents), and also other authentication data (such as a signature token) In addition, such data may include contract data (such as a payment order), data arising from the performance of our obligations under the contract, information on the financial situation (such as data on the score, rating, or origin of funds and assets), and other data comparable to the mentioned categories.

5. Purposes of the processing of personal data and legal basis for the processing

The personal data are acquired and used as part of the SIM's regular operations for the following purposes:

a. *Performance of obligations under contracts entered into with the SIM and/or, prior to entering into a contract, specific requests of the Data Subject (Article 6 (1b) GDPR):*

The SIM processes the data to provide financial services as part of the performance of the agreements with Clients or to take steps at their request prior to entering into a contract. The purposes of the processing of data depend on the specific product and may include, among other things, assessing needs, providing advice, managing and administrating assets, and executing transactions.

b. *Pursuit of a legitimate interest (Article 6 (1f) GDPR):*

The data shall be processed beyond the scope of the contract to the extent that is necessary to protect the legitimate interests of the SIM or third parties. Examples include:

- exercising or defending legal claims in the event of disputes;
- guaranteeing the SIM's computer security and computer operations;
- preventing and investigating criminal conduct;
- video surveillance in order to protect property, and gathering evidence in the event of attacks or frauds;
- measures to guarantee the security of facilities and systems (such as access control),
- measures to protect the premises where operations are carried out;
- measures related to business operations and the advanced development of services and products.

c. *Performance of obligations under EU and Italian laws and regulations, as well as provisions issued by the supervisory authority (Article 6 (1c) GDPR):*

   Considering the nature of the services and activities carried out, the SIM is subject to several legal obligations, such as those under the Consolidated Law on Finance and the relevant implementing regulations, anti-money laundering regulations, etc. The purposes of the processing include, among other things, verifying identity, preventing frauds and money laundering, countering terrorism, complying with tax auditing and reporting obligations, as well as assessing and managing risks within the Firm.

d. *Other purposes instrumental and incidental to the SIM's operations, to which the Client is free to give or withhold consent (Article 6 (1a) GDPR):*

   To the extent the Client has given consent to the processing of personal data for specific purposes (such as marketing purposes, newsletters, communications about promotional initiatives or marketing information, market research conducted by entities under agreements with the SIM, surveys of Client satisfaction with the quality of the services rendered, direct offering of the SIM's products and/or services, promotional or market research initiatives of third parties to which the data were disclosed, etc.), such processing is lawful as it is based on consent. Once given, consent can be withdrawn at any time. The withdrawal of consent shall be effective prospectively and shall not affect the lawfulness of the processing of personal data until the moment of withdrawal.

The Client's personal data shall be processed in accordance with the law as well as the principles of fairness and lawfulness protecting the Client's confidentiality. The processing is carried out by using manual, computer and electronic tools based on principles that are strictly related to the purposes for which the data are collected and used.

6. Categories of entities to which the data may be disclosed

The above mentioned purposes may be pursued also by transmitting and disclosing the Client's personal data to third parties responsible for performing or providing services that are instrumental and/or incidental to the performance of the contract with the SIM (including by processing data on an ongoing basis), such as: 1) public authorities or entities; 2) banks and credit institutions; 3) chambers of commerce; 4) other public administrations; 5) audit firms; 6) law and tax advisory firms, acting individually or in partnerships; 7) providers of services for the management of the SIM's IT system; 8) subsidiaries and associates; 9) entities performing activities necessary to execute transactions or provide investment services; 10) non-banking financial intermediaries; 11) insurance companies; 12) entities that transmit, envelope, transport, and sort notices to clients; 13) companies that conduct market research to measure client satisfaction. A list of all the entities to which data may be disclosed is available at the SIM's registered office.

7. Transfer of personal data to third countries or international organisations

Personal data are transferred to entities located in non-EU countries (so-called third countries) to the extent that:

- this is necessary to execute the Client's orders or is in the interest of the Client (e.g. payment orders or the execution of transactions);
- this is required by law (e.g. mandatory reporting under applicable regulations), or
- the Client has given consent to the transfer.

8. Use of entirely automated processes

In a general sense, the SIM does not use entirely automated decision-making processes in order to enter into and perform contracts, except for the cases referred to in Article 22 paragraph 2 of the GDPR. With the exception of those cases, should the SIM make decisions exclusively on the basis of automated processes, the data subject shall be notified of this fact as well as their rights under the law, if any.

9. Client profiling

The Client's personal data are in part processed automatically for client profiling purposes, for instance in the following cases:

- in relation to legal provisions to counter money laundering, terrorist financing, and crimes against assets;
- in relation to obligations to assess the suitability and appropriateness of clients in accordance with the MiFID regulation.

10. Period for which the personal data are stored

In relation to the different purposes for which they have been collected, the Client's data are stored for the time strictly necessary to pursue contractual purposes and comply with legal requirements. In this regard, the contract entered into between the SIM and the Client represents a permanent link intended to last for years.

Where the data are no longer necessary to comply with contractual or legal requirements, such data are duly erased, unless further processing is required for the following purposes:

- complying with data retention obligations under commercial, tax, anti-money laundering or industry regulations;
- retaining evidence pursuant to local applicable laws on the statute of limitations.

11. Mandatory or voluntary provision of data

Under the contract between the SIM and the Client, the latter shall provide the personal data necessary to enter into, perform, and terminate a contract as well as comply with the relevant contractual obligations, or that must be collected pursuant to the law. Without such data, generally the SIM cannot enter into, perform, and terminate the contract.

Specifically, pursuant to anti-money laundering and terrorist financing regulations, the SIM shall identify the Client by means of an identification document, as well as request and record the personal data and details of such document. Similar measures shall apply to any executor and/or beneficial owners of the contract. Should the Client not be able to provide such documents and information, the SIM may not enter into or continue performing the contract.

As for the cases referred to in point d) of the paragraph on the purposes of the processing, the processing of the data shall be contingent on the consent of the data subject, who may at any time withdraw their consent without adverse consequences for the contract with the SIM.

12. Rights of the data subject

Articles 12-22 of the GDPR give specific rights to the data subject. These include: right of access to the personal data provided (Article 15 GDPR), the right to rectification of inaccurate data concerning them (Article 16 GDPR), The right to the erasure of personal data (Article 17 GDPR), the right to restriction of processing (Article 18 GDPR), the right to data portability (Article 20 GDPR), and the right to object (Article 21 GDPR). In addition, the local regulatory provisions enacted to implement the GDPR shall apply.

Specifically, the data subject has the right to object, on grounds relating to their particular situation, at any time to processing of personal data concerning them which is based on point (e) or (f) of Article 6, paragraph 1 of the GDPR (processing for the performance of a task carried out for reasons of public interest or processing based on a legitimate interest of the controller or third parties), including profiling based on those provisions.

Should the data subject object, the SIM shall no longer process their personal data unless there are compelling legitimate grounds for the processing which override the interests, rights and freedoms of the data subject or such processing is necessary for the establishment, exercise or defence of legal claims.

In addition, the data subject shall have the right to object at any time where personal data are processed for direct marketing purposes, including profiling, to the extent that this is related to such direct marketing. In this case, the SIM shall not use the personal data of the data subject for such purposes.

The Client may contact the Controller to exercise such rights.

13. Complaint to the supervisory authority which is competent for the protection of personal data

The data subject shall have the right to lodge a complaint with a supervisory authority if they believe that the processing of personal data relating to them infringes the General Data Protection Regulation. In Italy, the supervisory authority competent for the protection of personal data is the Italian Data Protection Authority (*Garante per la protezione dei dati personali*), which may be contacted at:

Italian Data Protection Authority
Piazza di Monte Citorio no. 121 00186 ROME,
Fax: (+39) 06.69677.3785,
Operator: (+39) 06.696771,
E-mail: garante@gpdp.it

ANNEX 5

Sustainability information and ESG policy of Banor SIM SpA

1. Regulatory references

On 8 March 2018, the European Commission published its Action Plan on Sustainable Finance, in which it set out the measures that it intended to adopt to steer the capital markets towards a sustainable, inclusive development model, in line with the commitments undertaken as part of the Paris Agreement on Climate Change and the content of the United Nations 2030 Agenda for Sustainable Development.

The European Commission's Action Plan led to the creation of a regulatory framework on sustainable finance, with the aim of:

1. improving the transparency of information disclosed by financial market participants on how they integrate sustainability risks into their investment processes, and standardising the methods of presenting such information so as to allow end investors to make informed investment decisions and redirect capital flows towards sustainable investment (**Regulation (EU) 2019/2088, the Sustainable Finance Disclosure Regulation or "SFDR"; European Commission Delegated Regulation (EU) 2022/1288**);
2. establishing harmonised definitions of "environmentally sustainable investment" and creating a robust and unified classification system of economic activities in order to clarify which of these can be considered "green" or sustainable, aimed at discouraging greenwashing by financial market participants (**Regulation (EU) 2020/852, the "Taxonomy" regulation**);
3. expanding the range of information that financial intermediaries are required to obtain from clients and potential clients, including their personal preferences in terms of sustainability, in order to identify the financial products that appropriately meet their needs, taking into account ESG issues (**Delegated Regulation (EU) 2021/1253)**.

2. Glossary

A glossary of the most relevant terms and expressions used in sustainable finance is provided below.

Sustainability risk means an environmental, social or governance event or condition that, if it were to occur, could have a significant negative impact on the value of the investment. Sustainability risks may be related to climate change, regulatory changes, environmental controversies, technological development, poor governance practices by companies. The impact that such risks could have on economic activities, and consequently, on the financial system, may occur directly, through lower corporate profitability or asset devaluation, or indirectly through macro-financial changes. Some examples of sustainability risks are:

- an extreme weather event, such as serious flooding, could severely damage a company's plant and equipment, with serious consequences on its operations and productivity;
- regulatory measures aimed at reducing carbon dioxide emissions could adversely affect outmoded companies or more exposed sectors, such as the automotive sector, leading to declines in revenues or cost increases;
- the emergence of a controversy that involves a company accused of violating human rights within its supply chain may lead to serious reputational damage for the company, the mistrust of stakeholders and a reduction in its market value.

Environmentally sustainable investment means an investment in an economic activity that contributes substantially to an environmental objective. At the same time, this activity must not be harmful to other environmental objectives and must be carried out according to specific technical criteria defined by secondary European legislation. The activity must also comply with minimum social safeguards, such as those described in the OECD guidelines for multinationals and in the conventions of the International Labour Organisation (ILO), aimed at protecting human rights and workers' rights.

Environmental objectives are the following: climate change mitigation; climate change adaptation; sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; protection and restoration of biodiversity and ecosystems.

Sustainable investment means an investment in an economic activity that contributes positively to environmental and social objectives without significantly harming any other environmental objectives. Companies carrying out activities that may be considered sustainable must ensure they comply with good corporate governance practices. An activity that seeks to make the use of natural resources more efficient, for example, may be sustainable, or one that promotes the development of economically or socially disadvantaged communities.

Principal adverse impacts for sustainability are those effects of investment decisions that have a negative impact on sustainability factors. While investments are subject to sustainability risk, they may also have negative effects on the environment and society. Taking account of the principal adverse impacts (PAIs), namely the negative external factors of an investment, and acting to contain them, can therefore have a significant effect on the sustainability profile of the investment activity.

3. Summary of the ESG and Sustainability Policy of Banor SIM

Banor SIM considers it a priority to integrate environmental, social and governance (**ESG**) criteria into its investment decision-making processes, in implementing the requirements of the relevant legislation, and with the aim of (a) consolidating the trust of markets and investors; (b) enhancing the Company's reputation and (c) countering the development of practices and activities that are not in line with the Company's philosophy and principles. ESG criteria constitute key factors in creating economic and financial value that is both environmental and social.

The Company has developed and adopted an approach aimed at identifying, assessing, preventing and reducing potential reputational, compliance and operating risks arising from investment in companies that operate in sectors not considered sustainable and socially responsible. Specifically, the Company integrates into its internal processes for the provision of portfolio management and investment advisory services, an assessment of the "sustainability risk", namely the risk that the value of an investment might be negatively affected (even if only potentially) by the occurrence of environmental, social or governance events or conditions. To ensure that the process operates correctly, the Company has formalised specific operating procedures that clearly define and document the division of functions and responsibilities between all the parties involved: the Investments and ESG Committee, which supports the Board of Directors in adopting this policy, the Risk Management function, and the ESG and Sustainability Policies function.

The approach to ESG risk adopted by the Company consists of the following:

- identifying exclusion criteria, in the event of which it undertakes not to knowingly make or recommend an investment ("negative screening”);
- analysing and monitoring the managed portfolios, using ESG ratings awarded to the individual instruments by one or more external specialist providers;
- monitoring ongoing controversies against an issuer in relation to environmental, social and governance issues.

The “ESG rating” is a summary of the exposure to the ESG risks of an issuer and/or the sector to which it belongs, adjusted to take account of the issuer’s ability and effectiveness in mitigating such risks; it is a measure of the sustainability of a financial investment, assessed in relation to three “pillars”:

- environmental: relating to issues connected with climate change, natural resources, pollution and waste;
- social: relating to issues connected with the ability to ensure conditions of well-being based on shared principles (health, education, democracy and justice) for the community concerned, in a fair and non-discriminatory manner;
- governance: relating to issues connected with corporate governance and behaviour, promoting a style of management and corporate organisation based on certain ethical principles (the well-being and safety of workers, gender equality, prudent management of business risks).

The higher the issuer’s ESG rating, the lower the ESG risk to which it is exposed.

In the selection of securities issued by corporate issuers, exclusion criteria have been identified for financial instruments belonging to sectors that are particularly exposed to environmental, social and governance risks or that may generate adverse effects on sustainability; in the case of funds/ETFs or government issuers, investment limits have been set for financial instruments that have a particularly low rating or none at all. In addition, specific authorisation procedures have been established for cases where there are doubts about the evaluation or where more in-depth analysis is necessary.

In the advisory service, the sustainability risks integration policy focuses on the adoption of minimum sustainability criteria for the products/financial instruments for which advice is being given; these criteria exclude products with a low level of sustainability.

In the portfolio management service, the Company has also implemented *ex post* evaluation and monitoring processes to analyse the negative external factors to which the securities that make up the managed portfolios are exposed; these will activate the appropriate warning signals if any particularly low corporate governance, overall ratings or single key issue indicators (relevant for sector materiality) are identified.

For products classified as art. 8 under SFDR, there is also an enhanced negative screening phase that consists of excluding additional sectors that have a high sustainability risk. In a second selection phase, environmental and social characteristics are promoted based on the best-in-class strategy, namely the favouring of issuers and funds with higher ESG ratings.

For products classified as art. 8 under SFDR, the Company describes the ways in which sustainability risks are integrated into investment decisions, along with all the information required by existing legislation, in the pre-contractual information document, and includes in periodic reports the extent to which the environmental and social characteristics are achieved.

4. Assessment of clients’ sustainability preferences

When providing portfolio management services and investment advice, the Company first assesses whether the financial products offered are appropriate for the client’s risk profile, which is drawn up using information relating to investment knowledge and experience, financial position, including the ability to bear losses, and investment goals, including risk tolerance.

In addition, Banor assesses whether the products are appropriate to the sustainability preferences expressed by the client, that is they comply with the requirements - in terms of the proportion of environmentally friendly and sustainable investments and considering the principal adverse impacts on sustainability - defined by the client as part of the questionnaire. The alignment between the client's sustainability preferences and the ESG characteristics of the products is determined using a matching model. If the available products, which are suitable based on the criteria of the client’s knowledge and experience, financial position and other investment goals, are not in line with his/her sustainability preferences, the client can adjust these preferences to make it possible for the desired service to be executed. Should the client exercise the option to adjust his/her sustainability preferences, this shall be valid only for the chosen product and does not entail a general modification of the client’s profile.

STATEMENT RELATING TO THE CLIENT OR POTENTIAL CLIENT (SPECIFY FIRST AND LAST NAME)

____

The Client or potential Client declares to have received this Information Document on the investment and ancillary services provided by Banor SIM S.p.A. and, specifically, states that Banor SIM S.p.A. has provided them with the information contained therein in respect of:

a. the SIM and its services;
b. the safeguarding of the financial instruments and funds belonging to clients;
c. the proposed financial instruments and investment services as well as the relevant risks;
d. the classification of clients and applicable rules of conduct;
e. the SIM's conflict of interest policy and the right to request further details on this matter;
f. inducements and the right to request further details on this matter;
g. the SIM's order execution and transmission strategy;
h. the handling of complaints and out-of-court dispute settlement procedures;
i. the fees, costs and charges associated with the provision of services;
j. the processing of personal data;
k. sustainability and ESG Policy of the SIM.

Read, confirmed and signed for acknowledgement and acceptance by the Client on _____/_____/__________		
Account Holder I Signature	**Account Holder II Signature**	**Account Holder III Signature**

Concerning specifically the SIM's order execution and transmission strategy, the Client acknowledges and agrees:

- to "Banor S.p.A.'s order execution and transmission strategy";
- that, should the SIM receive limit orders in respect of shares admitted to trading on a regulated market, of a size smaller than the limits specified in the relevant regulations, that cannot be immediately executed under prevailing market conditions, the SIM or the intermediaries authorised to execute orders on behalf of the Client may consider whether it is in the best interest of the Client to make the orders concerned public so as to make them easily accessible to other market participants, unless the Client expressly instructs otherwise;
- that the orders received by the SIM may be executed by or transmitted to other intermediaries, which may execute them including outside a trading venue.

Read, confirmed and signed for acknowledgement and acceptance by the Client on _____/_____/__________		
Account Holder I Signature	**Account Holder II Signature**	**Account Holder III Signature**

The person responsible acting on behalf of Banor SIM	_______________________________________ First and Last Name and legible signature