

Inducements Disclosure Statement

Updated March 2023

The UK Financial Conduct Authority's (FCA's) rules which implement the amended Markets in Financial Instruments Directive ("MiFID II") set specific rules relating to Inducements and oblige Fideuram Asset Management UK Limited ("FAM UK", "We" or the "Firm") to provide Clients with information pertaining to the FAM UK approach on Inducements.

The Statement below identifies the types of receipts, payments and non-monetary benefits we may make or receive along with an indication of our approach and how we implement it in accordance with the MiFID II rules.

Any services or entertainment paid for or received by FAM UK must be designed to enhance the quality of the service to the end customer and not impair the ability of FAM UK to act honestly, fairly and professionally in the best interest of our clients.

Our approach on Inducements

We cannot:

- (1) pay to or accept from any party (other than the client or a person on behalf of the client) any fee or commission; or
- (2) provide to or receive from any party (other than the client or a person on behalf of the client) any non-monetary benefit.

in connection with the provision of an investment service or an ancillary service, except where a fee, commission or non-monetary benefit:

- (i) is designed to enhance the quality of the relevant service to the client; and
- (ii) does not impair compliance with the Firm's duty to act honestly, fairly and professionally in the best interests of the client.
- (iii) is necessary for the provision of an investment service, by our Firm, such as custody costs, settlement and exchange fees, regulatory levies or legal fees and which, by its nature, cannot give rise to conflicts with the Firm's duty to act honestly, fairly and professionally in the best interests of the client.

Where our Firm pays, provides, accepts or receives, a fee, commission or non-monetary benefit which falls within (i) and (ii) above, we clearly disclose to the client:

- (a) the existence and nature of the payment or benefit; and
- (b) the amount of the payment or benefit or, where the amount cannot be ascertained, the method for calculating that amount.

In addition to those listed in the following sub-section, the Firm may accept or provide the following minor non-monetary benefits:

- Participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or investment service; and
- Hospitality of a reasonable de minimis value, such as food and drink during a business meeting or a conference, seminar or other training events mentioned above.

Research which does not constitute an inducement

We may receive, without making payment, the following types of investment material which are considered to be minor non-monetary benefits and not investment research, according to the FCA rules:

- a) information or documentation relating to a financial instrument or an investment service, that is generic in nature or personalised to reflect the circumstances of an individual client;
- b) written material from a third party that is commissioned and paid for by a corporate issuer or potential issuer to promote a new issuance by the company, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis, provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any firms wishing to receive it, or to the general public;
- c) research relating to an issue of shares, debentures, warrants or certificates representing certain securities by an issuer, which is:
 - produced:
 - prior to the issue being completed; and
 - by a person that is providing underwriting or placing services to the issuer on that issue; and
 - made available to prospective investors in the issue;
- d) research that is received so that the firm may evaluate the research provider's research service, provided that:
 - it is received during a trial period that lasts no longer than three months;

- no monetary or non-monetary consideration is due (whether during the trial period, before or after) to the research provider for providing the research during the trial period;
 - the trial period is not commenced with the research provider within 12 months from the termination of an arrangement for the provision of research (including any previous trial period) with the research provider; and
 - the firm makes and retains a record of the dates of any trial period accepted under this rule, as well as a record of how the conditions in (i) to (iii) were satisfied for each such trial period;
- e) research on listed or unlisted companies with a market capitalisation below £200m, provided that it is offered on a re-bundled basis or provided for free. The market capitalisation is to be calculated with reference to the average closing price of the shares of the company at the end of each month to 31 October for the preceding 24 months. For companies newly admitted to trading, determination of the threshold should be based on the market capitalisation at the close of day one trading and apply until the date of the next re-assessment (i.e. 31 October). For these purposes, firms may reasonably rely on the assessment of a third party that the research is on a company with a market capitalisation below £200m;
- f) third party research that is received by a firm providing investment services or ancillary services to clients where it relates to fixed income, currency or commodity instruments;
- g) research received from a research provider where the research provider is not engaged in execution services and is not part of a financial services group that includes an investment firm that offers execution or brokerage services;
- h) written material that is made openly available from a third party to any firm wishing to receive it or to the general public. "Openly available" in this context means that there are no conditions or barriers to accessing the written material other than those which are necessary to comply with relevant regulatory obligations, for example requiring a log-in, sign-up or submission of user information by a firm or a member of the public in order to access that material; or
- i) corporate access services which relate to listed or unlisted companies with a market capitalisation below £200m in accordance with COBS 2.3A.19R 5(g).

We take all reasonable steps to ensure that our approach to Inducements is properly managed. In addition, this approach to management of Inducements is reviewed periodically. If there are any material changes to this approach, we will communicate these to our clients.

For further information, please email info@fideuramuk.com