CaixaBank Wealth Management Luxembourg, S.A.

Financial Instruments Safeguard Policy

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FINANCIAL INSTRUMENTS SAFEGUARD POLICY

CaixaBank Wealth Management Luxembourg S.A. (the "**Bank**") has developed its best practices in order to meet the requirements established by the Market in Financial Instrument Directive 2014/65/UE of the European Parliament and of the Council of 15 May 2014 (hereinafter "**MiFID II Directive**").

MiFID II Directive includes a series of obligations of application to those entities that provide investment services in relation to the information that these entities must provide to their clients. In particular, it outlines the general principles that entities providing investment services must meet in relation to the information they provide to their clients and potential clients, including policies relating to advertising communications.

Thus, in the preparation of this Safeguarding of Client's Assets Policy (hereinafter, the "**Policy**"), the following regulatory sources have been considered:

- MiFID II Directive.
- Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU ("**Delegated Regulation**").
- Commission Delegated Directive (EU) 2017/593 of 7 April 2016 supplementing Directive 2014/65/EU ("**Delegated Directive**").

The above provisions are collectively referred to as the "**Applicable Regulations**".

Thus, in the framework of the provision of investment services to its clients, the Bank is authorized for the receipt and administration of funds and financial instruments owned by its clients. In application of the Applicable Regulations, the Bank is committed to ensuring that the funds and financial instruments owned by its clients are properly segregated and have an optimal level of protection.

Considering the foregoing, this Policy develops the main measures that the Bank applies to ensure the protection of the property rights of the funds and financial instruments received from its clients, thus avoiding any improper use of them.

1. GENERAL PRINCIPLES FOR SAFEGUARDING CLIENTS' FINANCIAL INSTRUMENTS

As stipulated in the aforementioned articles, companies rendering investment services must adopt suitable measures to protect their clients' property rights, in particular if the company becomes insolvent, and to regulate, when necessary, their use of clients' financial instruments on their own behalf.

1.1. Distinction between own assets and those belonging to clients

The Bank has designed a structure for securities accounts so that its own financial instruments can differ from its clients' financial instruments and, among these, for purpose of identifying the assets owned by each of them.

On the domestic and international markets, the Bank make use of EUROCLEAR BANK, and ALLFUNDS BANK INTERNATIONAL as sub-custodians for securities and CISs clearing and custody services. Its account structure in such Sub-Custodians is as follows:

- Its own account, third parties' accounts and CISs' accounts.

Sub-Custodians that are not direct members of the Central Securities Depositary in the market where they render services can in turn require a third-party Sub-Custodian for the custody and settlement of the securities.

As an exception, the Bank may need to use other Sub-Custodians for the custody of securities from merger or acquisition transactions of other institutions. This takes place when these securities are blocked by the market or are not accepted by the Sub-Custodians used by The Bank.

1.2. Account conciliation

The Bank keeps the required records so that at any time it can immediately distinguish between the assets belonging to a client and those of other clients, as well as from the assets belonging to the Bank. Similarly, the internal records and accounts guarantee the accuracy of the data they contain and that they correspond to the financial instruments belonging to the clients. For such purpose, The Bank conducts the conciliation processes described below:

Domestic & International markets

- Fixed- and Variable-Income Instruments: The Bank conducts a weekly conciliation process of the balances held with the Sub-Custodians.
- Derivative financial instruments contracted on organised markets: On a daily basis, The Bank conducts a conciliation process of the balances in the accounts held with the Sub-Custodians. The Sub-Custodians provide custody and settlement services to the Bank by virtue of an agreement.
- Foreign collective investment institutions ("**Foreign CISs**"): On a daily basis, the Bank conducts a conciliation process of the balances held in ALLFUNDS INTERNATIONAL.

ALLFUNDS INTERNATIONAL provides custody and settlement services to the Bank by virtue of an agreement.

Any discrepancies detected in the conciliation processes are analyzed and managed in order for them to be rectified.

In addition to the conciliation processes described above, the Bank also conducts regular audits through its Internal Audit Department. The External Auditor includes these conciliation processes among its auditing points.

2. ASPECTS TO BE CONSIDERED IN CASES OF SUB-DEPOSITS

The Applicable Regulations allow investment companies to deposit the financial instruments they hold on behalf of their clients in accounts open with a third party, providing the companies act with due competence, care and diligence when selecting, appointing and regularly auditing such third party.

The Bank's system for deposits and sub-deposits is as follows:

The Domestic & International Markets

The Bank uses Global and/or Local Sub-Custodians to carry out settlement and custody on the different international markets where its clients carry out their transactions.

The Bank has designed a procedure that details the criteria used for selecting, appointing and auditing Sub-Custodian institutions to ensure they comply with the market requirements and practices regarding holding assets on the different markets that they cover.

The Bank considers several aspects in order to select Sub-Custodians. Aspects such market experience and prestige of the Sub-Custodians selected, their rating, the market coverage by their securities settlement and custody business, the institution's specialisation within the field of securities and other aspects such as the quality of the information used to monitor the activity and the frequency and access to the positions that are held from time to time.

REQUIREMENTS FOR SOLVENCY AND MARKET PRESENCE	
Credit rating	The solvency ratings assigned by the main international rating agencies (Standard & Poor's, Fitch and Moody's) are checked, which must meet the institution's minimum requirements and quality of debt issued by the Sub-Custodians.
Market coverage and instruments for settlement and custody	Coverage of settlement and custody services is taken into account for the required markets and instruments.
Criteria for selection and auditing of the local Sub-Custodian network	The procedure for selecting and auditing the institutions acting as local Sub-Custodians is taken into account.
Prestige, expertise and specialization	The Bank only works with institutions with recognized prestige.

Fees	Competitive fees are required that are in line with those of similar institutions.

OPERATIONAL REQUIREMENTS	
Operational Services and Support and Communication Systems	The reliability of the operational procedures, the level of automatic service, quality of information and support response are taken into consideration.

The institutions appointed have recognized prestige, expertise and solvency at a worldwide level to perform this work.

The Bank has hired the services with branches of these institutions in countries in the European Union that have specific regulations and supervision for the holding and custody of financial instruments; the Sub-Custodians are subject to such regulations and supervision.

In the case of instruments issued in Non-Member States of the European Union, the appointed Sub-Custodians may in turn require the use of local Sub-Custodians or central depositories subject to the regulations and supervision of these States that are not members of the European Union. In such case, clients should be aware that their rights for such instruments could vary from those applicable if they were subject to the laws of a Member State.

Likewise, the Bank also assesses compliance by the institutions rendering clearance and settlement services for foreign derivative instruments with the applicable Requirements for Solvency and Market Presence (credit rating, market coverage, prestige, experience, specialization and fees) and that they meet the operational requirements.

The accounts opened in these institutions are of an omnibus type. Therefore, and as specified in the Bank's Securities Deposit and Management Agreement Annex, should the Sub-Custodian become insolvent (along with the relevant insolvency procedures being filed and/or administrators or receivers being appointed) the operational system described may also involve, as the case may be, temporary restriction of availability, impairment in value or even loss of the client's financial instruments or the rights derived from these financial instruments. Due to the aforementioned legal risks, the following specific situations may arise:

- Delays in executing the orders that involve moving the assets deposited.
- Partial losses of the securities deposited or in the event the assets effectively held by the Sub-Custodian are insufficient to cover the clients' claims or the Sub-Custodian is involved in bankruptcy proceedings.

In any case, the Bank may only deposit its clients' financial instruments with a third party domiciled in a State that is not subject to regulations and supervision for the custody of financial instruments on behalf of other persons, in the following cases:

- Due to the nature of financial instruments or services related to these instruments.
- When the financial instruments belong to a professional client and the latter makes a written request to The Bank for them to be deposited with a third party in such State.

2.1 Operational processes

The Bank uses real-time connection mechanisms for communication with its Sub-Custodians so that it can immediately and continually obtain information about the accounts, in particular regarding the assets in custody, settlement transactions and corporate events taking place related to the clients' positions.

The conciliation processes have been explained in the previous section ("Account Conciliation" in Point 1 of this document).

2.2 Outsourcing Agreements

According to The Bank's structure used for the custody of securities, it can be concluded that The Bank does not currently have any outsourcing agreements, for the following reasons:

- On Domestic & International Markets: The Bank uses a system of international Sub-Custodians, which is considered normal market practice. This kind of support does not involve the Bank outsourcing its international securities custody and settlement duties to the different Sub-Custodians, but instead that these institutions operate as service providers.

The Bank only outsources the administrative work related to its clearance, settlement and custody business.

3. ASPECTS TO BE CONSIDERED REGARDING PROTECTION OF CLIENTS' FUNDS

The Bank acts directly as a depositary of its client's cash accounts, as a credit institution granted official administrative authorisation by the CSSF as an authorised institution pursuant to Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions, repealed by Directive 2013/36/EU of 26 June 2013.

4. USE OF CLIENTS' FINANCIAL INSTRUMENTS

In compliance with the provisions of the Applicable Regulation, the Bank does not use the financial instruments it holds on behalf of its clients for financing its own business transactions.

There are currently no agreements between the Bank and its clients to carry out financing transactions using the financial instruments belonging to these clients.

Movements of financial instruments take places according to the clients' instructions or as part of mandatory corporate movements.

4.1. Controls to ensure the non-use of financial instruments

The following measures ensure the compliance with this Policy:

- Record keeping of orders and transactions (including the data given by the clients).
- Client's and the Bank's balance conciliation, as explained in the section "Account Conciliation" in Point 1 of this document.

- Delivery of Confirmations to clients for each movement made in their securities accounts, detailing the specific data of the transaction and its overall position.

4.2. Possible use of clients' financial instruments in the future

The Bank may only enter into securities financial agreements over its clients' financial instruments or to use them in any other way, on its own behalf or on behalf of another client providing the following requirements are met:

i. The client must have previously granted its express consent. For retail clients, such consent must be granted in a written document signed by the client or any equivalent alternative mechanism.
ii. The use of the financial instruments must be in accordance with the specific terms and conditions accepted by the client.

In addition to the above, when the client authorizes the use of financial instruments that are deposited in an omnibus account, whenever this is allowed by applicable regulations, the following requirements must be met:

i. Express prior individual consent is required from the clients whose instruments are deposited in an omnibus account.
ii. The Bank must have systems and controls to ensure that the instruments are only used if the client has granted its express consent.
iii. Record keeping, including the following information:

    a. The data of the client who has given instructions for its financial instruments to be used.
    b. The number of financial instruments used belonging to each client that has granted its consent (so that any possible losses can be assigned to each client).

The Bank will not celebrate in any case Title Transfer Financial Collateral Agreements with retail clients ("**TTCA**"), when such financial collateral arrangements are intended to guarantee or cover actual or contingent or potential client obligations.

Only TTCAs may be entered into with clients classified as professionals or eligible counterparties, provided that the suitability of the use of the TTCAs has been considered and documented. To document the suitability of such agreement, the following factors must be considered:

i. If there is a weak relationship between the client's obligation to the Bank and the use of such agreements, and if the probability of a client's liability to the Bank is low or insignificant;
ii. If the amount of funds or the financial instruments of the client subject to Title Transfer Collateral Agreements exceeds the obligation of the client, or if there is no limit for the obligations that the clients has with the Bank; and
iii. If all financial instruments or client's funds are subject to Title Transfer Collateral Agreements, without considering the obligation that every client has with the Bank.

In case of using TTCAs, the Bank will underline to the professional clients and eligible counterparties the associated risks and the effect of any agreement of this nature with respect to the client's financial instruments and funds.

Directive 2002/47/EC of the European Parliament and of the Council, of June 6, 2002, on Title Transfer Collateral Agreements article 2, paragraph 1, letter a), states that a TTCA, is an agreement whereby the guarantor ("client") transfers temporarily the full property of the subject matter of the financial guarantee to a beneficiary ("financial institution") for the purpose of securing the principal financial obligations, including in this category the double operations and the operations with repurchase agreement. It is considered a fiduciary alienation depending on guarantee.

5. NOTIFICATION TO CLIENTS OF THE RELEVANT ASPECTS RELATED TO PROTECTION

The Bank provides its clients with information about the protection of their financial instruments or funds. They are informed of the possibility for the financial instruments or funds to be deposited in a third-party company on behalf of the institution as well as the Bank's responsibility, by virtue of applicable national law, for any act or omission by such third party and the consequences for its clients if such third party is declared insolvent. Moreover, when clients' financial instruments are deposited in an omnibus account with a third party, such clients are previously informed thereof and they are clearly warned of the related risks.

In this respect, the deposit and management agreements entered into and signed by the clients include the main aspects related to management of the financial instruments through Sub-Custodians and the Bank's guarantees for such purpose.

In the event that pursuant to the laws in the State where the client's financial instruments are deposited, the clients' financial instruments held by a third party cannot be differentiated from those owned by such third party, the Bank will notify its clients of this fact and warn them of the related risks.

The Bank will inform clients when the accounts containing their funds or financial instruments are subject to the legal system of a State that is not a member of the European Union. It will also notify its clients of the existence and conditions of any guarantee, encumbrance or compensation right held or that could be held by the Bank for its clients' financial instruments and funds.
Lastly, the Bank will provide its clients with this document regarding the Policy for Protecting Financial Instruments, which includes all the procedures, clients' rights and the Bank's responsibility for protecting its clients' financial instruments and funds deposited in the Bank.

6. AUDIT AND ASSESSMENT OF THE SAFEGUARD POLICY

The audit and assessment processes of the Safeguard Policy are conducted at different times:

- Regular audits by Compliance.
- Internal Audits, depending on the schedule specified in the institution's auditing plan.
- Annual External Audit.