



**NN investment
partners**

Conflict of Interest Policy

NN Investment Partners

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INFORMATION SHEET

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All employees of NN Investment Partners

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In the event of any discrepancies between the English version of this document and a translated version, the English document is binding.



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1. Introduction

NN Investment Partners conducts business in a way which is fair, professional and in accordance with your best interests as our client. Under EU legislation, we are required to 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 our clients. We take all appropriate steps to identify, prevent and manage conflicts of interest.

This policy offers a high-level summary of NN Investment Partners' policies and procedures to manage conflicts of interest and provides you with the key information that you will need in order to understand the nature of the measures we are taking to safeguard your interests.

2. Conflicts of interest – what are they?

Conflicts include all conflicts that arise in the course of our provision of investment services, including those caused by the receipt of inducements from third parties or by our own remuneration and other incentive structures. Conflicts of interest may arise between the interests of:

- a client or group of clients and the interests of another client or group of clients;
- a client or group of clients and the interest of NN IP ;
- a client or group of clients and the interests of an employee or group of employees of NN IP;
- NN IP and the interests of an employee or group of employees; and
- a part of NN IP and the interest of another part of NN Group.

Some of these conflicts may arise merely because NN Group, which NN Investment Partners is a part of, is involved in a broad range of business activities with different clients. Others may arise because of the specific circumstances of particular business activities.

3. Potential conflicts of interest at NN Investment Partners

We have identified potential conflicts of interest in our business in order to put in place measures to monitor, manage and prevent the materialisation of those conflicts. We have identified the following main interests/roles that potentially give rise to conflicts of interest:

NN Investment Partners

- NN IP's role as investment manager
- NN IP's role as investment advisor
- NN IP's role as trader
- NN IP's role as investment manager for other NN Group entities
- NN IP's role as manager of mutual funds
- NN IP's role as distributor of mutual funds
- NN IP's role in advising on and executing corporate treasury transactions on behalf of other NN Group entities
- NN IP's role in writing independent research
- NN IP's interest in obtaining new business
- NN IP as a subsidiary of NN Group
- NN IP's interest in maintaining satisfactory relations with existing clients
- NN IP as majority owner of a mortgage provider

Clients

- Clients' interest as recipient of investment management services
- Clients' interest as recipient of investment advice
- Clients' interest as investor in financial instruments (e.g. securities/mutual funds)
- Clients' interest as user of services/facilities provided by NN IP

Employees

- Employees' interest in performing their role
- Employees' interest in generating business
- Employees' interest in achieving objectives/targets
- Employees' interest in status, remuneration and bonus
- Employees' interest in personal investments
- Employees' interest in external businesses/activities

The following is a non-exhaustive list of examples of situations where potential conflicts may arise:

- Where NN IP provides investment services both for other NN Group entities ("affiliated clients") and external clients
- Where NN IP develops new products or offers (mandate) propositions
- Where NN IP changes, merges or closes (a) fund(s) within its fund ranges
- Where NN IP fails to provide clients with materials that are fair, accurate and not misleading
- Where NN IP employees have an interpersonal relationship
- Where NN IP offers limited size investment opportunities into illiquid asset categories
- Where NN IP trades for its affiliated clients in a security when at the same time it has information about potential future client orders in relation to that security
- Where NN IP needs to allocate a partially filled trade or IPO for different clients
- Where an NN IP employee engages in personal account dealing and NN IP has a client with an interest that potentially conflicts with such dealing
- Where NN IP has information in relation to distressed assets and NN IP trades these assets for one client/group of clients but not others
- Where substantial gifts (including non-monetary gifts) are received that may influence NN IP's behaviour in any way that conflicts with the interests of the clients of NN IP
- Where NN IP deals with errors within client portfolios or with complaints

4. How we manage conflicts of interest

We keep and regularly update a record of the kinds of investment activity carried out by us or on behalf of us in which a conflict of interest entailing a risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise. Where possible conflicts of interest will be avoided.

For each conflict that we have identified, we have put in place measures to manage, control and prevent its potential adverse impact upon our clients, appropriate to the type of conflict in question. For any particular conflict of interest one or more of the following measures may be adopted as required:

a) Product Approval & Review Process (PARP)

NN IP has implemented a framework and processes to govern product development and evaluation and mandate offerings to clients.

b) Order placing/allocation

NN IP applies the general principle of placing or allocating orders proportionally to the size of client's orders. This is set out in the policies and procedures within our Trading Manual. For the allocation of investment opportunities via its

mortgage subsidiary an allocation framework is described and set, which is driven by a randomiser in the administration system of the subsidiaries third party servicer and disclosed to investors.

c) Best execution

NN IP has adopted policies aimed at achieving best execution for its clients, that is ensuring that the total cost or proceeds of each transaction are the most favourable under the prevailing circumstances (Order Execution and Broker Selection Policy; available on our website).

d) Transactions between portfolios (cross trades)

NN IP acknowledges that in some cases cross trades are to the clients' benefits but potential conflicts could also arise. NN IP has adopted procedures for executing cross trades which ensure proper segregation between the investment decision to buy/sell and the decision to cross a trade order. This is set out in the policies and procedures within our Trading Manual.

e) Information Barriers (Chinese Walls)

To control access to confidential and inside information, information barriers have been erected within NN IP to prevent the potential misuse of such information. Our measures include:

- rules for the proper use of computer systems, including removable media, access codes and security devices
- separate human resources in departments behind information barriers, i.e. employees in a department behind an information barrier work only for that department unless advised by Compliance
- prevention of persons above the information barriers exercising inappropriate influence over the way investment services are carried out

f) Employees' personal account dealings

NN IP has adopted policies for overseeing employees' personal account dealings (Code of Ethics / Insider Regulation and Insider Regulation NN Instruments; both available on our website).

g) Employees' outside positions and interests

NN IP has adopted a procedure (published on our website) for monitoring employees' outside positions (positions exercised by employees outside their employment at NN IP) and outside interests (financial interests in an entity outside NN IP, which might impact the ability to impartially execute professional duties).

h) Private benefits

NN IP applies principles limiting the possibility for its employees to obtain private benefits from third parties (e.g., brokers, vendors). Conditions for obtaining benefits by NN IP employees are laid down in our gift, entertainment, and anti-bribery procedure.

i) Remuneration

NN IP has policies in place to address the fixed and variable compensation of employees, which ensure that our incentive structure is in line with client's interests. A summary of these policies is available on our website.

j) Control functions

NN IP has second line control functions in place such as Compliance who independently monitor, report and give advice to management on managing potential conflicts that may arise.

k) Disclosure

As a last resort, where our organisational or administrative arrangements to prevent conflicts of interest from adversely affecting your interests are not sufficient to ensure, with reasonable confidence, that risks of damage to your interests will be prevented, we will clearly disclose to you, via letter or e-mailed PDF, the general nature and sources of conflicts of interest and the steps taken to mitigate those risks before undertaking business on your behalf. This disclosure will include

sufficient detail, taking into account the nature of you as a client, to enable you to take an informed decision with respect to the service in the context of which the conflict of interest arises.

5. Further information

The Policies addressing various situations of Conflicts of Interest are reviewed at least annually and any material amendments will be notified to you via our webpage: www.nnip.com. Please contact your Relationship Manager should you require further information or an overview of the relevant policies.

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