POLICY FOR HANDLING CONFLICT OF INTEREST

1. Purpose

This policy is formulated according to:

a) Bekendtgørelse af lov om fondsmæglerselskaber og investeringsservice og -aktiviteter (**LOV no. 232 af 01/03/ 2024**),
b) Bekendtgørelse om ledelse og styring af pengeinstitutter m.fl. (**BEK no. 1103 af 30/06/2022**),
c) Bekendtgørelse om de organisatoriske krav til værdipapirhandlere. (**BEK no. 921 af 26/06/2017**)
d) **Regulation no. 565/2017** on supplementary rules to the European Parliament's and Council directive 2014/65/EU as regards organizational requirements and operating conditions for investment firms.
e) **Regulation (EU) 2021/1253** of 21 April 2021 amending Delegated Regulation (EU) 2017/565 as regards the integration of sustainability factors, sustainability risks and sustainability preferences into certain organizational requirements and operating conditions for investment firms.

The policy aims to ensure that the Fondsmæglerselskabet CABA Capital A/S (the "Company") takes all appropriate measures to identify, prevent or manage conflicts of interest and to ensure that the Company always complies with legislation in connection therewith.

This policy applies to all employees of the Company as well as to all customer relationships with the Company. The board shall assess and periodically review, on an at least annual basis, the conflicts of interest policy established in accordance with **Regulation no. 565/2017, Art. 34, paragraphs 1 to 4** and shall take all appropriate measures to address any deficiencies. Over-reliance on disclosure of conflicts of interest shall be considered a deficiency in the investment firm's conflicts of interest policy.

This policy is effective until amended by the Board of Directors.

2. Identification of conflicts of interest

The Company's Board of Directors has decided that all Board meetings shall begin with the identification of potential conflicts of interest in general and in connection with the agenda of the meeting.

A conflict of interest may arise if the Company, an employee, or other persons associated with the Company can obtain an advantage by knowing the interests of the client or influencing the actions of customers, and if the Company or an employee can benefit personally or benefit others at the expense of a customer.

A conflict of interest may also arise if the Company, in connection with the provision of investment advice or discretionary portfolio management, acts in a manner that may benefit the Company, an employee, or another client of the Company and which entails a material risk that the interests of the relevant client will be prejudiced.

The Company is obliged to identify, prevent, and manage conflicts of interest between the Company, including its management, employees, affiliated agents or any other person directly or indirectly connected to the Company by control, and the Company's customer.

Similarly, the Company is obliged to identify, prevent and manage conflicts of interest between the Company’s customers, which can arise from investment services and activities as well as ancillary services or combinations thereof, including conflicts of interest caused by inducements from third parties or by the Company’s own remuneration or incentive structures.

Pursuant to **Regulation no. 565/2017, Art. 33**, the Company must for the purposes of identifying the types of conflict of interest that arise in the course of providing investment and ancillary services or a combination thereof and whose existence may damage the interests of a client, investment firms shall take into account, by way of minimum criteria, whether the investment firm or a relevant person, or a

person directly or indirectly linked by control to the firm, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

(a) the firm or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;

The board does not consider that the Company can achieve a profit at the expense of the customer, as the Company cannot trade for its own account and thus cannot have conflicting interests.

(b) the firm or that person has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;

The Board of Directors has introduced a ban on speculation for the Management. The board has also introduced guidelines for handling personal transactions and preventing market abuse. The company conducts internal checks on compliance with the aforementioned guidelines.

(c) the firm or that person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;

The Company currently has Kapitalforeningen FRAM, subfund CABA Hedge KL, Kapitalforeningen Wealth Invest, subfund CABA Flex, and ISEC SICAV RAIF, subfund CABA Flex2 as customers. These subfunds, CABA Hedge KL, CABA Flex and CABA Flex2, employ similar fixed income strategies and have similar fee structures. Therefore, the Company or the person in question do not have a financial or other incentive to put the interests of one subfund above the interests of another subfund.

(d) the firm or that person carries on the same business as the client;

The Company's customers are alternative investment funds with approved AIFMs that has delegated portfolio management to the Company. The Company has the Danish Financial Supervisory Authority's permission to provide investment services covered by **Annex 1, Part A, 1), 2) 4) and 5) for instruments covered by Annex 2**. The Company do not execute orders for the customer. The Board of Directors considers that the Company and the Company's customer do not carry out the same type of business.

(e) the firm or that person receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monetary or non-monetary benefits or services.

The board has, cf. the Company's **Policy for Investment Services and Investor Protection**, decided that the Company must provide investment services on an independent basis and does not receive monetary or non-monetary benefits or services from third parties.

In addition to the above, the Company's management has identified the following potential conflicts of interest:

i) Where the Company's management members, while being owners in the Company, also perform board work in other financial and non-financial companies.
ii) There is an inherent conflict of interest in relation to the company marketing and distributing its "own" products, as the company thus has a financial interest in increasing AuM in the products in question.
iii) As a result of the Company's interests and affiliation with other customers, counterparties, suppliers, sub-suppliers, outsourcing suppliers, etc.

Outsourcing or delegation of activities does not exempt the Company from liability. The Company must ensure that all suppliers and sub-suppliers comply with applicable legislation in relation to the identification and handling of conflicts of interest.

3. Guidelines for the prevention and handling of conflicts of interest

The board assigns great importance to the Company providing a competent, trustworthy and independent investment service to its customers. The Company's employees are always expected to act with care, honesty, lawful and professional. The board has established policies, and the Company has established procedures to identify, prevent and handle conflicts of interest correctly should they arise, including:

a) **Data Policy**, which ensures that customer information is not unlawfully disclosed.

b) **Remuneration Policy** that is in line with and promotes sound and effective risk management.

c) **Policy for best execution, telephone conversations and electronic communication** that ensures that mediated orders are executed in the best possible way.

d) **Policy for personal transactions**, which contains prohibitions against speculation and market abuse as well as frameworks for controlling personal transactions.

e) **Policy for Investment Service and investor protection**, which ensures that the Company provides investment services on an independent basis.

f) **Policy for operational risks and insurance coverage** that ensures that operational errors are recorded and analysed with a view to avoiding repetition.

4. Separation of functions

In accordance with **BEK no. 1103 of 30/03/2022 §11, no. 2**, the company has ensured functional separation between execution (Investment, Risk Management) and control (Compliance).

The Company’s costumers (AIFs) have delegated the discretionary portfolio management to the Company, which as part of its investment service also conveys orders to the counterparties approved by the customer, who subsequently execute the order. Separation of functions is thus also ensured between employees responsible for portfolio management (the Company) and employees who carry out settlement (the customer's AIFM and depositary and approved counterparties).

5. Guidelines for handling conflicts of interest

When the Company hires new employees or when any additional roles or functions are assigned to an employee, management must conduct a thorough evaluation to identify and proactively manage any potential conflicts of interest.

Before onboarding a new customer (AIF), the management must assess any conflicts of interest to prevent or control potential conflicts of interest.

If an employee or a member of the board experiences a potential or real conflict of interest, the Compliance Officer must be informed immediately so that the relationship can be assessed.

The Compliance Officer can, after assessing the conflict of interest, introduce increased monitoring of the employee or board member involved to ensure that the customer's interests are safeguarded in the best possible way.

If the Company or its employees have a special interest in a certain transaction, in addition to the Company's ordinary earnings, the Company must inform relevant customers of the nature and extent of the conflict of interest. The customer must be notified if the Company cannot handle the conflict of interest with the help

of the organizational or administrative arrangements introduced. The activity or transaction can normally be completed if the customer agrees after receiving this information.

In situations where it is not possible to act independently and the customer's consent cannot be obtained, or where the Company would be unable to act in accordance with applicable legislation if the conflict of interest persists, the Company or the employee in question will refrain from providing investment advice or discretionary portfolio management to that customer.

6. Controls and reporting

It is the management's responsibility to ensure that:

a) This policy and related business procedures are adhered to and communicated to the Company's employees.
b) Identified conflicts of interest are monitored and handled on an ongoing basis according to the guidelines in this policy.
c) The Company's business procedures are up-to-date and reflect the board's guidelines for handling conflicts of interest.
d) Carry out appropriate internal controls on business process compliance as well as appropriate controls on the remedial measures introduced in relation to the identified conflicts of interest.
e) Reporting to the Company's board at all ordinary board meetings.

The board of directors receives on an ongoing basis and at least once a year, reports on the Company's compliance with this policy, so that the board of directors can assess whether the provisions of the executive order have been complied with.

7. Entry into force

This policy has been adopted and is effective from December 16, 2025, and will be subject to an ordinary review no later than one year from that Date in accordance with **Regulation no. 565/2017, Art. 34, paragraph 5.**