

CONFLICT OF INTEREST MANAGEMENT POLICY

1. INTRODUCTION AND SCOPE OF APPLICATION

1.1. INTRODUCTION

In this Conflict of Interest General Policy (hereinafter, the "Policy") is developed the procedures for managing conflicts of interest of **EUROAMERICAN FINANCIAL ADVISORS 2021, EAF, S.L.** (hereinafter, the "EAF", the "Entity" or "EF Advisors 2021"), which are contained in the Internal Code of Conduct (RIC), in accordance with the provisions of the Directive 2014/65/EU (hereinafter, MiFID II) and in its implementing regulations, Regulation 2017/565, as well as in Circular 1/2014, of February 26, of the CNMV, on the requirements of internal organization and the control functions of entities providing investment services.

The obligation regarding the management of conflicts of interest established in MiFID II and its implementing regulations is not absolute, since it does not prohibit its existence, but obliges the adoption of reasonable measures for the prevention and resolution of conflicts.

The objective of this Policy is the identification of those circumstances that could potentially generate a conflict of interest (between the Entity and a client, or between different clients of the Entity), and to specify the procedures that should be followed and measures that should be adopted for the prevention and management thereof; and establish a general criteria and principles for the identification, registration, management, prevention or elimination of possible conflicts of interest, and their disclosure to clients when they cannot be avoided or eliminated

This Policy will be applied jointly with the Entity's RIC. For any case in which the conflict of interest could not be avoided, has been designed the way in which such dispute will be disclosed to the client receiving the investment service.

1.2. SCOPE OF APPLICATION

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1.2.1 Target scope of application

For the purposes of this Policy, it shall be understood that there is a conflict of interest in cases where the Entity itself, or a Person Subject to (as defined below in this Policy) or another person directly or indirectly linked to it through a control relationship, is in one of the following situations:

- a) the Entity or the person in question may obtain a financial benefit, or avoid a financial loss, at the client's expense, or,
- b) has an interest in the outcome of the service provided or the transaction carried out on behalf of the client, other than the client's own interest in that result, or,
- c) has financial or other incentives to favor the interests of third-party clients, over the interests of the client in question, or,
- d) the professional activity is identical to that of the client, or,
- e) receives, or will receive, from a third party an incentive in relation to the service provided to the client, in money, goods or services, other than the usual commission or remuneration for the service in question.

Therefore, for the purposes of this Policy, an incentive is understood to be commissions or non-monetary benefits, which the EAF charges or pays for the provision of the investment advisory service or auxiliary services.

1.2.2 Subjective scope of application

This Policy shall apply in the provision of the investment advisory service to both, EAF-classified clients, and retailers and professionals, and in the provision of auxiliary services.

In particular, the Policy is applicable to all members of the Administration and Management Body of the EAF, and to any other person, employee or executives of the EAF. All of them will be referred to in this Policy with the expression "Subject Persons".

2. POLICY RECIPIENT DEPARTMENTS

As indicated in the subjective area section, this Policy is applicable, together with the Entity, to its managers, employees and persons linked to it, directly or indirectly, by a control relationship.

Notwithstanding the foregoing, the persons and departments of the Entity involved in the implementation of the Policy are the following:

- The Entity's management body and any other person, employees or managers of the Entity: will be responsible for identifying potential conflicts of interest.
- Heads of the different departments or areas of the Entity: they will be responsible for communicating potential conflicts of interest to the Internal Code of Conduct Monitoring Body (RIC) so that the appropriate measures are adopted, if any.
- Internal Control Unit: will be responsible for the annual review of the content of the Policy and its compliance with the regulatory requirements, as well as of the supervision of compliance with the same by the previous departments and will report any non-compliance detected to the management body.

3. PROCEDURE OF IDENTIFICATION, MANAGEMENT, COMMUNICATION (IF ANY) AND REGISTRATION OF CONFLICTS OF INTEREST.

- Principles of conduct

Subject Persons shall assume as general principles of conduct to act honestly, impartially and professionally, in the best interests of clients, in the terms established in this Policy and in the Internal Code of Conduct.

- Identification of conflicts of interest:

The Entity shall adopt, at all times, the appropriate measures to detect potential conflicts of interest in order to prevent them from harming the interests of the Entity's clients.

When a situation arises which may result in a conflict of interest, the Subject Person who detects the situation or is involved in the situation generating the conflict must immediately inform the RIC Monitoring Body, indicating all circumstances which may give rise to the conflict of interest, in accordance with paragraph 3.3 of this Policy.

The RIC Monitoring Body will adopt the necessary surveillance or correction measures to ensure that, in no case, the situation raised damages a client, and when appropriate, will inform the administration body.

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In addition, those responsible for each area or department of the Entity will be responsible for identifying the conflicts of their department in which there is a significant risk of a client or plurality of clients and for communicating it to the RIC Monitoring Body, if applicable.

- **Management of conflicts of interest**

Efforts shall be made to avoid the effective appearance of conflicts of interest, establishing, to the extent possible, guidelines and measures for the management of conflicts of interest that cannot be prevented, in order to avoid harm to clients. In accordance with the conflict management measures defined in the following section.

- **Communication to clients**

Prior to the provision of investment services, the Entity must make the Conflicts of Interest Policy available to clients through the following means:

- The Entity makes available to its clients the Conflicts of Interest Policy through the corporate website: www.xxxxxxx.es
- The customer contract will include a brief overview of the content of this Conflict of Interest Policy.

In those cases, where the mechanisms established by the Entity are insufficient to ensure that the conflict of interest will not cause harm to the clients, and therefore these are unavoidable, it will proceed as a measure of last resort, to disclose it to the clients affected prior to the provision of the service or conclusion of a transaction by abstaining.

The communication must clearly state that the organizational and administrative measures established by the EAF to prevent or manage this conflict are not sufficient to guarantee, with reasonable certainty, that the risks of prejudice to the client's interests will be prevented.

The above information must be provided in sufficient detail, taking into account the nature of the client, so as to ensure that the client can make an informed decision about the continuity or not of the service in question. However, whenever the client requests it, will be provided more detailed information about the conflict and its treatment by the Entity.

- **Registry of conflicts of interest**

Conflicts of interest detected, as well as potential conflicts of interest, must be incorporated into a Register of Conflicts of Interest that will be kept by the RIC Monitoring Body, in accordance with the provisions of the Entity's Minimum Records Maintenance Policy.

3.1. Identification of potential conflicts of interest

Examples of potential conflicts of interest related to the provision of investment advisory services are listed below, constituting EF Advisors 2021's catalogue of conflicts of interest:

- Assumptions where the Entity may have relationships with clients between whom there is a relationship of incompatibility of interests. In this case, we would be faced with the assumption in which the EAF advises several clients on the same transaction, one being a buyer and the other seller or another case in which both have the same interest.
- Assumptions where the Entity directs the investment of its clients to alternatives that rewards the interests of the Entity over those that best meet the needs of the investors themselves. In this case, we refer to cases in which there are several similar products with different commissions, and the recommendations made are made on the products in which the Entity will receive a higher commission without taking into account the interests of one or more clients.
- Assumptions where the Entity provides products to the client that can objectively represent a good option as an investment alternative, but not the best option for the client's needs, for example, assuming risks higher than recommended or cases in which the remuneration received by the persons providing the investment advisory service is based on the performance of the advised portfolio. In these cases, there could be an implicit incentive related to the increase in performance, which could lead to situations in which these people, when providing the service, do not take into account the risks inherent in their investment decisions, motivating a contrary action in the interests of one or more clients.
- The Entity when providing the advisory service obtaining information from the client not disclosed to the market, which could lead to the use of such information for the benefit of the Entity or for the benefit of another client.

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- Cases where the persons who are going to provide the investment advisory service have multiple responsibilities, such as being members of the SICAV management body being advised. In these cases, conflict situations can arise since the interests of the EAF and the different SICAVs advised may be different and even opposite.
- Assumptions in which the EAF recommends clients to invest in investment funds to which the EAF provides the advisory service, these products being capable of being included in its investment recommendations.

3.2. Measures for the management of conflicts of interest

The measures established by the EAF for the management of conflicts of interest identified are designed to allow Subject Persons to act with an adequate level of professionalism, independence and impartiality when providing the investment advisory service or ancillary services. Specifically, such measures include:

- Measures to prevent and control the inappropriate use of information relating to EAF clients, when such information involves the risk of harming the interest of one or more clients.
- Identification of business areas that enter or may enter into conflict of interest, constituting "separate areas".
- Measures designed to hinder the exchange of information between Subject Persons belonging to different separate areas:
 - i. Establishing barriers of physical separation of separate areas.
 - ii. Establishment of computer barriers, access codes to files, databases, emails, etc.
 - iii. Establishment of controls and regular checks on the effectiveness of the aforementioned barriers.
- Concrete measures to control the flow of information between the different separate areas and, where appropriate, to outsiders, including:
 - i. Standard procedures for the transmission of information between separate areas.
 - ii. Notification to the RIC's Monitoring Body of the transmission of privileged or sensitive information to Subject Persons situated hierarchically above the barriers, in the case of especially relevant or sensitive information.

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- iii. Possibility of transmission of sensitive or privileged information to outsiders, only in strictly necessary cases and when a confidentiality agreement has been signed.
- The remuneration of EAF employees shall be based on criteria that reasonably guarantee the objectivity, independence and impartiality of the services provided, without the interest of one business area overriding another. In addition, remuneration schemes within each area have been designed in such a way as to avoid the generation of conflicts of interest between personal interests linked to employee remuneration and customer interests. In addition, the EAF remuneration system contains quantitative and qualitative criteria for determining employee remuneration.
- Measures to limit the possibility for a third party to exert an inappropriate influence on decisions taken by the Subject Persons.
- Specific measures on investment advisory activity:
 - i. The EAF will not recommend to retail clients investment in products that the capital or number of shareholders is below the limit set out in the regulations.
 - ii. In the event that the EAF or its main shareholder(s) or its employees have a stake in any of the products they are going to recommend (e.g. participation in certain collective investment institutions), all clients will be informed of this fact and, in the event that there is an intention on their part to significantly reduce that participation, the clients who have been recommended of investing in it will be informed by written communication, indicating the cause.
 - iii. Under no circumstances will the EAF recommend clients to invest in certain financial instruments if, in turn, it has recommended others to sell or reimburse their participation in the same financial instruments, without justifiable cause and in writing (e.g. change in the client's risk profile)
 - iv. Clients will always be informed of the cases where the EAF recommends investing in IICs to which also the EAF provides the advisory service these products being capable of being included in its investment recommendations.

In addition, in these cases,

- No advisory fee will be charged for the part of the equity invested in the IIC.
- The EAF's investment recommendation to each of these products shall be limited to a maximum of 15% of the assets advised per product.

3.3 Notification of situations of conflicts of interest by the Persons Subject to the RIC Monitoring Body

In any case, the Subject Persons shall inform the Entity, through the RIC Monitoring Body, of any personal or family situation, economic or of any other type, that could constitute a conflict of personal interests of that person and those of a client of the Entity or of the Entity itself, completing annually the declaration attached as Annex I to this Policy.

It is considered, at least, that this conflict situation occurs, when the Subject Person in question or any person or entity with whom they have a kinship or close relationship, in the terms defined in the Internal Code of Conduct of the EF Advisors 2021, is in one of the following cases:

- Membership in the Board of Directors or Senior Management of a company with a scope of activity concurrent with that of the Entity (for example, membership of the Board of Directors of an advised SICAV).
- Significant shareholding in companies with an area of activity concurrent with that of the Entity.
- Significant shareholding or other personal interest in respect of a client of the Entity.

4. REGISTRATION OF CONFLICTS OF INTEREST

The EAF will maintain an updated registry (hereinafter, the "Registry"), including circumstances that give or may give rise to a conflict of interest that implies a significant risk of impairment of the interests of one or more clients, as well as the procedures to be followed and the measures to be taken to manage such conflicts.

The following information shall be included in the Registry:

- i. The identity of the Subject Persons who have been exposed to conflicts of interest.
- ii. The date on which the conflict of interest originated.
- iii. The financial instruments or services to which the conflict of interest refers.
- iv. The reason for the appearance of the conflict and the detailed description of the situation.

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- v. The description of the management and minimization process, or, where appropriate, the rectification of the situation.

The record of each of the conflicts of interest shall be kept for a minimum period of five (5) years, since the conflict has disappeared, and any changes made therein must also be kept for the same period of time.

5. TRAINING OF SUBJECT PERSONS ON POLICY

Subject Persons shall receive appropriate training, at the time of incorporation to the Entity, on this Policy.

Without prejudice to the modifications of this Policy being immediately communicated to the Subject Persons and other employees, update sessions will be held periodically.

6. POLICY AVAILABILITY

Clients will receive summary information about the Policy, and the full version will be available upon request.

7. POLICY APPROVAL AND REVIEW

The Policy has been approved by the Board of Directors of the Entity. Any amendments to this Policy will require the approval of the Entity's Board of Directors.

The Policy will be updated and/or amended at least in the following cases:

- i. When legal or regulatory changes take place that affect the established policy.
- ii. At the proposal of those responsible for the internal control functions of the Entity (Internal Audit - outsourced, Compliance, Risk Management), when it is understood that there are sections that could be improved to achieve the proposed objectives or to adapt conveniently to the situation and business of the Entity at all times
- iii. At the proposal of the supervisory bodies.

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8. VERSION CONTROL

Version	Update date	Detail/reason update	Date approved by the Board of Directors
v.01	04/19/2021	Policy development.	

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ANNEX I.- MODEL DECLARATION ON CONFLICTS OF INTEREST

Declarant's Name:

Area or Department:

Responsible of Area or Department:

Conflicts of interest are declared. Detail of the conflict of interest:

– Date of occurrence of the conflict of interest: _____

– Description of the declared conflict of interest:

– Description of the measures taken to manage the conflict of interest:

No existing conflicts of interest are declared.

Declarant's signature

Date of declaration: _____ th, 20__.