

Derivatives policy

Basis

Bonafide manages fund products whose investment principles are bindingly regulated in the prospectus with the investors. In addition, Bonafide can implement stricter investment principles, the prospectus forms the outer core.

Application

The derivatives policy applies to Bonafide's portfolio management and related products.

Objectives

The derivatives guideline is intended to regulate the use of derivatives in portfolio management by setting framework conditions.

Organization and responsibilities

The derivatives guideline is issued by the Investment Committee (IC for short) for the Portfolio Management department (PM for short). The IC and the PM department review the guideline annually for any need for adjustment and updating.

regulations

The following regulations for the use of derivatives, which go beyond the prospectus, must be observed.

1. The use of derivatives are permitted to
 - Carry out hedging at portfolio and individual stock level
 - To participate disproportionately in price gains
 - Build up or reduce individual stock positions
2. Securities lending to enable other market participants to sell short is not carried out.
3. With regard to sustainability efforts, the underlying values must always be analyzed if they are individual stocks. These must match the ESG filter criteria at the individual stock level.
4. The use of futures on agricultural commodities is not ruled out in principle. However, the use must always be related to the reduction of portfolio risks (e.g. as a hedge against feed inflation at portfolio companies). Pure speculative transactions (net long or short) are not permitted.
5. When trading derivatives, the exchange is verified as the counterparty. If there is a choice, trading venues that have sustainability codes are preferred.

Exceptions

Exceptions to the use of derivatives can be approved by the Investment Committee after clarifying the consequences (e.g. conflict with publication).

Reporting

The derivatives used are listed in the management company's fund reports, which are published annually.