

## Policy Name

## Best Execution

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## Regulatory Background

*CSSF REGULATION NO. 10-4 "CHAPTER IV RULES OF CONDUCT [...]*

### SECTION 3 Best execution

Article 28 Execution of decisions to deal on behalf of the managed UCITS

1. Management companies shall act in the best interests of the UCITS they manage when executing decisions to deal on behalf of the managed UCITS in the context of the management of their portfolios.
2. For the purposes of paragraph 1, management companies shall take all reasonable steps to obtain the best possible result for the UCITS, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, or any other consideration relevant to the execution of the order."

## Introduction

In accordance with its size and organisation and the nature, scale and complexity of its business, Nordic Fund Services S.A. a management company authorized under article 101 (2) of Chapter 15 of the 2010 Law (the “Company”) establishes, implements and maintains the best execution policy below.

The Board of Directors of the Company (“Board of Directors”) has approved the following policy for exercising best execution on behalf of the funds under management in the best interest of unit/shareholders.

The Company shall act in the best interests of the UCITS they manage when executing decisions to deal on behalf of the managed UCITS in the context of the management of their portfolios.

The policy applies to the Company, in the following Financial Instruments:

- Equities
- Fixed Income Instruments
- Money Market Instruments
- Exchange Traded Derivatives
- OTC (Over the counter) Derivatives
- Foreign Exchange transactions, including but not limited to, forward contracts
- Units/shares of UCITS

## General principles

### Execution factors and criteria

When executing funds or sub-funds orders, the Company shall act in the best interests of the funds at all times and shall take all reasonable steps to obtain the best possible result for them taking into account the factors and criteria set out below.

### Execution factors

- Price
- Costs
- Speed
- Likelihood of execution
- Likelihood of settlement
- Size of the trade
- Nature of the trade
- Any other consideration relevant to the execution of the order

Ordinarily, price and costs together will merit the highest relative importance in achieving best execution, but other factors may take precedence, where for example speed of execution may be more important due to the nature of the order, or client cash flow requirements, or the size of the trade is large compared to the liquidity of the relevant instrument.

The relevant importance of these factors will be determined by considering the characteristics of the order, the financial instrument, the counterparty and the execution venue.

## Execution criteria

When executing an order on behalf of the funds or sub-funds, the Company shall determine the relative importance of the above best execution factors relying on its experience and judgement, per product type, with respect to available market information at the time and taking into account the following best execution criteria:

- The characteristics, the strategy and restrictions of the fund or sub-fund
- The characteristics of the order, including the size of the trade relative to average traded volume and other trades in the instrument, and the need to minimise possible market impact
- The characteristics of the financial instrument(s) which are the subject of the order
- The characteristics of the execution venues to which the order can be directed

The selection of an Execution Venue for the execution of an order will be based solely upon the Execution Criteria and Execution Factors referred to above.

However, the decision to use any of the venues set out may also be influenced by other additional criteria, although this is always conditional upon obtaining the best possible result for our clients. These additional criteria include:

- Financial Screening
- Suitability of the counterparty and the management of counterparty risk
- Liquidity constraints

## Execution venue

The list of execution venues on which the Company may execute a fund order is set out in appendices.

## Handling of orders

The Company shall ensure to provide prompt, fair and expeditious execution of portfolio transactions on behalf of the fund or sub-fund under its management given the following conditions:

- It ensures that orders executed on behalf of funds or sub-funds are promptly and accurately recorded and allocated
- It executes otherwise comparable funds or sub-funds orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the funds or sub-funds require otherwise.
- Financial instruments or sums of money, received in settlement of the executed orders are promptly and correctly delivered to the account of the appropriate fund or sub-fund.

The Company shall ensure that it has routines and processes in place to prevent the misuse of information relating to pending funds' or sub-funds' orders, and shall take all reasonable steps to prevent the misuse of such information by any of its relevant persons.

### Aggregation and allocation of trading orders

- The Company does not carry out a fund or sub-fund order in aggregate with an order of another fund or sub-fund, unless the following conditions are met:
  - It must be unlikely that the aggregation of orders will work overall to the disadvantage of any fund or sub-fund which order is to be aggregated
  - For the fair allocation of aggregated orders, all aggregated orders are systematically proportionally split and allocated between the different portfolios of funds or sub-funds whose orders are to be aggregated. Partial executions are allocated under the same principles.
  
- Where the Company aggregates a fund or sub-fund order with one or more orders of other fund or sub-fund and the aggregated order is partially executed, it allocates the related trades in accordance with its order allocation policy described above.
  
- The Company shall under no circumstances aggregate transactions for its own account with transactions for one or more funds or sub-funds.

The Management of the Company, under the supervision of the Board of Directors of the Company, shall ensure that the Company has on site sufficient staff in order to execute the decisions made and performed during the course of the day to day activities of the Company.

### Procedure

- The Board of Directors of the Company shall review this best execution policy at least annually and whenever a material change occurs that affects its ability to continue to obtain the best results for the funds and sub-funds under its management.
- The Management of the Company together with the Compliance Officer shall monitor the effectiveness of the best execution policy and execution arrangements to identify and, where required, correct any deficiencies. This includes an assessment of whether the Execution Venues included in this policy continue to provide the best possible result for our clients.

### Control points reminder

<b><u>Name of the Control</u></b>	<b><u>Team in Charge</u></b>	<b><u>Periodicity</u></b>
List of Execution Venues	The Management	Regularly
Best execution policy review	The Board of Directors	Annual (at least)
Monitoring the effectiveness of the Best execution policy	The Management with the Compliance Officer	Permanently