

Conflicts of Interest Policy

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See section 2

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Version management

Date	Version	Approval	Action
01-01-2018	0.1	Raad van Bestuur van Van Lanschot N.V., Directie Kempen & Co N.V. Executive Board van Van Lanschot Kempen N.V	Adjusted to EBA guidelines
01-01-2020	0.2	Executive Board of Van Lanschot Kempen N.V. was informed as of December 17, 2019	Adjusted to legal merger Van Lanschot NV en Kempen & Co NV as of January 1, 2020. Van Lanschot NV en Kempen & Co NV replaced by: Van Lanschot Kempen Wealth Management N.V.
16-03-2021	1.0	CORC	Group policy version approved by Compliance and Operational Risk Committee. Replaces old Conflicts of Interest Policy d.d. 1 January 2020.
01-07-2021	1.1	Compliance	Textual adjustments regarding legal merger of Van Lanschot Kempen Wealth Management N.V. and Van Lanschot Kempen N.V. (VLKWM > VLK).
31-10-2022	1.2	MT Compliance	Annual review with no material changes. The following changes have been made: - Inclusion of client sustainability preferences as sources of (potential) conflict of interest; - Inclusion of private investments as a source of (potential) conflict of interest to be dealt with under the Secondary Positions Policy; - Clarification on the scope of the policy in relation to Kempen USA, including a reference to the Kempen USA Conflicts of Interest Register as part of the CMO Investment Bank Register;

			- Deletion of the section on Global Property Research, because it is no longer part of Van Lanschot Kempen.
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1. Introduction

Van Lanschot Kempen N.V. together with its subsidiaries and branch offices ("**VLK**") has put in place an Client Protection Policy Framework to ensure all the reasonable measures at its disposal are taken to (i) act in accordance with the best interests of its clients in accordance with its duties and responsibilities, (ii) prevent and manage Conflicts of Interest (as defined below in Section 4), including in relation to inducements, (iii) have sound product governance arrangements, (iv) adhere to the regulatory requirements with respect to client classification, suitability and appropriateness, (v) client reporting and communication, and (vi) order handling and order execution (the "Pillars" of Investor Protection).

This Conflicts of Interest Policy (the "**Policy**") sets out the steps taken by VLK to identify and assess, to prevent or to manage and mitigate, and to disclose Conflicts of Interest in order to prevent such Conflicts of Interest from negatively affecting the interests of VLK's clients in disregard of VLK's duties and responsibilities under applicable laws and regulations ("**Mitigating Measures**").

Concrete examples of Conflicts of Interest, Mitigating Measures and connected policies are also explained in this document. The Policy also identifies other relevant policies and procedures which further define Mitigating Measures in relation to specific Conflicts of Interest.

2. Target Audience and scope

This Policy applies in whole to VLK on a consolidated, group-wide level basis and therefore applies to VLK and all its subsidiaries, branches, representative offices and relevant foundations which are also part of the group, with the exception of Kempen & Co USA Inc. ("**KUSA**") ("**VLK Entities**").

The general principles outlined in Section 5 are applicable to KUSA¹. This Policy should be read together with all the relevant policies identified in this document.

3. Responsible Committee and Approval

This Policy is approved by the Group Compliance and Operational Risk Committee of VLK ("**CORC**") in accordance with the [Policy of Policies](#). The Compliance department of VLK ("**Compliance**") is responsible for drafting and updating this Policy.

¹ Section 6 contains detailed references to other Compliance policies which (in parts) deviate from KUSA's Written Supervisory Procedures & Compliance Manual ("WSPs"). The WSPs are governed by US law and supervised by SEC and FINRA.

4. Conflicts of Interest

Conflicts of Interest are defined as actual, potential or perceived competing interests and/or responsibilities that might arise, as a result of VLK's activities, between the interest of VLK, its clients² - including their sustainability preferences - and its Employees, as defined in section 5, and that might favour one interest over another or have adverse impact on such competing interests or may give the appearance thereof.

Conflicts of Interest may arise at VLK in e.g. the following circumstances:

- Where the interest of a VLK Employee, or other persons related to the Employee, whether arising from the Employee's present or past activities within VLK or outside them, may conflict with the interest of VLK or its clients and that may prevent or disincentivise the Employee from acting in the best interest of VLK or its clients or that may prevent VLK from meeting its duties and responsibilities ("**Personal Conflicts**");
- As a result of the various activities and roles undertaken by VLK, such as when VLK has a financial or other incentive to favour the interest of one client or group of clients over the interests of another client or group of clients or when the interest of a business line conflicts with the interest of another business line ("**Organisational Conflicts**"); or
- When the interest of VLK and the interest of clients may enter into conflict, for example, when VLK, through services provided or products manufactured or distributed to clients, may make a financial gain, or avoid a financial loss, contrary to the best interest of its clients, when VLK has an interest on a specific outcome of a service provided to a client or a transaction with a client, which is different from the clients' interest, including favouring the interest of one client over another client in a specific transaction, or when VLK provides or receives an Inducement, as defined in the Inducements Policy ("**Products and Services Conflicts**").

Conflicts of Interest may arise within these circumstances, however, it does not necessarily mean that all situations may lead to an actual Conflict of Interest or that identified Conflicts of Interest necessarily impair VLK's ability to consider the interest of its clients in accordance with its duties and

² The interest of certain clients can be in opposition to the interests of other clients. This Policy addresses such situation where VLK, as part of its services and activities, may influence or determine the prioritisation of one interest over another.

responsibilities. Consequently, each circumstance where a Conflict of Interest may arise needs to be assessed on a case-by-case basis in accordance with section 5.

Additionally, Mitigating Measures put in place to prevent or to manage and mitigate Conflicts of Interest should be appropriate and proportionate considering the risks and nature of VLK's activities.

5. General provisions

All individuals working under the responsibility of VLK ("**Employees**") are responsible to identify Conflicts of Interest and to ensure Mitigating Measures are implemented, in accordance with this Policy, or local policies and procedures as the case may be³.

This section outlines the general provisions in connection with escalation of Conflict of Interest and Mitigating Measures. Additionally, section 6 defines specific escalation mechanisms and Mitigating Measures for certain types Conflicts of Interest.

5.1. Escalation and Assessment of Conflicts of Interest

When Employees become aware of a Conflict of Interest, they must immediately escalate it and assess it in accordance with this section.

- Personal Conflicts: Personal Conflicts must be escalated and assessed in accordance with section 6.1.
- Organisational Conflicts: All newly identified Organisational Conflicts must be escalated to the relevant management team of the impacted business line and Compliance and, after obtaining advice from Compliance, to the CORC where relevant. Compliance will assess and provide advice to the relevant impacted business line on the necessary Mitigating Measures to be implemented to prevent or to manage and mitigate such Conflict of Interest or alternatively to Decline to Act, in accordance with section 5.4.4.
- Products and Services Conflicts: Products and Services Conflicts must be escalated and assessed in accordance with the provisions of section 6.3.

³ Conflicts of Interest in relation to members of the Statutory Board and Supervisory Board are governed by the by-laws of the [Statutory Board](#) and [Supervisory Board](#) respectively.

The relevant management teams of the impacted business lines must implement the necessary Mitigating Measures, considering the advice received from Compliance, as soon as practicable. All Conflicts of Interest identified, and the relevant Mitigating Measures, must be recorded in the relevant Conflicts Register set out below.

If an Employee does not feel comfortable reporting a Conflict of Interest to Compliance or to other Employees within VLK, or if, after reporting it, the Employee does not feel that the Conflict of Interest has been addressed adequately, the Whistleblowing House can be contacted, as set out in the [Whistleblowing Policy or the equivalent local documents and procedures, as the case may be](#).

5.2. Conflicts of Interest Registers

The management teams of the various business lines within VLK must maintain a dedicated register where all Conflicts of Interest arising within their specific activities are recorded including the associated Mitigating Measures (“**Registers**”)⁴. Registers do not need to include Personal Conflicts.

The following business lines must keep a Register in accordance with this Policy (“**Relevant Business Lines**”):

1. CMO – Private Clients Regions, Private Clients Specialities and Semi-Institutional Clients
2. CMO – Wholesale and Institutional Clients
3. CMO – Investment Banking, this includes KUSA
4. CMO – Van Lanschot Belgium
5. CMO – Mercier Vanderlinden Asset Management
6. CMO – Van Lanschot Switzerland
7. ISS
8. ISS – KCM UK Ltd
9. Treasury

At least annually, the management team of each Relevant Business Lines must review their respective Registers to ensure they capture all identified Conflicts of Interest and Mitigating Measures.

⁴ Conflicts of Interest may be recorded generically. If a specific Conflict of Interest is identified (e.g. conflict between the ECM and Research departments within CMO Investment Banking) a generic description of the Conflicts of Interest may be recorded, as opposed to each instance where the Conflict of Interest materialises (in the example, where Research is following an issuer to which ECM is providing services to).

5.3. Disclosure of Conflicts of Interest

Where VLK determines that a Conflict of Interest cannot be prevented or mitigated and managed to fully prevent clients from being adversely impacted by the Conflict of Interest, VLK must disclose such Conflict of Interest to the relevant clients.

Compliance, in cooperation with Legal, advises on the need for specific disclosures of Conflicts of Interest when advising on Mitigating Measures or as otherwise identified in section 6 below. The Legal department advises on the legal content of the disclosures, in cooperation with Compliance, and the actual content is set out in, inter alia, in the [Richtlijn Communicatie VLK and/or any equivalent local document](#).

Additionally, a summary of this Policy is disclosed by VLK to its clients via its (local) website and/or within the relevant client's general terms of business or specific offering documents. Additionally, clients may request additional information in relation to this Policy. All client requests to provide further details in relation to this Policy must be referred to Compliance, who will provide advice on the necessary steps to provide an adequate answer to clients.

5.4. Decline to Act

In addition to the disclosures set out in the section above and where no adequate Mitigating Measure can be established to ensure that the best interest of VLK or VLK's clients can be protected in relation to a Conflict of Interest, the management teams of the impacted business lines, in consultation with Compliance, must also assess whether the appropriate measure to manage a Conflict of Interest is to no longer carry on an activity or to offer a service or to decline to act for a specific client ("**Decline to Act**").

6. Specific Conflicts of Interest

VLK has established a series of Mitigating Measures for certain Conflicts of Interest that may arise within VLK's activities. Such Mitigating Measures are set out in this section and in the relevant policies and procedures identified herein and are divided by the type of Conflicts of Interest, i.e. Personal Conflicts, Organisational Conflicts and Product and Service Conflicts.

This section does not provide an exhaustive list of all the Conflicts of Interest that may arise within VLK's activities. Hence, Employees must identify and escalate Conflicts of Interest not identified in this section in accordance with section 5.

Some Conflicts of Interest are persistent within the activities of VLK, hence Mitigating Measures are established permanently (as is the case in for the majority of Organisational Conflicts), whilst other Conflicts of Interest may arise in relation to single events (as is more generally the case for Personal Conflicts and Product and Service Conflicts).

6.1. Personal Conflicts

The following section identifies various areas where Personal Conflicts may arise within VLK's activities and it sets out the relevant Mitigating Measures put in place by VLK in relation to such Conflicts of Interest.

6.1.1. Secondary Positions and Past Positions

In certain circumstances, current or previous activities carried out by Employees outside their employment with VLK may conflict with the interests of VLK or its clients. Employees must at all times avoid Conflicts of Interest between their interests outside VLK and the interest of VLK or its clients. Employees shall cease any activities which may lead to such Conflicts of Interest unless they can be managed in accordance with this section.

In order to prevent or to manage and mitigate Personal Conflicts of Interest, Employees must disclose any:

- present or future paid or unpaid tasks carried at another organisation, association, company or firm in addition to their employment at VLK; and
- private investments that are not subject to Regulations on Personal Transactions, and which could lead to or give the appearance of a conflict of interest.

hereinafter referred to as ("**Secondary Positions**") in accordance with the provisions of the [Secondary Positions Policy](#).

Previous tasks carried out at another organisation, association, company or firm prior to the employment with VLK ("**Past Positions**") may also carry Conflicts of Interest. Particularly, Past Positions with certain third parties, such as VLK's regulators, auditors, competitors or clients, can potentially create Conflicts of Interest. In order to prevent or to manage and mitigate such Conflicts of Interest, the Past Positions of a new Employee are reviewed in accordance with the Screening Policy of the local equivalent to ensure Conflicts of Interest are identified and prevent or managed. Reviews of the Past Positions of a new Employee to ensure Conflicts of Interest are identified and prevent or managed.

6.1.2. Personal Transactions

Conflicts of Interest may arise between the personal interest of Employees and the interest of VLK or its clients in such situations where Employees execute or intend to execute transactions on their personal accounts which may risk VLK's ability to comply with its duties and responsibilities, for example, where such transactions may involve the use of Non-Public Information, including Inside Information, as defined in the Market Conduct Policy, or where an Employee acquires an economic interest in a product and where such acquisition may preclude the Employee from acting independently in relation to certain activities, such as, when providing investment advice.

In order to avoid such conflicted situations, personal transactions carried out for the personal account of Employees must be disclosed, transacted and approved in accordance with the (local version of the) [Regulations on Personal Transactions](#)

6.1.3. Media Publications

Conflicts of Interest may arise when Employees communicate investment recommendations, views or opinions about the financial markets⁵ or the activities carried out by VLK to the public through the media, including social media, which may be contrary to those expressed by VLK or affect the interest and reputation of VLK or its clients.

In order to prevent or manage and mitigate these types of Conflicts of Interest, VLK has established the following policies and procedures: [Media Guidelines](#), [Social Media Guidelines](#), and [Regulations on electronic means of communications](#).

6.1.4. Related Individuals

Related Individuals are a spouse, registered partner or other life companion, children, dependant, co-habitant, and other relatives by blood or marriage up to the second degree of an Employee and who is also a current Employee of VLK or who is economically related⁶ to VLK's clients, competitors, counterparties or service providers ("**Related Individual**").

Conflicts of Interest in relation to Related Individuals may arise in the following situations:

⁵ This may include, inter alia, views and opinions on the status or performance of the financial markets and their policy and regulatory environment.

⁶ An economic relationship is established where the Related Individuals has a close economic link with the client, competitor, counterparties or service provider by means of an employment or similar relationship or a significant ownership participation in the capital of a firm.

- Where an Employee provides services to a client or a counterparty who is also a Related Individual of the Employee, or it is a firm employing such Related Individual⁷;
- Where a Related Individual, or a firm where a Related Individual has managerial responsibilities, becomes a controlling shareholder of a client of VLK, and where the Employee is involved in services provided to that client;
- Where Employees, who are also Related Individuals of other Employees, work at VLK in departments where Conflicts of Interest may arise between departments⁸; or
- An Employee having a Related Individual working for a service provider that VLK intends to establish a service agreement with, and where the Employee is involved in the selection of the service provider.

In order to prevent or manage Conflicts of Interest, Employees must disclose to their line managers the existence of a relationship with a Related Individual where a Conflict of Interest may arise, in accordance with the situations set out above. Line managers must inform Compliance and Compliance keeps a record of all disclosed Related Individuals at VLK in the Register.

The line managers, in collaboration with Compliance and/or HRM as necessary, must define the appropriate measures to prevent or manage Conflicts of Interest arising from relationship with Related Individuals.

6.1.5. Employee Remuneration

The different forms of payments or financial or non-financial benefits provided directly or indirectly by VLK to Employees (“**Remuneration**”) may create incentives for Employees to favour their own interest, or the interests of VLK, to the detriment of VLK’s clients. Additionally, the Remuneration received by Employees within certain VLK departments, who are expected to act independently from certain activities of VLK, may also jeopardise the independence of such functions⁹.

⁷ Where the Related Individual directly participates in the service provided by VLK to the client.

⁸ For example, an Employee working in the ECM department within CMO Investment Banking department having a Related Individual working for the Research department within CMO Investment Banking.

⁹ Such as, for example, the Compliance and Internal Audit functions or the Research department within CMO Investment Banking.

To mitigate these Conflicts of Interest, VLK has established a [Variable Remuneration Policy](#) applicable to all relevant Employees who may have a Conflicts of Interest in relation to Remuneration.

6.1.6. Gifts and Entertainment

Employees may receive Gifts and Entertainment, as defined in the [Gifts and Entertainment Policy](#) which may create an incentive to not act in the best interest of VLK or its clients. In order to prevent or manage and mitigate these types of Conflicts of Interest, VLK has established a series of Mitigating Measures as set out in the [Inducement Policy](#) and the [Gifts and Entertainment Policy](#).

6.2. Organisational Conflicts

Organisational Conflicts of Interest may arise as a result of the various roles and activities carried out by VLK and the distinct nature of the different business lines within VLK, as well as the different clients served by VLK. This section outlines various Organisational Conflicts that may arise within VLK.

6.2.1. Non-Public Information

VLK may receive and manage Non-Public Information, including Inside Information, as defined in and subject to Market Conduct Policy.

The use and dissemination of Non-Public Information may create Conflicts of Interest between the different business lines at VLK or between VLK and its clients. Consequently, VLK has established and implemented internal arrangements and procedures, such as Separation Barriers and Information Barriers, to effectively ensure that Non-Public Information is protected and managed considering the best interest of its clients. Such arrangements are set out in the Market Conduct Policy.

6.2.2. Segregation of Duties and Supervision

Organisational Conflicts may arise when Employees have managerial or supervisory duties over different business lines simultaneously where Conflicts of Interest have been identified between these business lines.

VLK has established various Separation Barriers between business lines where Conflict of Interest have been identified amongst them. Separation Barriers are defined in the [Market Conduct Policy](#). Employees from outside a Separation Barrier, other than Support Functions and the 2LoD and 3LoD, as defined in the Market Conduct Policy, cannot perform activities for that Separation Barrier unless approved by Compliance or expressly permitted by the Market Conduct Policy.

Prior to effecting any changes to the managerial and supervisory structure of a business line, the relevant management teams of the different business lines within VLK should seek advice from Compliance in order to assess compliance with this Policy.

6.2.3. Committee Members

From time to time, participation in VLK internal decision making bodies by certain Employees or external individuals (“**Committee Members**”) may give rise to Conflicts of Interest, where the interest of such Committee Members, whether personal or as part of their Employment within VLK or with a third-party, may conflict with the interest and activities of the relevant Committee.

In order to mitigate such Conflicts of Interest, VLK has established procedures for the prevention or management and mitigations of such Conflicts of Interest within the relevant Terms of Reference of each Committee.

6.2.4. Vendor selection

VLK may engage in business relationships with services providers (“**Vendors**”) in connection to the provision of services to clients. The relationship with Vendors may create Conflicts of Interest where VLK selects such Vendors considering its interest or the interest of its Employees before the interest of its clients. Some examples of situations where Conflicts of Interest may arise are, but not limited to, the following:

- an Employee recommends the selection of a Vendors by VLK where the Employee has a significant ownership interest on the vendor or a Related Individual working for the Vendor;
- VLK receives Inducements, as defined in the Inducements Policy, from a Vendor; or
- VLK selects Vendors, in relation to a service provided to a client, where VLK owns an ownership interest in.

In order to prevent or manage the risks of Conflicts of Interest related to the selection of Vendors, VLK has put in place various Mitigating Measures, as reflected in the [Business Partner Due Diligence Policy](#) and the [Inducements Policy](#).

6.3. Products and Services Conflicts

Conflicts of Interest may arise also from specific products and services offered by VLK. This section sets out different Mitigating Measures established for certain Products and Services Conflicts which may arise within VLK.

6.3.1. General Identification of Products and Services Conflicts

VLK has established generic mechanisms for the identification of Products and Services Conflicts within the different Product Approval and Review Processes (“**PARPs**”) at VLK. As part of the PARP process, Conflicts of Interest are assessed per product and service and Mitigating Measures are defined as appropriate.

6.3.2. Marketing and offering

Conflicts of Interest may arise when VLK promotes or offers certain products and services, specifically where VLK may be incentivised to prioritise the distribution or promotion of certain products or service over others. Such Conflicts of Interest may lead to marketing and offering practices that prioritise the interest of VLK over the interest of its clients for example by overstating positive characteristics of an investment such as sustainability factors (Greenwashing) or understating negative characteristics and risks (mis-selling). VLK has established certain Mitigating Measures to mitigate and manage these Conflicts of Interest, as set out in the [Marketing Policy](#).

6.3.3. Inducements

VLK or Employees may provide or receive Inducements, including Research, as defined in and subject to the Inducements Policy, which may create an incentive to not act in the best interest of VLK or its clients. In order to prevent or manage and mitigate these types of Conflicts of Interest, VLK has established a series of Mitigating Measures as set out in the [Inducements Policy](#) and the [Gifts and Entertainment Policy](#).

6.3.4. Investment Research and Investment Recommendations

VLK may produce Investment Research, as defined in and subject to, the Market Conduct Policy. Investment Research is information, which is presented as objective or independent, therefore it is crucial that VLK ensures the independence of the Employees producing Investment Research (“**Analysts**”).

Additionally, Conflicts of Interest may arise when VLK produces Investment Recommendation, as defined in the Market Conduct Policy, other than Investment Research.

VLK has established Mitigating Measures to ensure the independence of Analysts and their Investment Research as well as to ensure Conflicts of Interests in relation to Investment Recommendations are prevent or managed and mitigated, as laid out in the Market Conduct Policy.

6.3.5. Dealing in financial instruments

Conflicts of Interest may arise when VLK deals in financial instruments in a principal capacity or as an agent for clients, especially in such situations where clients are relying on VLK to effect transactions in financial instruments. The following Conflicts of Interest may for example arise when dealing in financial instruments:

- VLK may be incentivised to execute client orders not in the terms most favourable for clients but using execution venues or other execution mechanism which benefit VLK the most, for example where VLK has specific arrangements with execution venues, such as rebates or monetary benefits;
- VLK may manage its own risk in anticipation of a client order¹⁰ which may not be in the best interest of the client; or
- VLK may prioritise, aggregate or allocate certain orders and transactions which may benefit VLK or a group of clients over other clients.

In order to mitigate the risk of Conflicts of Interest related to dealings in financial instruments, VLK has established various Mitigating Measures as set out, inter alia, in the Market Conduct Policy and the [Best Execution and Order Handling Policy](#).

6.3.6. Underwriting and Placing

The CF ECM department within CMO Investment Banking initiates transactions in which VLK is engaged in underwriting and placements of securities on behalf of issuer clients (listed companies). At the same time, departments other than CF ECM at VLK may engage in the offering and distribution to investor clients of those securities. Additionally, VLK may also take positions for its own proprietary book when underwriting a new issuance. These multiple roles that VLK may play in relation to the issuance of such securities may create a Conflict of Interest between the interest of VLK, issuer clients and investor clients.

In order to prevent or mitigate these types of Conflicts of Interest, VLK has established a series of Mitigating Measures, as set out in the [CF ECM Business Conduct Procedures](#) and the Inducements Policy.

¹⁰ Also known as “pre-hedging”, as defined in the Market Conduct Policy.

6.3.7. Fund and Portfolio Management

Certain Conflicts of Interest may arise within VLK, as a manager of funds, including Collective Investment of Transferable Securities (“**UCITS**”) and Alternative Investment Funds (“**AIF**”) and client portfolios¹¹¹². Conflicts of Interest may arise in connection with fund and portfolio management activities, inter alia, in the following situations:

- (a) Situations where ISS, a client or fund investor may make a financial gain, or avoid a financial loss, at the expense of other fund investors or clients, for example:
 - a. Subscription and Redemption: A Conflict of Interest may arise between a fund and certain investors, wishing to subscribe into a fund or redeem their investments, and other investors in the fund. Specifically, certain investors may wish to subscribe or redeem investment more often than other investors who prefer a more long-term investment strategy. The inflows and outflows of such investment decisions may generate fees and costs for the fund to the detriment of other investors. ISS has established a series of Mitigant Measures to prevent or managed Conflicts of Interest in relation to redemptions, such as the [Swing Pricing Policy](#).
 - b. Late-subscriptions: A Conflict of Interest may arise when ISS facilitates client subscriptions after the cut-off period, prioritising the interest of the investors subscribing late over other clients. In order to avoid the preferential treatment of such investors, ISS has established procedures to ensure late subscriptions are only accepted where no Conflicts of Interest arise, in line with the provisions of relevant fund offering documents.
 - c. NAV calculation errors or trading errors: From time to time, ISS may identify errors in the calculation of the Net Asset Value (“**NAV**”) of funds. Additionally, ISS may identify transactions executed erroneously which may fall outside the fund or portfolio investment strategies or mandates. In such circumstances, ISS may enter into Conflicts of Interest where the measures established to resolve such errors may prioritise the interest of VLK or some clients over the interest of other clients. To mitigate and manage these types of Conflicts of Interest, ISS has established procedures to mitigate and manage these types of Conflicts of Interest.

¹¹ Funds are managed by Kempen Capital Management.

¹² Van Lanschot Belgium and Van Lanschot Switzerland are also covered by this section to the extent it acts perform fund and portfolio management activities.

- d. *Cross trading*: In certain situations, ISS may have the opportunity to effect a transaction between clients directly (whereby one or more portfolios or funds buy an asset from or sell an asset to one or more other portfolios or funds). To manage any potential Conflict of Interest arising from cross trading, ISS has established the Trading Principles providing clear guidance for the fair treatment of clients when effecting cross trades.
- (b) Situations where ISS has an interest in the outcome of a service, or an activity provided to a fund or to a client or of a transaction carried out on behalf of a fund or a client, which is distinct from the fund's or client's interest in that outcome, for example:
- a. Investments in products managed or manufactured by VLK: ISS may invest on behalf of a fund or a client in products managed or manufactured by VLK (e.g. ISS Funds or VLK-issued Structure products). These investments may generate additional revenues for VLK due to their role as managers or manufacturers of the product. In order to manage these type of Conflicts of Interest, ISS has established various Mitigating Measures, such as requesting permission to ISS to invest in products managed or manufactured by VLK, setting up maximum limits for investing into VLK products within client portfolio mandates and providing client where alternatives to VLK products where constructing portfolios.
 - b. Participations in transaction arranged by VLK: ISS may participate in transactions on behalf of a fund or a client in which VLK plays additional roles. For example, VLK may invest on behalf of its funds or clients on a placement of new shares of an issuer arranged by VLK. In order to mitigate and manage these types of Conflicts of Interest, VLK has established clear Information Barriers between conflicts business lines, as set out in the Market Conduct Policy.
 - c. New/Amended Products and Services: ISS may launch new fund and portfolio management services and related products or amend existing products and services considering the interest of VLK without due consideration of the interest of present and future clients or fund investors. For example, ISS may be inclined to launch new products and services which benefits their corporate strategy (for example, ESG investments) without considering the interest of its clients. VLK has established a PARP process, as set

out in section 6.3.1 above, to prevent and mitigate Conflicts of Interest on relation to new products and services.

- (c) Situations where ISS has an incentive to favour the interest of a fund or client over the interest of another fund or client, for example:
 - a. Seeding and proprietary investment: VLK may for time to time take a long-term or short-term position in a fund managed by ISS to provide seed capital or establish a solid platform for the future growth of such fund (“**Seeding**”) or otherwise has established a proprietary position within an ISS-managed fund. Such activities may create Conflicts of Interest where ISS may prioritise VLK’s interest in the fund above the interest of other fund investors. VLK has established procedures overseeing by the Investment Committee to assess the adequacy of VLK Investments.
 - b. Fees: Conflicts of Interest may arise when ISS establishes different fee structures for different clients, thus benefiting certain clients over others, or establish fee structures that may put VLK interest above the ones of its clients. In order to mitigate and manage these Conflicts of Interest, VLK has established a PARP process, as set out in section 6.3.1 above, to prevent and mitigate Conflicts of Interest on relation to new products and services, and their fee structure. Additionally, ISS has established a Pricing Policy outlining the decision-making process establishing fee schedules for ISS services.
- (d) VLK may have an incentive to exercise rights on behalf of its clients or fund investors, such as voting rights as shareholders of companies, disregarding the interest of its client or fund investors. In order to prevent or manage such Conflicts of Interest, VLK has established the [ISS Voting Policy](#) to ensure its voting decision consider the interest of funds investors and clients.
- (e) ISS may use or share information about model portfolio rebalances to the detriment of its clients. In order to mitigate this Conflict of Interest, VLK has established provisions for the management of Pre-trade Information in the Market Conduct Policy.
- (f) ISS may provide services to a fund or a client which may conflict with other services provided to other funds or clients, for example in such situations where ISS manages different investment strategies which may be opposite one another. VLK has established a PARP process, as set out

in section 6.3.1 above, to prevent and mitigate Conflicts of Interest on relation to new products and services.

6.3.8. Investment Advice

VLK provides investment advice to its clients, specifically through the Investment Advice Teams and the Professional Desk within CMO Semi-Institutional Clients. Investment Advice may carry Conflicts of Interest, such as the possibility that VLK adjusts its advice to products manufactured or managed by VLK. In order to prevent or manage Conflicts of Interest related to Investment Advice, VLK has established a series of Mitigating Measures as set out in, inter alia, in the [Client Suitability and Appropriateness Policy](#).

6.3.9. VLK as Manufacturer or Issuer

VLK may manufacture financial instruments, including structured products and investment funds, which are distributed to investors through VLK or other-third party distributors.

Manufacturing financial instruments may carry Conflicts of Interest, for example, when:

- VLK as a manufacturer may have an existing opposite exposure or may take a future opposite exposure to the instrument manufactured, which may adversely affect investors in the instrument;
- VLK may act both as manufacturer and distributor on the same instrument manufactured, hence creating the incentive for VLK to prioritise distribution of its own products to the potential detriment of investors; and
- VLK as a manufacturer may provide Inducements, as defined in the Inducements Policy, to distributors for the sale of its products, to the potential detriment of investors.

The relevant Mitigating Measures established by VLK to manage conflicts in relation to its manufacturing role are part of the PARP as set out in section 6.3.1.

Additionally, VLK may act as an issuer of certain financial instruments which are also transacted by VLK in the secondary market. Transacting financial instruments issued by VLK in the secondary market may carry the following conflicts of interest:

- VLK may transact bonds in the secondary market that may influence the price of newly to be issued bonds;

- VLK may transact instruments issued by VLK in possession of Inside Information; or
- VLK may offer unfair prices to clients in the secondary market where it is the sole buyer of the instrument.

VLK has established a series of Mitigating Measures to address issuer-related Conflicts of Interest in the Best Execution Policy and the Policy on Disclosure of Inside Information of Van Lanschot Kempen.

7. Jurisdictional variations in relation to the policy in other countries/entities

7.1 VLK Switzerland

The Group Policy is applicable.

7.2 VLK Belgium & MVAM

The Group Policy is applicable.

7.3 KCM UK

The Group Policy is applicable.

7.4 Kempen & Co USA

The Group Policy is not applicable to KUSA, except for the general principles outlined in Section 5 of this Policy.

Section 6 contains detailed references to other Compliance Policies which (in parts) deviate from KUSA's Written Supervisory Procedures & Compliance Manual ("WSPs"). The WSPs are governed by US law and supervised by SEC and FINRA.

8. Review

This Policy is reviewed at least every year, or earlier where necessary as a consequence of a change in regulations, and/or external and internal developments relating to the business.

Annex I: Overview of the related documents to the Policy

1. [Policy of Policies](#)
2. [Market Conduct Policy](#)
3. [Gifts & Entertainment Policy](#)
4. [Inducements Policy](#)
5. [Business Partner Due Diligence Policy](#)
6. [Best Execution and Order Handling Policy](#)
7. [Swing Pricing Policy](#)
8. [ISS Voting Policy](#)
9. [Client Suitability and Appropriateness Policy](#)
10. [Policy on the Disclosure of Inside Information of Van Lanschot Kempen](#)
11. [CF ECM Business Conduct Procedures](#)