

Allocation of Target Assets - Real Assets

Annex 1 to the Policy on Dealing with Conflicts of Interest of the Aquila Group from January 2018 focuses on the question of how to deal with issues in which several investment funds or other assets managed by Group companies of the Aquila Group have an interest in acquiring a specific target asset.

A conflict of interest can arise when managed funds pursue the same investment strategies and thereby compete for one and the same target asset.

If the situation described occurs, the procedure shall be as follows:

1. Determining the sequence of allocation in accordance with the prospect for an asset class.
2. Procedure in accordance with the principle of first come first serve: The managed fund which has been managed by Aquila Group companies for the longest and in whose investment criteria the target asset fits best shall have first right of refusal to acquire the target asset.
3. Should the managed fund indicated in the 2nd variant have insufficient capital to acquire the target asset and/or be subject to other investment restrictions, the remaining share of the target asset may be offered to the managed fund which is next in line in terms of duration of mandate (the managed fund which has been managed by the Aquila Group for the next longest period).
4. Should a managed fund - after consultation - have no interest in acquiring the target asset, the target asset may be offered to the managed fund which is next in line in terms of duration of mandate (the managed fund which has been managed by the Aquila Group for the next longest period). This cascade shall apply to this managed fund *mutatis mutandis*.
5. Should two managed funds have been initiated at the same time or, for other reasons, are able and wish act together with respect to the potential acquisition of the target asset, the allocation of the target asset shall be on a pro rata basis in line with the subscribed capital of the respective fund.
6. After consultation with and confirmation from the investor of the respective managed fund, the cascade set out here can be disappplied.