

Petercam Institutional Asset Management SA/NV

Form ADV Part 2A ("Brochure")

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This Brochure provides information about the qualifications and business practices of Petercam Institutional Asset Management SA. If you have any questions about the contents of this brochure, please contact us at +32 2 229 6272 or piam@petercam.be. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Petercam Institutional Asset Management is available on the SEC's website at www.adviserinfo.sec.gov.

Petercam Institutional Asset Management is registered as an investment adviser with the SEC. Registration as an investment adviser with the SEC or any state securities authority does not imply a certain level of skill or training.

Item 2 – Material Changes

This Brochure is Petercam Institutional Asset Management's initial Brochure dated October 16, 2014. The Material Changes section of this Brochure will be updated annually when material changes occur since the last annual update.

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Item 4 - Advisory Business

Petercam Institutional Asset Management SA (“Petercam Institutional Asset Management”) was constituted as a private limited company in Brussels, Belgium in October 2013. It is wholly-owned by its parent company Petercam SA, whose history dates back to 1968. Petercam SA is 70% owned by twelve partners who are in charge of the company’s business, and 30% by the two founding families.

As of June 30, 2014, Petercam Institutional Asset Management managed \$11.94bn in client assets on a discretionary basis.

Petercam Institutional Asset Management is a long-only active manager that specializes in a number of asset classes as more fully described in Item 8. Its business covers asset management for institutional and professional clients and the sale and distribution of Petercam’s foreign investment funds to non-U.S. persons. Petercam Institutional Asset Management only receives compensation for asset management activities. It does not receive any compensation for its sales and distribution activities of investment funds.

Petercam Institutional Asset Management analyzes, constructs, and manages customized investment portfolios based on the particular goals of each client in a manner which takes into account income needs, liquidity requirements, investment time horizons, rate of return objectives, tax considerations, risk tolerance and existing investments.

Depending on the particular investment portfolio and/or investment strategy, Petercam Institutional Asset Management employs a variety of security analysis methods, primarily fundamental bottom-up analysis. We also consult a wide range of information to analyze and execute investment strategies in addition to our in-house research capabilities, such as: third party research materials, annual reports, prospectuses, regulatory filings, press releases and the internet.

Item 5 - Fees and Compensation

Petercam Institutional Asset Management is currently compensated only on the basis of fees calculated as a percentage of a client’s assets under management. Fees are generally charged quarterly in arrears and calculated upon the average assets under management during such quarter, as agreed with the client (and specifically stated in the Investment Management Agreement between Petercam IAM and the client). In the case of segregated mandates (not investment funds), clients receive a (quarterly) invoice after each period, which they can decide to pay from the investment account or from a separate account.

Petercam Institutional Asset Management currently only charges management fees to its clients and does not have any performance-based fee arrangements currently in place. But if in the future, clients would prefer to pay performance based fees, Petercam Institutional Asset Management may be compensated with performance fees and will comply with Rule 205-3 under the Investment Advisers Act if it charges any such performance fees.

In the event an institutional client terminates its agreement with Petercam Institutional Asset Management during a quarterly period, the fee for that period will be prorated based in the number of days or months during the period in which Petercam Institutional Asset Management performed services.

Since this Brochure shall be delivered only to clients who are “qualified purchasers,” as defined in Section 2(a)(51)(A) under the Investment Company Act, a fee schedule has not been provided in this Brochure but is available in each client’s Investment Management Agreement. In addition to paying

management fees, clients are typically subject to other investment expenses including, but not limited to custodial charges, brokerage fees and commissions (as discussed further in Item 12), interest expenses, and costs associated with foreign exchange transaction, as well as taxes and other governmental charges. Neither Petercam Institutional Asset Management nor any of its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6 – Performance-Based Fees and Side-By-Side Management

Performance-Based Fees

Petercam Institutional Asset Management (currently) does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the managed assets). See also Item 5.

Side-by-Side Management

Petercam Institutional Asset Management does not participate in side-by-side management.

Item 7 – Types of Clients

Petercam Institutional Asset Management mainly provides sub-advisory services to non-affiliated SEC-registered investment companies through sub-advisory arrangements. Concretely, institutional clients typically include pension plans, insurance companies, charitable organizations, endowments and other professional investors. Petercam Institutional Asset Management does not provide services to individual investors.

Petercam Institutional Asset Management may also provide investment advisory services to U.S. institutional clients, including state pension plans and ERISA plans. Besides sub-advisory services, Petercam Institutional Asset Management may also provide recommendations and investment advice regarding investment strategies to affiliated and unaffiliated entities.

Generally, there is no minimum account size. However, for institutional segregated mandates offered to U.S. clients, the minimum size is \$25 million.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Petercam Institutional Asset Management exclusively manages long-only strategies and does not utilize any leverage or shorting in its investment strategy.

Our buy-side analysts (equity and fixed income/credit) create proprietary research to support our portfolio managers, who can also conduct their own investment research. Our portfolio management professionals then implement our discretionary investment strategies.

Our investment professionals have experience investing in various types of securities and asset classes, including common and preferred stocks, warrants and convertible securities, government and corporate fixed income securities, currencies, and inflation-linked securities. We also have experience investing in derivatives, including options, futures, swaps, forwards, credit default swaps (“CDS”) and similar instruments. Most of our portfolios generally focus on ‘long’ trades, but may utilize derivatives and CDS to hedge certain risks in portfolios.

In-house research is the main source of investment research, but we use many other external sources such as annual reports, broker reports, Bloomberg, Datastream, reports from the IMF and the World Bank and similar sources.

Although the focus is on fundamental, proprietary bottom-up research, quantitative analytics are utilized in some of our investment activities to assist in the selection of securities, the management of idiosyncratic risks, or for hedging purposes. Nonetheless, it should be noted that fundamental research remains the most important factor for our investment decisions.

Investment Strategies

Equities

Our equity expertise includes the detection and exploitation of market inefficiencies using in-house buy-side research. Through active portfolio management, we strive to create risk-adjusted outperformance versus the market and competitors.

We offer expertise in European and global equity solutions as well as segregated institutional mandates. Our approach is characterized by high-conviction security selection and the identification of long-term trends and views.

A key differentiating factor is our focus on the mid-cap segment. Such companies often have an unrecognized capacity to create value or an undervalued business franchise. Over time, they can become market leaders.

Fixed Income

Our investment process combines top-down and bottom-up elements. On the one hand, we build exposure to relevant factors such as interest rates, yield curve, credit risk and country allocation. On the other hand, we select individual securities based on fundamental research and relative value analysis. We have the flexibility to be opportunistic when the consensus is priced in by the markets.

Our fixed income expertise is focused on government bonds, corporate investment grade debt, corporate high yield debt, emerging market debt, aggregate strategies and money market instruments.

Balanced Mandates or Portfolios

With our specialized global balanced offering, we assist institutional clients in finding their optimal strategic asset allocation. This also includes analysis of liabilities, scenario analysis and stress testing. We are convinced that strategic asset allocation can be enhanced by active management based on research and analysis.

In addition to finding the optimal strategic asset mix, we focus on:

1. tactical asset allocation: deviations from the strategic allocation;
2. security selection: finding the best performing individual securities; and
3. portfolio construction: building a robust portfolio that withstands unexpected events.

Responsible Investment

We also offer investment solutions taking into account non-financial criteria such as environmental, social and governance. We believe these criteria can improve the risk/return relationship of equity and fixed income investments.

Risk of Loss

Investing in Petercam Institutional Asset Management's investment solutions involves a number of risks that clients should be prepared to bear, although we take all reasonable measures to safeguard clients' assets.

It should be noted the following list is not exhaustive.

General Investment Risks

Market Risk: Security prices are volatile and are affected by the real or perceived impacts of such factors as economic conditions and political events. Financial markets tend to be cyclical, with periods when stock prices generally rise and periods when stock prices generally decline. Any given stock market segment may remain out of favor with investors for a short or long period of time, and stocks as an asset class may underperform bonds or other asset classes during some periods.

The Risk Management department evaluates the portfolio management teams' capacity to manage risks and investment objectives through proprietary tools and procedures. Risk Management defines procedures regarding the use of risk management tools, validates models and parameters used for valuation, and ensures the monitoring of absolute and relative risks. Risk parameters are measured via risk tools like BarraOne and Barclays Point. Both contain state-of-the-art models that are used to measure absolute and relative risks, to perform stress tests and to decompose risk across various dimensions.

Currency Risk: To the extent that a client invests directly in foreign currencies or in securities denominated in or that trade in foreign (non-U.S.) currencies, it is subject to the risk that those currencies will decline in value relative to the U.S. dollar or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged.

Foreign Investments: Investing in foreign (non-U.S.) securities may result in more rapid and extreme changes in value than an investment exclusively in securities of U.S. companies, due to smaller markets, differing reporting, accounting and auditing standards, and nationalization, expropriation or confiscatory taxation, foreign currency fluctuations, currency blockage, political changes or diplomatic developments, or changes in foreign exchange regulations.

Market Capitalization: Stocks fall into three broad market capitalization categories - large, mid and small. Investing primarily in one category carries the risk that, due to current market conditions, that category may be out of favor with investors. If valuations of large-capitalization companies appear to be greatly out of proportion to the valuations of mid- or small-capitalization companies, investors may migrate to the stock of mid- and small-sized companies causing an investment in these companies to increase in value more rapidly than an investment in larger, fully-valued companies. Investing in mid- and small-capitalization companies may be subject to special risks associated with narrower product lines, more limited financial resources, smaller management groups, and a more limited trading market for their stock as compared with larger companies. As a result, stock of mid- and small-capitalization companies may decline significantly in market downturns.

Liquidity and Concentration Risk: These elements of potential risk are followed on a consolidated basis as well as on a portfolio or fund specific level. Petercam's internal Pricing Committee, attended

by Petercam Institutional Asset Management's Chief Risk Officer, assesses illiquid instruments and addresses all relevant pricing issues.

Counterparty Risk: For counterparties, there is an internal rating system in place with three quality levels (superior, prime, and non-prime) based on ratings agencies notations and CDS spreads. Regarding counterparty risk for cash deposits, there are limitations in terms of concentrations depending on the internal rating. For equities, our Dealing Desk only works with a number of brokers which are regularly evaluated. Twice a year, the list of brokers is first reviewed through a survey, which ranks the brokers on several criteria, and then through an execution vote, which puts forward the quality of execution of the broker.

Business Continuity Risk: Business Continuity and Disaster Recovery are responsibilities of Petercam Institutional Asset Management's Business Recovery Manager. He defines the scope and objectives of the tests in collaboration with all business units and the Risk Management department. He is responsible for their realization. The Internal Audit and Risk Management departments monitor the results of the tests. The BCP (Business Continuity Plan) is reviewed and validated every year by Petercam Institutional Asset Management's Crisis Committee. Besides the Business Continuity Plan, Petercam Institutional Asset Management makes daily backups of all its data files, which are held by an off-site external specialized company.

Interest Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Investment Strategy Risks

In addition to the risks involved with various instruments and markets noted above, various investment strategies also may entail unique risks. Several of these are described below. In all cases, a client should review applicable offering documents and/or other materials, which will generally have more detailed information about relevant risks.

Equities: Several of our investment strategies focus mainly or in part on equities. Equities can be of various types, such as common stock or preferred stock, and generally are subject to market, company-specific and liquidity risks.

Fixed Income: Many of our investment strategies focus mainly or in part on fixed income securities, which can include a wide array of debt instruments, including investment grade debt, government securities, corporate debt, money market instruments, mortgage-backed securities, non-investment grade (or "high yield") debt, credit-linked notes, structured securities, emerging market debt, and others. To varying degrees—and depending on the particular instruments—fixed income securities are subject to interest rate, credit, liquidity, counterparty, and geopolitical risks among others.

Emerging Markets: Petercam Institutional Asset Management has a number of funds or accounts that invest in emerging market debt or equity. These markets are often in developing countries and tend to be more volatile and risky than more established trading markets. In addition, the instruments and investments of emerging markets often carry higher credit, company, liquidity, and geopolitical risks.

Please note that there are various other circumstances not described here that could adversely affect a client's investment and prevent its portfolio from reaching its objective.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of the adviser's management.

While no sanctions were imposed on Petercam Institutional Asset Management, the Commission de Surveillance du Secteur Financier in Luxembourg ("CSSF") brought a regulatory action against Petercam Institutional Asset Management in October 2011. The CSSF alleged that certain of the assets held by a mutual fund client were not eligible to be held by the mutual fund according to the mutual fund's prospectus. Petercam Institutional Asset Management voluntarily proposed a settlement, and the matter was settled in March 2012. Pursuant to the settlement, Petercam Institutional Asset Management paid a settlement amount to the investors in the mutual fund. Additionally, as disclosed in our Form ADV - Part 1A, there have been five civil judicial actions brought by private plaintiffs against Petercam SA. Three of the actions were settled and two are currently pending. Further information concerning these matters is disclosed in Item 11 of Form ADV - Part 1A, available at "www.advisorinfo.sec.gov".

Item 10 - Other Financial Industry Activities and Affiliations

Neither Petercam Institutional Asset Management nor any of its management personnel are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Petercam Institutional Asset Management nor any of its management personnel are registered, or have an application pending to register, as a future commission merchant, commodity pool operator, a commodity trading adviser, or as an associated person of any of the foregoing.

Some non-executive directors of Petercam Institutional Asset Management are responsible for departments of Petercam SA, such as Corporate Finance or Private Banking, whose interests may conflict with those of Petercam Institutional Asset Management.

Moreover, some executive directors of Petercam Institutional Asset Management are members of the Board of the investment funds managed and promoted by Petercam Institutional Asset Management.

Measures have been taken by both Petercam Institutional Asset Management and its affiliated companies in order to manage conflicts which may arise from this combination of mandates, in particular to ensure the independence and objectivity of investment research and investment decisions, and to ensure the confidentiality of the information.

Furthermore, when they have an interest that conflicts with a decision or transaction taken by the management body to which they belong, the members of the Management Board or the Board of Directors of Petercam Institutional Asset Management will report this to the other members of the Management Board or the Board of Directors prior to the deliberation and will make sure that they do not take part in the voting related to that decision or transaction.

Conflicts of interests with business (clients or partners): Members of the Board of Directors of Petercam Institutional Asset Management will either not accept Board memberships with external clients or will withhold/refrain from all decisions related to Petercam SA or Petercam Institutional Asset Management.

Regardless of the circumstances, the members of the Management Board or the Board of Directors of Petercam Institutional Asset Management will adhere to the requirements of Belgian corporate law in terms of disclosing conflicts of interest.

Petercam Institutional Asset Management and its related companies have extensive policies in place regarding the prevention of conflict of interest, in order to avoid any decision or transaction that would harm the legitimate rights of the clients in any way.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Employee Personal Trading

Code of Ethics

All Petercam Institutional Asset Management employees and the Board of Directors are required to follow our Code of Conduct. The Code of Conduct of Petercam Institutional Asset Management is based in part on the BEAMA (Belgian Association of Asset Managers) Code of Conduct and is consistent with the requirements of Rule 204A-1 of the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). It applies to the activities of our company with regard to the management and administration of UCIs (Units of Collective Investment) and portfolio management for our clients. A copy of the Code of Conduct can be obtained by any client or prospective client upon request.

The Code of Conduct is based on the principles of good governance relevant within the context of institutional asset management. These principles are in turn specified on the basis of best practices and meet the requirements of the European, Belgian and United States legal and regulatory frameworks for the sound organization of portfolio management in the broader sense and industry standards, as well as the Advisers Act and the guidelines of the European Fund and Asset Management Association (“EFAMA”, the representative association for the European Investment Management Industry) recommended at the European level and the high-level principles of the EFAMA Code of Conduct for the European Investment Management Industry.

Through this Code of Conduct, the aim of Petercam Institutional Asset Management is not only to anchor the high standards set for asset management, but also to define guidelines that are consistent with the legal framework in force and applicable to individual and collective portfolio management.

The Petercam Institutional Asset Management Compliance department conducts regular ex-ante and ex-post checks.

Participation of Interest in Client Transactions

Petercam Institutional Asset management does not have any Participation of Interest in any Client Transactions.

Employee Personal Trading

Personal securities transactions by an employee or Director of Petercam Institutional Asset Management or an investment adviser may raise a potential conflict of interest when that employee owns or trades in a security that is owned or considered for purchase or sale by a client, or recommended for purchase or sale by an employee to a client.

Petercam Institutional Asset Management has a separate Personal Account Dealing Policy intended to define the rules and provisions governing the operations of the employees and the Board of Directors of Petercam Institutional Asset Management when they carry out transactions involving financial instruments privately, whether within the Petercam group or outside it. The Personal Account Dealing Policy also tackles subjects such as training, restrictions, holding periods and penalties for not observing these rules.

As they concern the conclusion of business, the employees and the Board of Directors assume full responsibility for the operations they carry out for their own account, and therefore bear the consequences of the risks involved.

The Petercam Institutional Asset Management Compliance department conducts regular ex-ante and ex-post checks. Transactions by an employee or a director on an account with Petercam are reviewed every day. Trading securities in brokerage accounts outside of Petercam are not authorised.

Item 12 - Brokerage Practices

Petercam Institutional Asset Management has outsourced its Dealing Desk to its parent company Petercam SA ("*Petercam*"). The conditions, rights and obligations are described in a Service Level Agreement signed between Petercam Institutional Asset Management SA and Petercam SA.

Selection of Brokers

Petercam has established and implemented arrangements with a view to providing clients with the best possible result on a consistent basis. Petercam strives to obtain "best execution" by taking all reasonable steps to obtain, when executing or receiving and transmitting orders, the best possible result for their clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

Based on the assessment of the services provided by the Dealing Desk of Petercam and on the review of its Order Execution Policy, Petercam Institutional Asset Management uses the Dealing Desk of Petercam SA for the transfer and execution of the trades generated within the framework of its activities. On a semi-annual basis, Petercam's Dealing Desk assesses the quality of services provided by independent brokers and reviews whether a better service from other brokers could be obtained. The Brokerage department of Petercam SA is one of the (external) brokers ; a client can (specifically) ask not to use Petercam SA as a broker for his mandate.

Selection of Execution Brokers

Petercam selects executing brokers based on their execution policy and ensures that these selected entities comply with the overarching best execution requirement when placing or transmitting an order to those for execution. One of these executing brokers may occasionally be the Brokerage department of Petercam SA.

To this end, Petercam does not duplicate the efforts of execution brokers, but conducts an in-depth review of their execution arrangements prior to their selection.

Petercam selects executing brokers using the following criteria:

- Total price of transaction;
- Financial solidity;

- Business reputation;
- Global relationship;
- Connectivity;
- Quality of middle-office/back-office support; and
- Client/back-office/middle-office feedback.

Petercam monitors and reviews the execution brokers on an on-going basis. The broker review is conducted twice a year. Execution brokers are selected and reviewed by Petercam Institutional Asset Management's remunerated institutional equity fund managers, buy-side analysts and macro team. Everyone is invited to participate in the vote. The evaluation covers "all services" related to the investment decision process: idea generation, research, company meetings, seminars and capital market deals. The main objective of the broker review is to focus on alpha generation. In order to avoid confusion or compromise between the execution service and the other services that are part of the investment process, the review is conducted in two successive rounds, each round being guided by a major principle:

1. Round 1: A global review of equity brokers aims to rate the services related to the investment decision process. Brokers who offer Petercam's unique added value should receive an adequate remuneration.
2. Round 2: A review of the execution service. The brokers who receive orders for execution have to comply with Petercam Institutional Asset Management's best execution policy and have to meet high quality of execution standards.

The process of selecting the executing brokers is primarily defined by the legal and regulatory constraints that Petercam Institutional Asset Management is required to comply with, especially the MiFid best execution framework. This process and its results are documented and are subject to be reviewed and controlled by internal and external bodies.

Petercam's Order Execution Policy, as well as the procedure for choosing brokers, is reviewed by the Compliance department of Petercam Institutional Asset Management. The Compliance department monitors annually that the brokers' list has been reviewed.

Best Execution Factors

The execution methodology of Petercam takes into account the following best execution factors:

- Price;
- Cost;
- Speed;
- Likelihood of execution and settlement;
- Size and nature of order; and
- Any other consideration relevant to the efficient execution of orders.

Ordinarily price will merit a high relative importance in obtaining the best possible result for the client. Petercam will determine the relative importance of each factor on an order-by-order basis, taking into account criteria such as the characteristics of the client, the order, the financial instrument and the execution broker used.

Petercam will monitor the effectiveness of its Order Execution Policy to identify and, where appropriate, correct any deficiencies. Petercam will monitor particular transactions by sampling and

verifying whether the execution of the order has complied with the Order Execution Policy and whether the resulting transaction has delivered the best possible result for the client.

Petercam will review the Order Execution Policy at least annually or whenever a material change occurs that affects its ability to obtain the best result for the execution of its client orders.

Any material change to the Order Execution Policy will be updated on the website of Petercam or be at the disposal of its clients in its offices.

Research and other Soft Dollar Benefits

For equities, the commission rate charged is a "bundle" rate that remunerates the broker for both its execution services and its research and other services. This is the general framework for accessing brokerage research, services and execution capabilities. Petercam negotiates this commission rate in a competitive market environment and the same commission rate is paid to all brokers in a specific market. Moreover, a single commission rate is applicable to most equities markets worldwide. As a result, the choice of the best broker for executing a specific transaction is never dictated by the commission rate.

Commission Sharing Agreements are signed with certain broker-dealers that offer broad and high quality execution services. These brokers are paid the same "bundle" commission rate, which is then, on their side, unbundled: one third is kept by the broker for the execution, and two thirds are credited into a "CSA account". The money in this CSA account is then used to pay for either proprietary research created or developed by the broker-dealer itself, or research created or developed by a third party that does not receive any order flow. There are no additional markups or markdowns.

Because research is always provided by broker-dealers and is always included in the commission rate they charge, without any additional mark-up, there is no incentive to select or recommend a broker – dealer based on our interest in receiving research or other products or services.

The soft dollar benefits are mutualized for all clients' accounts and are not allocated to any particular client accounts, proportionally or otherwise.

The following products and services are acquired with client brokerage commissions and qualify as eligible research: 1) traditional research reports analyzing the performance of particular equities; 2) discussions with research analysts; 3) meetings with corporate executives to obtain oral reports; 4) software that analyzes securities portfolios; 5) seminars and conferences providing substantive content relating to issuers or industries.

There are no research or other soft dollar benefits for fixed income product transactions.

Methodology of Order Execution

The Dealing Desk (Petercam SA) will not execute orders directly, but merely transmits them to an executing broker and/or to the brokerage department of Petercam SA for execution if a financial instrument trades on a liquid trading and/or its liquidity is shared among execution venues. This generally is the approach chosen for equities, some fixed income products, and listed derivatives. The Dealing Desk (Petercam SA) will choose to execute orders directly if a financial instrument primarily does not trade, or is not listed, on a securities exchange. This generally is the approach for Eurobonds, other fixed income products and structured products.

In some particular cases (OTC orders on very non-liquid bonds), our bond managers may introduce an order directly to a broker as long as it is on a list maintained and reviewed at least annually by our Head of Fixed Income Investment Management. This list is held by our bond team.

Brokerage for Client Referrals

Petercam Institutional Asset Management does not currently receive any client referrals from any broker-dealers that it uses.

Directed Brokerage

Petercam Institutional Asset Management does not permit, recommend or require clients to use directed brokerage.

Aggregation and Allocation Practices

Client orders are executed in a prompt, fair and expeditious manner and in the order that they are received by Petercam taking into account the channel through which the order is received. Comparable orders are executed sequentially unless the characteristics of the order or prevailing market conditions make this impossible, or the interest of the client requires otherwise.

When aggregating client orders, Petercam establishes a pre-allocation grid that will enable a fair allocation of aggregated orders and transactions covering both volume and price aspects. When an aggregated order is partially executed, Petercam Institutional Asset Management allocates the related trades in accordance with the pre-allocation grid, and if a reallocation occurs, this may not be detrimental to the client interest.

Petercam warns that if an order is aggregated with other client orders, the effect of aggregation may not necessarily work to the advantage of a client in comparison to an individual order.

Item 13 - Review of Accounts

Petercam Institutional Asset Management reviews and evaluates client accounts for compliance with each client's investment objectives, policies and restrictions. There are three levels of investment compliance controls which are executed and monitored by different departments within the company, with different frequencies, and covering a different scope of restrictions:

Firstly, pre-trade compliance controls are implemented in a compliance module linked directly to the front office tool G2. This is done before the execution of the trade.

Secondly, on a daily basis post-trade compliance controls are performed through the G2 front office tool based on the end-of-day positions of every mandate.

Thirdly, monthly post-trade compliance review is done to ensure compliance of institutional mandates with their specific restrictions and objectives. This is done at the level of the underlying holdings.

The frequency of the reports is determined at client discretion and depends on the individual client contract. It can be done as frequently as daily. The content of these reports also depends on client requirements and needs. Content and characteristics are validated prior to signing of the contract by Petercam Institutional Asset Management mandate acceptance committee.

Item 14 - Client Referrals and Other Compensation

Petercam Institutional Asset Management has a code of conduct that requires all dealings to be in the best interest of our clients.

Petercam Institutional Asset Management may enter into an agreement with another registered investment adviser where the parties recognize that a synergy exists between the services offered by both parties and that those clients of one firm could benefit from services rendered by the other firm. Services rendered by Petercam Institutional Asset Management include advisory or consulting services on investment assets.

If a client of the other firm enters into an agreement with Petercam Institutional Asset Management to perform such services, then Petercam Institutional Asset Management will pay the referring investment adviser firm a fee agreed to by both parties. Prior to the client entering into an advisory agreement with Petercam Institutional Asset Management, a complete disclosure will be made to the client by the referring adviser, and a signed disclosure form will be required from the client. Fees paid to the referring entity are included in the fee paid to Petercam Institutional Asset Management by the client and it is generally expected that the client will not incur any additional costs related to this relationship. However, if such costs arise, they will be fully disclosed and consented to by the client prior to the client entering into an advisory agreement with us.

In accordance with its Code Of Conduct, Petercam Institutional Asset Management is acting in an honest, fair and professional manner that best serves the interests of a client when, in connection with the provision of an individual management service to this client, it pays or receives a remuneration or commission or provides or receives a non-monetary benefit.

The remuneration, commission or non-monetary benefit paid or provided to a third party or to a person acting on behalf of this third party or by this person, meet the following conditions:

- i) the client is clearly informed of the existence, nature and amount of the remuneration, commission or benefit or, where this amount cannot be determined, of its method of calculation. This information is provided in a complete, accurate and understandable form before the investment or auxiliary service in question is provided; and
- ii) the payment of the remuneration or commission, or the granting of the non-monetary benefit, improves the quality of the service provided to the client and does not affect the company's obligation to act in the best interests of the client.

Appropriate remunerations that allow the investment services concerned to be provided or are necessary for this purpose, such as custody fees, foreign exchange and settlement commissions, legal

contributions and legal fees, do not lead to a conflict with the obligation the company has to act in an honest, fair and professional manner towards its clients that best serves their interests.

Item 15 - Custody

All assets owned by clients are physically held by either Petercam or its qualified sub-custodians, or by third party qualified custodians, directed by the client. Clients receive statements no less than quarterly from the applicable qualified custodian. Clients are urged to carefully review such statements and compare them to the account statements that we provide to you.

Item 16 - Investment Discretion

Petercam Institutional Asset Management generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Petercam Institutional Asset Management in the applicable Investment Management Agreement. Discretionary authority will only be authorized upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Management Agreement containing all applicable limitations to such authority. All discretionary trades made by Petercam Institutional Asset Management will be in accordance with each client's investment objectives and goals.

Item 17 - Voting Client Securities

Petercam Institutional Asset Management, as a registered investment adviser that exercises proxy voting authority over client securities, has a fiduciary duty to vote proxies in a timely manner and make voting decisions that are in our clients' best interests.

Petercam's shareholder activism is demonstrated via our Proxy Voting Policy, which can be found at https://www.petercam.com/sites/default/files/inline-files/uk_voting_policy_petercam.pdf.

Voting activity allows us to make our voice heard for the companies we invest in, thus exerting influence to stimulate best practices in terms of corporate responsibility. We make sure the rights of shareholders are respected, but also those of other stakeholders. We fully disclose our vision on corporate governance within listed companies, our expectations as well as our approach as a responsible investor. Through the United Nations-supported Principles for Responsible Investment (PRI) Initiative, Petercam is participating in collaborative engagement initiative on the prevention of corruption. The four principles below govern our Voting Policy are revised on an annual basis in order to optimally address legal and regulatory changes as well as international best practices in terms of corporate governance:

1. Protection of shareholders aimed at creating long-term value and the equal treatment of shareholders in accordance with the "one share, one vote, one dividend" principle and the protection of minority shareholders.
2. Good corporate governance, which necessitates an effective and independent system of management and control.
3. Transparency and integrity of information, which must be reliable, clear, complete and communicated at the right time.

4. Social and environmental responsibility, which is key to the responsibility and sustainability of companies that place their human capital at the heart of their interests and which respect, in its totality, the environment in which they act.

In managing institutional mandates, we are able to vote for securities held in the portfolio provided that custodians offer proxy voting services, that they are able to liaise with Ivox and that voting instructions are aligned with Petercam Institutional Asset Management's guidelines.

Item 18 - Financial Information

Petercam Institutional Asset Management has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Financial statements (our Annual Activity Report) of Petercam SA are publicly disclosed and available on our company website www.petercam.com.