

BEST EXECUTION POLICY

1. SCOPE AND OBJECTIVE

1.1 MainFirst Affiliated Fund Managers S.A. (the **Company**) is authorized under article 101(2) and annex II of the 2010 Law and article 5(2) and annex I of the 2013 Law. Additionally, the Company is authorized to provide the following services under article 5(4) of the 2013 Law:

1.1.1 management of portfolios of investments, including those owned by pension funds and institutions for occupational retirement provision in accordance with article 19(1) of Directive 2003/41/EC, in accordance with mandates given by investors on a discretionary, client-by-client basis; and

1.1.2 Reception and transmission of orders in relation to Financial Instruments.

1.2 Consequently, (i) articles 1-1 and 37-1 sqq. of the 1993 Law as well as (ii) article 5(6)(2), 101(4)(2) of the 2010 Law apply to the Company.

1.3 This policy is set up to comply with the best execution requirements of:

1.3.1 When the Company acts as the management company of a UCITS, article 111 of the 2010 Law and articles 28 sqq. of CSSF Regulation 10-04;

1.3.2 when the Company acts as the AIFM of an AIF, article 11 of the 2013 Law and articles 27 and 28 of CDR 231/2013; and

1.3.3 in all other cases, article 11 of the 2013 Law and articles 27 and 28 of CDR 231/2013 in connection with article 5(4) of the 2013 Law and articles 1-1 and 37-1 sqq. of the 1993 Law and articles 64 to 66 of CDR 2017/565, RTS 27 and RTS 28

(the **Execution Policy**).

1.4 This Execution Policy lays down the principles for handling and executing orders and sets out the arrangements for obtaining the best possible result for the Funds and the Clients on a consistent basis.

1.5 In order to adopt a consistent execution policy across all its business lines, in view of the different requirements of the UCITS Directive, AIFMD and MIFID, the Company has decided to adopt in this policy the most onerous execution requirements under each.

2. DEFINITIONS AND INTERPRETATIONS

Definitions

2.1 **1993 Law** means the law of 5 April 1993 on the financial sector, as amended;

2.2 **2010 Law** means the law of 17 December 2010 on undertakings for collective investments, as amended;

2.3 **2013 Law** means the law of 12 July 2013 on alternative investment fund managers, as amended;

- 2.4 **AIF** means alternative investment funds in the meaning of article 1(39) of the 2013 Law for which the Company has been appointed as alternative investment manager;
- 2.5 **AIFM** means alternative investment fund manager in the meaning of the AIFMD and its national implementations;
- 2.6 **AIF Documents** means the constitutive documents and the offering document of an AIF;
- 2.7 **AIFMD** means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010;
- 2.8 **CDD 2017/593** means Commission Delegated Directive (EU) 2017/593 of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits;
- 2.9 **CDR 2017/565** means Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;
- 2.10 **CDR 231/2013** means Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision;
- 2.11 **Client** means any natural or legal person to whom the Company provides investment or ancillary services;
- 2.12 **Client Mandate** means the contractual arrangement between the Company and a Client;
- 2.13 **Committee** means a group of at least two Directors or Managers and a compliance officer with the objective to manage and monitors the best execution of the Company as set out in **Appendix 3**;
- 2.14 **CSSF** means the *Commission de Surveillance du Secteur Financier*;
- 2.15 **CSSF Regulation 10-04** means the CSSF regulation of 1 July 2010 transposing Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organizational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company;
- 2.16 **Director** means any director (*administrateur*) of the Company;
- 2.17 **Employees** means the employees of the Company;
- 2.18 **Execution Criteria** has the meaning set out in Clause 5.3;
- 2.19 **Execution Factor** has the meaning set out in Clause 5.1;

- 2.20 **Execution Venue** means a Trading Venue, a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing;
- 2.21 **Financial Instruments** means the financial instruments enumerated in annex II(B) of the 1993 Law;
- 2.22 **Fund** means a UCITS or an AIF for which the Company is appointed the UCITS management company or AIFM;
- 2.23 **Involved** has the meaning set out in Clause 8.2;
- 2.24 **Management Board** means the board of Managers;
- 2.25 **Manager** means any manager (*délegué à la gestion journalière*) of the Company;
- 2.26 **Material Change** has the meaning set out in Clause 13.3;
- 2.27 **Material Order Breach** has the meaning set out in Clause 12.2;
- 2.28 **MiFID** means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU;
- 2.29 **OTC Product** means a Financial Instrument that is not admitted to trading or not traded on a Trading Venue;
- 2.30 **Record-Keeping-Tools** means tools for the record keeping such as Bloomberg Vault (BVAULT), Patronas OPUS and our proprietary tool called PMX;
- 2.31 **Relevant Persons** are
- 2.31.1 Directors, shareholders, day-to-day managers or tied agents of the Company and their directors, shareholders and day-to-day managers;
 - 2.31.2 Employees and employees of a tied agent, as well as any other natural person whose services are placed at the disposal and under the control of the Company or a tied agent of the Company and who is involved in the provision by the Company of investment services and activities; and
 - 2.31.3 Natural persons who are directly involved in the provision of services to the Company or to its tied agent under an outsourcing arrangement for the purpose of the provision by the Company of investment services and activities;
- 2.32 **RTS 27** means Commission Delegated Regulation (EU) 2017/575 of 8 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards concerning the data to be published by execution venues on the quality of execution of transactions;
- 2.33 **RTS 28** means Commission Delegated Regulation (EU) 2017/576 of 8 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution;

- 2.34 **SFT** means a securities financing transaction as defined in Article 3 of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012;
- 2.35 **Supervisory Board** means the board of Directors
- 2.36 **TCA Tools** means tools for the transaction costs analysis such as the Bloomberg Transaction Cost Analysis (BTCA);
- 2.37 **Trading Venue** means a regulated market, an MTF or an OTF, as each is defined within Article 4 of MiFID;
- 2.38 **Transaction** has the meaning set out in Clause 3; and
- 2.39 **UCITS** means an undertaking for collective investment in transferable securities in the meaning of the UCITS Directive for which the Company has been appointed as management company;
- 2.40 **UCITS Directive** means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS);
- 2.41 **UCITS Documents** means the constitutive documents and the prospectus of a UCITS.

Interpretations

- 2.42 In this Execution Policy, unless otherwise specified:
- 2.42.1 headings are inserted for ease of reference only and do not affect the interpretation;
- 2.42.2 a reference to Clause or Appendix is a reference to a clause of or appendix to this Execution Policy;
- 2.42.3 a reference to a person includes a reference to a firm, body corporate, association, authority or partnership;
- 2.42.4 references to writing include any mode of reproducing words in a legible and non-transitory form;
- 2.42.5 references to all or any part of any law, regulation or regulatory guidance or instrument include any amendment, modification or re-enactments; and
- 2.42.6 an acknowledgement always includes understanding, and to the extent necessary, consent.

3. GENERAL PRINCIPLE

The Company shall act in the best interest of a Client when

- 3.1 executing decisions to deal, and placing orders with brokers for decisions to deal, on behalf of a Client in the context of the collective portfolio management of a Fund or the management of a portfolio; and

3.2 receiving and transmitting orders for a Client
(a **Transaction**).

4. **BEST EXECUTION**

Direct execution

4.1 The Company will ensure that when carrying out Transactions:

4.1.1 orders executed on behalf of Clients and Funds are promptly and accurately recorded and allocated;

4.1.2 otherwise comparable client orders are carried out sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the relevant Client and Funds require otherwise.

Indirect Execution – use of Brokers

4.2 The Company may place an order with a broker, or transmit an order, for execution outside a Trading Venue through the use of a broker or other intermediary, as the Company considers appropriate.

4.3 The relative costs associated with transmitting an order when compared against its total consideration may not be the primary determinant in deciding where to place an order if one or more Clients have expressed different priorities and /or needs.

4.4 The Committee is responsible for approving and keeping under review the brokers that may be used to execute orders for Clients include. The criteria which the Committee shall use to select brokers includes the following:

4.4.1 Quality of execution – accurate and timely execution, clearance and error/dispute resolution;

4.4.2 Reputation, financial strength and stability;

4.4.3 Block trading and block positioning capabilities;

4.4.4 Willingness to execute difficult transactions;

4.4.5 Access to underwritten offerings and secondary markets; access to primary market - IPO's, secondary placements, capital increases etc.;

4.4.6 Ongoing reliability;

4.4.7 Overall costs of a trade (i.e., net price paid or received) including commissions, mark-ups, mark-downs or spreads in the context of the Company's knowledge of negotiated commission rates currently available and other current transaction costs;

4.4.8 Nature of the security and the available market makers;

4.4.9 Desired timing of the transaction and size of trade;

- 4.4.10 Confidentiality of trading activity;
 - 4.4.11 Market intelligence regarding trading activity;
 - 4.4.12 Reporting capabilities (accurate and timely);
 - 4.4.13 Quality of settlement and trade confirmation and
 - 4.4.14 Provided trading technology (trading algorithms).
- 4.5 Orders may only be directed to brokers who have been requested the Company (Trading desk) and approved by Compliance Officer or Management. The Committee maintains a list of approved brokers, set out at **Appendix 2**. This list is reviewed on a regular basis and at least annually. The Committee will monitor a sample of trades executed by the brokers.
- 4.6 Decisions to deal and the reasons for using the selected broker must be accurately and promptly recorded.
- 4.7 If a member of staff has reason to suspect the quality of execution of a broker, they must bring this to the attention of the Head of Compliance who will bring this to the attention of the Committee which consider whether to remove the broker from the approved list.
- 4.8 Upon reasonable request from a Client, the Company will provide information about the brokers where its orders were placed for execution.

OTC Products

- 4.9 When taking decisions to deal in OTC products, including bespoke products, the Company will check the fairness of the price proposed to the Client by gathering market data used in the estimate the price of such product.
- 4.10 When executing orders or taking decisions to deal in OTC products, the Company will, where possible, consider the fairness of the price by comparing the product with similar or comparable products.

Error account

- 4.11 The Company will set up an error account to which misdirected order handling will be booked. All transactions booked in this account will be documented in the form set out in **Appendix 4** and included in the database.

5. EXECUTION VENUES

- 5.1 The Company has various Execution Venues and Brokers with which the Company may place an order to enable it to meet its regulatory responsibilities in relation to order execution.

Choosing an Execution Venue

- 5.1 The Company shall take all sufficient steps to obtain the best possible result for Funds or the Client in the context of a Transaction by taking into account:

- 5.1.1 price and costs;
 - 5.1.2 speed and likelihood of execution and quality of settlement;
 - 5.1.3 general quality of execution,
 - 5.1.4 size of the Transaction,
 - 5.1.5 nature of the Transaction, or
 - 5.1.6 the delivery of regulatory reporting data.
(together, the **Execution Factors**).
- 5.2 To analyse trading costs the Company shall use TCA Tools.
- 5.3 The relative importance of such Execution Factors shall be determined by reference to the following criteria:
- 5.3.1 The characteristics of the Client including any investment policy and objectives set out in the Client Mandate (and where the Transaction concerns a Fund the investment policy and risks specific to the Fund or the objectives and risk determination as indicated in the UCITS Documents or AIF Documents respectively);
 - 5.3.2 The characteristics of the Transaction, including where the Transaction involves an SFT (if the Transaction concerns a Client);
 - 5.3.3 The characteristics of the Financial Instruments that are the subject of the Transaction; and
 - 5.3.4 The characteristics of the Execution Venues to which the order can be directed
(together, the **Execution Criteria**).
- 5.4 Generally, the price of the Financial Instrument will merit a high relative importance for the majority of Transactions. There may be circumstances, however, in seeking to obtain the best possible execution result where other Execution Factors are more important than the price, e.g.
- 5.4.1 the speed of execution has a high relative importance;
 - 5.4.2 the likelihood of execution has a high relative importance.
- 5.5 A list of Execution Venues on which the Company places significant reliance and details of which Execution Venues have been assessed as the best venue for which class of Financial Instrument are set out in **Appendix 2**.
- Exceptions from the principles set out under Clause 5.1 sqq.**
- 5.6 These Execution Factors and Execution Criteria do not apply in relation to a specific instruction or a part of a specific instruction as set out in Clause 6.

- 5.7 When handling a Transaction in the context of portfolio management of a Fund and there is no choice between Execution Venues, the Company must only be able to demonstrate that there has been no choice to satisfy the standard of best execution.

Specific information relating to an execution outside a Trading Venue

- 5.8 Before the Company executes an order outside a Trading Venue it must inform and request the approval of the Management of the Company, the Chief Compliance Officer and the Client of the consequences, for example counterparty risk arising from execution outside a Trading Venue, and upon Client request the Company must provide additional information about the consequences of this means of execution.

Fees

- 5.9 The Company does not apply different fees depending on the Execution Venue.

Inducements and conflicts of interest

- 5.10 The Company does not receive any monetary or non-monetary inducements from Execution Venues.

Documentation

- 5.11 The Company will document its decision process and is able to demonstrate that it handled Transactions in accordance with this Execution Policy.

6. DEVIATIONS FROM THE POLICY THROUGH SPECIFIC CLIENT INSTRUCTION

- 6.1 When a Client instructs the Company to execute an order in a particular way, whether that be through the use of client designated brokers or Execution Venues or any other specific instruction, the Company shall execute the order in accordance with those specific instructions. Where instructions only relate to a part or an aspect of the order the Company will continue to apply its Policy to the aspects or parts of the order not covered by the instructions.

- 6.2 Where the Company executes an order following specific instructions from a Client it will be treated as having satisfied its best execution obligations in respect of the order or the specific aspect or part of the order to which the instruction relates.

7. RECORD-KEEPING

The Company will keep a record of Client orders and decisions to deal and of Transactions and order processing through the Record-Keeping-Tools.

8. RELATED REQUIREMENTS

No misuse of information

- 8.1 The Company will not misuse information relating to pending orders and will take all reasonable steps to prevent the misuse or improper disclosure of such information by the Company or any of the Relevant Persons. For these purposes any use by the Company of information relating to a pending client order in order to deal on own account in the financial instruments to which the order relates, or in related financial instruments, shall be considered a misuse of information.

Aggregation of orders

- 8.2 The Company does not carry out Transactions for Funds in aggregation with a transaction for its own account in aggregation with another Client order.
- 8.3 The Company will not carry out a Client order or a transaction for its own account in aggregation with another Client order, unless the client has agreed to a pre-allocation beforehand.

9. SPECIFIC CONSIDERATIONS FOR THE BEST EXECUTION AND TRADE ALLOCATION

Specific considerations in relation to UCITS

- 9.1 Financial Instruments or sums of money, received in settlement of the executed or placed Transaction must be promptly and correctly delivered to the account of the relevant UCITS.

Specific considerations when executing orders for Clients

- 9.2 Where the Company is responsible for the overseeing or arranging of the settlement of an executed order it shall take all reasonable steps to ensure that any Client Financial Instruments or Client funds received in settlement of the executed order are promptly and correctly delivered to the relevant Client account.

Specific considerations when receiving and transmitting orders for Clients

- 9.3 Where the Company receives and transmits orders for Clients it shall take all sufficient steps to obtain the best possible result for its Client taking into account the Execution Factors. MiFID does not require a duplication of effort as to best execution between the Company when it provides the service of reception and transmission of order or portfolio management and any investment firm to which the Company transmits its orders for execution.

10. DISCLOSURE OBLIGATIONS AND CLIENT INFORMATION

- 10.1 When performing portfolio management or reception and transmission of orders under Article 5(4) of the 2013 Law (but not when acting as AIFM or UCITS management company), the Company will publish a summary on an annual basis, for each class of Financial Instruments, of the top five execution venues in terms of trading volumes where they executed client orders in the preceding year and information on the quality of execution obtained by using the template of RTS 27 and RTS 28 through TCA Tools.
- 10.2 The Company will provide Clients and Funds with the Disclosure Statement in **Appendix 1** prior to entering into a relationship with them by making it available on www.mainfirst-fundmanagers.com. Additionally, the Company will provide a Client within a reasonable period of time with clear information about its policies or arrangements and how they are reviewed if the Client makes a reasonable and proportionate request.

11. DELEGATION AND OUTSOURCING

- 11.1 If portfolio management has been delegated under article 18 of the 2013 Law or article 110 of the 2010 Law or if a function of the Company has been outsourced under article 37-1(5) of the 1993 Law and articles 30 sqq. CDR 2017/565, the Company will ensure that these third parties are

contractually bound to comply with such requirements as the Company is obliged to impose under applicable laws in relation to delegation and outsourcing.

- 11.2 The Company will ensure this at the beginning of the delegation or outsourcing and subsequently on an annual basis.

12. ESCALATION PROCEDURE

- 12.1 Where a potential breach of this Policy is identified, the head of compliance must be informed.
- 12.2 The compliance officer, upon receiving a report of a potential breach will assess whether the breach is material and detrimental to the interests of the relevant Fund or Client (a **Material Order Breach**).
- 12.3 Where the breach is a Material Breach, the head of compliance shall inform the Management Board, who will consider what appropriate action to take.
- 12.4 Where the breach is not a Material Order Breach the head of compliance may take such steps as the head of compliance considers appropriate.
- 12.5 The head of compliance will maintain a record of all actual and potential breaches received in relation to this Policy.

13. MONITORING, AMENDMENTS AND AMENDMENTS HISTORY

- 13.1 The quality and appropriateness of the execution arrangements and this Execution Policy will be monitored on an ex-ante and an ex-post basis by the Committee.

Ex-post monitoring

- 13.2 The Company will also review on a regular basis whether this Execution Policy is effective, i.e. whether the processes are applied correctly and whether client instructions and preferences are effectively passed through the execution process when using smart order routers or any other means of execution.
- 13.3 In the course of this review, a significant event that could impact the Execution Factors shall be considered a **Material Change**. Where a Material Change has occurred, the Company shall consider making changes to the relative importance of the Execution Factors in meeting the overarching best execution requirement.
- 13.4 The review will be carried out by the Committee and results will be reported regularly to the Management Board which might decide to inform the Supervisory Board of any irregularities.

Review of the Execution Policy

- 13.5 This Execution Policy will be reviewed and amended, if necessary,
- 13.5.1 annually taking into account the results of the monitoring under Clause 13.2;
 - 13.5.2 ad-hoc when the results of the monitoring under Clause 13.2 constitute a Material Change; and

13.5.3 when the Company includes new Financial Instruments into the scope of this Execution Policy.

13.6 This Execution Policy has been updated as follows:

Kind of amendment or review	Date
amendment	With effective date 16 March 2018
amendment	With effective date 22 August 2018

MAINFIRST



APPENDIX 1
Portfolio Management Order Execution Policy disclosure statement

MainFirst Affiliated Fund Managers S.A.
(the Company)
Portfolio Management Order Execution Policy disclosure statement

1. DEFINITIONS AND INTERPRETATIONS

- 1.1. **1993 Law** means the law of 5 April 1993 on the financial sector, as amended;
- 1.2. **2010 Law** means the law of 17 December 2010 on undertakings for collective investments, as amended;
- 1.3. **2013 Law** means the law of 12 July 2013 on alternative investment fund managers, as amended;
- 1.4. **CDR 2017/565** means Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;
- 1.5. **CDR 231/2013** means Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision;
- 1.6. **Client** means any natural or legal person to whom the Company provides investment or ancillary services;
- 1.7. **Committee** means a group of at least two Directors or Managers and a compliance officer with the objective to manage and monitors the best execution of the Company;
- 1.8. **CSSF** means the Commission de Surveillance du Secteur Financier;
- 1.9. **CSSF Regulation 10-04** means the CSSF regulation of 1 July 2010 transposing Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organizational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company;
- 1.10. **Director** means any director (*administrateur*) of the Company;
- 1.11. **Execution Criteria** has the meaning set out in Clause 3;
- 1.12. **Execution Factor** means (i) the characteristics of the Client including any investment policy and objectives set out in the client mandate (and where the Transaction concerns a Fund the investment policy and risks specific to the Fund or the objectives and risk determination as indicated in its documents); (ii) the characteristics of the Transaction, including where the Transaction involves an SFT (if the Transaction concerns a Client); (iii) the characteristics of the Financial Instruments that are the subject of the Transaction; and (iv) the characteristics of the Execution Venues to which the order can be directed;
- 1.13. **Execution Venue** means a Trading Venue, a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing;

- 1.14. **Financial Instruments** means the financial instruments enumerated in annex II(B) of the 1993 Law;
- 1.15. **Fund** means a UCITS or an AIF for which the Company is appointed the UCITS management company or AIFM;
- 1.16. **Management Board** means the board of Managers;
- 1.17. **Manager** means any manager (*délegué à la gestion journalière*) of the Company;
- 1.18. **Material Change** has the meaning set out in Clause 6.3;
- 1.19. **MiFID** means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU;
- 1.20. **Policy** has the meaning set out in Clause 2.1;
- 1.21. **Supervisory Board** means the board of Directors
- 1.22. **Trading Venue** means a regulated market, an MTF or an OTF, as each is defined within Article 4 of MiFID;
- 1.23. **Transaction** has the meaning set out in Clause 3; and
- 1.24. **UCITS** means an undertaking for collective investment in transferable securities in the meaning of the UCITS Directive for which the Company has been appointed as management company;
- 1.25. **UCITS Directive** means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS);

Interpretations

- 1.26. In this Disclosure Statement, unless otherwise specified:
 - (a) headings are inserted for ease of reference only and do not affect the interpretation;
 - (b) a reference to Clause or Appendix is a reference to a clause of or appendix to this Disclosure Statement;
 - (c) a reference to a person includes a reference to a firm, body corporate, association, authority or partnership;
 - (d) references to writing include any mode of reproducing words in a legible and non-transitory form;
 - (e) references to all or any part of any law, regulation or regulatory guidance or instrument include any amendment, modification or re-enactments; and
 - (f) an acknowledgement always includes understanding, and to the extent necessary, consent.

2. PRINCIPLES

- 2.1. This disclosure statement is addressed to clients of the Company and contains information on the order execution policy (the **Policy**) established and operated by the Company in accordance with the requirements of the (i) 2010 Law and the 10-04 Regulation, (ii) the 2013 Law and CDR 231/2017 and (iii) the 1993 Law and CDR 2017/565.
- 2.2. The information contained in this statement about the Policy only applies to clients, which the Company has classified as Professional Clients.

3. RELEVANT FACTORS EFFECTING EXECUTION

The Company shall take all sufficient steps to obtain the best possible result for Funds or the Client in the context of a Transaction by taking into account:

- 3.1. price and costs;
- 3.2. speed and likelihood of execution and settlement;
- 3.3. general quality of execution,
- 3.4. size of the Transaction,
- 3.5. nature of the Transaction, or
- 3.6. the delivery of regulatory reporting data.

4. EXECUTION VENUES

- 4.1. The Company has various Execution Venues and Brokers with which the Company may place an order to enable it to meet its regulatory responsibilities in relation to order execution.
- 4.2. A list of Execution Venues on which the Company places significant reliance and details of which Execution Venues have been assessed as the best venue for which class of Financial Instrument are set out in Appendix I.

Fees

- 4.3. The Company does not apply different fees depending on the Execution Venue.

5. SPECIFIC CLIENT INSTRUCTIONS

- 5.1. The Company will execute an order in a particular way if instructed to do so by the Client. Where instructions only relate to a part or an aspect of the order the Company will continue to apply its Policy to the aspects or parts of the order not covered by the instructions.
- 5.2. **Specific instructions from the Client may prevent the Company from following steps it has designed and implemented in its Policy to obtain the best possible result for execution of those orders in respect of the elements of execution covered by such instructions and may prevent the Firm from achieving the result it would have achieved in the absence of such instructions.**

6. MONITORING

- 6.1. The quality and appropriateness of the execution arrangements and the Policy will be monitored on an ex-ante and an ex-post basis by the Committee.

Ex-post monitoring

- 6.2. The Company will also review on a regular basis whether the Policy is effective, i.e. whether the processes are applied correctly and whether client instructions and preferences are effectively passed through the execution process when using smart order routers or any other means of execution.
- 6.3. In the course of this review a significant event that could impact the Execution Factors shall be considered a **Material Change**. Where a Material Change has occurred, the Company shall consider making changes to the relative importance of the Execution Factors in meeting the overarching best execution requirement.
- 6.4. The review will be carried out by the Committee and results will be reported regularly to the Management Board which might decide to inform the Supervisory Board of any irregularities.

Review of the Policy

- 6.5. The Policy will be reviewed and amended, if necessary,
- (a) annually taking into account the results of the monitoring under Clause 6.2;
 - (b) annually taking into account the results of the monitoring under Clause 6.2;
 - (c) ad-hoc when the results of the monitoring under Clause 6.2 constitute a Material Change; and
 - (d) when the Company includes new Financial Instruments into the scope of this Execution Policy.

MAINFIRST



APPENDIX 2
List of Execution Venues and Brokers

Appendix 3 Venues	MIC
Athens Derivatives Exchange (ADEX)	ADEX
LONDON STOCK EXCHANGE - AIM MTF	AIMX
EURONEXT GROWTH BRUSSELS	ALXB
EURONEXT GROWTH PARIS	ALXP
AQUA	AQUA
Aquis	AQXE
ARCA DARK	ARCD
NYSE ARCA	ARCX
Australian Securities Exchange (ASX)	ASX
AUSTRALIAN STOCK EXCHANGE	ASX24
ASX Centre Point	ASXC
BAML Instinct X	BAML
Barclays LX	BARX
BATS	BATD
BATS	BATE
BATS EUROPE ± BATS OFF-BOOK	BATF
BATS Periodic Auction	BATP
BATS BZX	BATS
BATS BYX	BATY
BARCLAYS CAPITAL SECURITIES LIMITED - SYSTEMATIC INTERNALISER	BCSI
BIDS	BIDS
INSTINET BLOCKCROSS	BLKX
Instinet BlockMatch	BLOX
Baltex Freight Derivatives Market (BLTX)	BLTX
BOLSA DE MERCADORIAS & FUTUROS	BM&F
Bursa Malaysia Derivatives (BMD)	BMD
BM&F Bovespa* (BOLSA)	BOLSA
NASDAQ OMX BX DARK	BOSD
Boston Options Exchange* (BOX)	BOX
BLOCKMATCH MTF RFQ	BRFQ

BATS Y-EXCHANGE DARK	BYXD
BATS Exchange* (BZX)	BZX
BATS Z - EXCHANGE DARK	BZXD
Credit Suisse Crossfinder	CAES
CITIBLOC	CBLC
C2 Options Exchange* (CBOE)	CBOE
Chicago Board of Trade* (CBOT)	CBOT
CBOE STOCK EXCHANGE	CBSX
CITADEL CONNECT EUROPE - SYSTEMATIC INTERNALISER	CCEU
Citadel Connect	CDED
CBOE Futures Exchange (CFE)	CFE
China Financial Futures Exchange (CFFEX)	CFFEX
CITI MATCH	CGME
Chi-X Australia	CHIA
Chi-X	CHIC
Chi-X Delta	CHID
Chi-X Japan	CHIJ
Chi-X	CHIX
CitiCross	CICX
Chicago Mercantile Exchange (CME)	CME
Commodity Exchange (COMEX)	COMEX
DEUTSCHE BANK AG OPERATING MARKET CODE FOR EU SYSTEMATIC INTERNALIS	DBES
Deutsche Bank ATS	DBSX
Dalian Commodity Exchange (DCE)	DCE
NASDAQ COPENHAGEN A/S - NORDIC@MID	DCSE
NASDAQ HELSINKI LTD - NORDIC@MID	DHEL
Dubai Mercantile Exchange (DME)	DME
FIRST NORTH DENMARK - NORDIC@MID	DNDK
FIRST NORTH FINLAND - NORDIC@MID	DNFI
FIRST NORTH SWEDEN - NORDIC@MID	DNSE
NASDAQ STOCKHOLM AB - NORDIC@MID	DSTO
EDGX EXCHANGE DARK	EDDP
BATS EDGA Exchange	EDGA

EDGA EXCHANGE DARK	EDGD
BATS EDGX Exchange	EDGX
LSE DERIVATIVES	EDX
European Energy Exchange (EEX)	EEX
Electronic Liquidity Exchange (ELX)	ELX
ENDEX	ENDEX
EURONEXT BRUSSELS	ENX-BE
EURONEXT PARIS	ENX-FR
EURONEXT AMSTERDAM	ENX-NL
EURONEXT LISBON	ENX-PT
BOERSE BERLIN EQUIDUCT TRADING - REGULIERTER MARKT	EQTA
BOERSE BERLIN EQUIDUCT TRADING - BERLIN SECOND REGULATED MARKET	EQTB
BOERSE BERLIN EQUIDUCT TRADING - FREIVERKEHR	EQTC
MILAN - ELECTRONIC ETF, ETC/ETN, FUND MARKET	ETFP
EUREX	EUREX
Eurex* (EX)	EX
LCH ENCLEAR	FFTFW
FIRST NORTH DENMARK	FNDK
FIRST NORTH FINLAND	FNFI
FIRST NORTH SWEDEN	FNSE
Futures and Options on Russian Trading System (FORTS)	FORTS
GOLDMAN SACHS INTERNATIONAL - SI	GSSI
KCG AMERICAS LLC	GTCO
Hong Kong Exchanges and Clearing Ltd (HKEx)	HKEx
Instinet CBX	ICBX
ICE Futures Europe (ICE EU)	ICE EU
ICE FUTURES SINGAPORE	ICESG
Borsa Italia (IDEM)	IDEM
INVESTORS EXCHANGE - DARK	IEXD
IEX Group	IEXG
ICE FUTURES CANADA	IFCA

ICE FUTURES EUROPE	IFEU
ICE FUTURES US	IFUS
NASDAQ OMX COMMODITIES	IMAREX
International Securities Exchange* (ISE)	ISE
ITG Posit	ITGI
JP Morgan JPM-X ATS	JPMX
J.P. MORGAN SECURITIES PLC	JPSI
JAPAN EXCHANGE (TSE & OSE)	JPX
Johannesburg Stock Exchange (JSE / SAFEX)	JSE
JANE STREET EXECUTION SERVICES LLC	JSES
Jane Street	JSJX
JANE STREET FINANCIAL LTD - SI	JSSI
KCG Acknowledge	KNLI
KCG MatchIt	KNMX
Korea Exchange (KRX)	KRX
Level ATS	LEVL
ICE FUTURES EUROPE	LIFFE
LIQUIDNET SYSTEMS	LIQU
CBOE EUROPE - LIS SERVICE	LISX
Liquidnet	LIUH
London Metal Exchange (LME)	LME
London Stock Exchange	LSE
Omega Lynx	LYNX
MATCH Now ATS	MATN
NASDAQ COPENHAGEN A/S – AUCTION ON DEMAND	MCSE
MONTREAL EXCHANGE	ME
Mercado Espanol de Futuros Financieros (MEFF)	MEFF
MEFF	MEFF RV
MERKUR MARKET	MERK
Mexican Derivatives Exchange (MexDer)	MexDer
Minneapolis Grain Exchange (MGEX)	MGEX
NASDAQ HELSINKI LTD – AUCTION ON DEMAND	MHEL
MICEX	MISX

BANK OF AMERICA - MERRILL LYNCH OTC	MLCO
MLI INSTINCT X SI	MLIX
MLI INSTINCT X SI RFQ	MLRQ
MLI INSTINCT X SI	MLSI
BANK OF AMERICA - MERRILL LYNCH VWAP CROSS	MLVX
FIRST NORTH DENMARK – AUCTION ON DEMAND	MNDK
FIRST NORTH FINLAND – AUCTION ON DEMAND	MNFI
FIRST NORTH SWEDEN – AUCTION ON DEMAND	MNSE
Morgan Stanley Pool	MSPL
NASDAQ STOCKHOLM AB – AUCTION ON DEMAND	MSTO
Borsa Italiana	MTAA
Montreal Exchange (MX)	MX
NSDQ DARK	NASD
Aequitas Exchange	NEOE
NASDAQ FUTURES EXCHANGE	NFX
Natural Gas Exchange Inc. (NGX)	NGX
NASDAQ Options Market* (NOM)	NOM
NASDAQ OMX COMMODITIES	NORDPOOL
National Stock Exchange of India Ltd. (NSE)	NSE
Millennium	NYFX
NYMEX (NY Mercantile Exchange)	NYMEX
NYSE DARK	NYSD
Omega ATS	OMGA
NASDAQ OMX Nordic (OMX)	OMX
NASDAQ OMX NLX	OMX NLX
NASDAX OMX STOCKHOLM	OMX STO
NASDAQ OMX COPENHAGEN	OMXCPH
NASDAQ OMX HELSINKI	OMXHEL
ONE CHICAGO	ONEC
FIRST NORTH SWEDEN - NORWAY	ONSE
Osaka Securities Exchange (OSE)	OSE

WEINER BOURSE	OTOB
Weiner Borse.AT (OTOM)	OTOM
PDQ ATS DARK	PDQD
PDQ ATS	PDQX
Blockcross	PULX
Pure Exchange	PURE
GreTai	ROCO
SAFEX	SAFEX
Japannext	SBIJ
Goldman SigmaX	SGMA
SIGMA X2	SGMT
SIGMA X MTF	SGMX
SIGMA X MTF - AUCTION BOOK	SGMY
Singapore Exchange Derivatives Trading Limited (SGX)	SGX
Shanghai Futures Exchange (SHFE)	SHFE
CREDIT SUISSE SECURITIES (EUROPE) LIMITED - SYSTEMATIC INTERNALISER	SICS
Two Sigma	SOHO
SUN TRADING INTERNATIONAL - SI	STSI
Taiwan Futures Exchange (TAIFEX)	TAIFEX
TURKDEX	TDE
Thailand Futures Exchange (TFEX)	TFEX
Tokyo Financial Exchange Inc (TFX)	TFX
Tokyo Commodity Exchange, Inc. (TOCOM)	TOCOM
Turquoise	TRQA
Turquoise	TRQM
Turquoise	TRQX
TOWER RESEARCH CAPITAL EUROPE LTD - SI	TRSI
Tokyo Stock Exchange (TSE)	TSE
Turkish Derivatives Exchange (TurkDEX)	TurkDEX
UBS ATS	UBSA
UBS PIN	UBSE
UBS LIMITED EMEA TRADING - SYSTEMATIC INTERNALISER	UBSI

UBS PIN (US)	UBSP
UBS Cross	UBSX
Virtu Financial	VFCM
VIRTU FINANCIAL IRELAND LIMITED - SI	VFSI
Wiener Borse AG	WBAH
WIENER BOERSE AG DRITTER MARKT	WBDM
WELLS FARGO LIQUIDITY CROSS ATS	WELX
Warsaw Stock Exchange (WSE)	WSE
AIM ITALIA - MERCATO ALTERNATIVO DEL CAPITALE	XAIM
Euronext Amsterdam	XAMS
NYSE MKT	XASE
ASX	XASX
ASE	XATH
TSX Alpha Exchange	XATS
BOLSA DE BARCELONA	XBAR
BOLSA DE VALORES DE BILBAO	XBIL
SET (Foreign)	XBKF
SET	XBKK
BSE	XBOM
NASDAQ OMX BX	XBOS
Euronext Brussels	XBRU
BSE	XBUD
Chicago Stock Exchange	XCHI
NATIONAL STOCK EXCHANGE, INC.	XCIS
OMX Copenhagen	XCSE
Chi-X CX2	XCX2
ISE	XDUB
Equiduct SpotVBBO	XEQT
IRISH STOCK EXCHANGE - ENTREPRISE SECURITIES MARKET	XESM
XETRA - REGULIERTER MARKT	XETA
Xetra - FREIVERKEHR	XETB
Deutsche Borse	XETR
OMX Helsinki	XHEL

HKEX	XHKG
IDX	XIDX
Istanbul	XIST
JASDAQ	XJAS
Johannesburg	XJSE
BURSA	XKLS
KRX	XKRX
LATIBEX	XLAT
Euronext Lisbon	XLIS
LONDON STOCK EXCHANGE - MTF	XLOM
LSE	XLON
Mercato Continuo Espanol	XMAD
Madrid	XMCE
Milan	XMIL
DUBLIN - IRISH STOCK EXCHANGE - MAIN SECURITIES MARKET (MSM)- ISE X	XMSM
NASDAQ - ALL MARKETS	XNAS
Nordic Growth	XNGM
NASDAQ/NGS (GLOBAL SELECT MARKET)	XNGS
NASDAQ	XNMS
NSE	XNSE
NYSE	XNYS
OSLO BORS ASA - OSLO AXESS LIT X AUCTIONS	XOAA
OSLO AXESS NORTH SEA - DARK POOL	XOAD
OSLO AXESS	XOAS
OFF - EXCHANGE TRANSACTIONS - LISTED INSTRUMENTS	XOFF
Oslo Bors ASA	XOLS
OSLO BORS - LIT X AUCTIONS	XOSA
SLO BORS NORTH SEA - DARK POOL	XOSD
Oslo Bors	XOSL
OTCBB	XOTC
POSIT AUCTION	XPAC
Euronext Paris	XPAR

NASDAQ OMX PHLX	XPHL
POSIT	XPOS
Prague	XPRA
NASDAQ OMX PSX	XPSX
Aktientorget	XSAT
SGX	XSES
SZSE	XSHE
SHSE	XSHG
Smartpool	XSMP
Fidelity CrossStream	XSTM
OMX Stockholm	XSTO
SIX SWISS EXCHANGE - AT MIDPOINT	XSWM
SWX (SIXG)	XSWX
Tel Aviv	XTAE
TWSE	XTAI
TostNet	XTK1
TSE	XTKS
TMX Toronto Stock Exchange	XTSE
TMX Venture Exchange	XTSX
XTX	XTXM
UBS MTF	XUBS
BOLSA DE VALENCIA	XVAL
Vienna	XVIE
VIRT-X	XVTX
Warsaw	XWAR
Vienna	XWBO
Zhengzhou Commodity Exchange (ZCE)	ZCE

MAINFIRST



(STATUS 16 MARCH 2018, THE LIST CAN BE ADAPTED FROM TIME TO TIME AND IS AVAILABLE AT THE REGISTERED OFFICE OF THE COMPANY OR/AND MAY BE OBTAINED FREE OF CHARGE)

APPENDIX 4 Error Account Form

The error account form will be generated from out of the error database and will contain at least the following information:

- *Date and time the error has occurred*
- *Brief description of the error*
- *Description of the solution to close out the error*
- *Description how the error is booked*
- *Calculation of the caused damage*
- *Signature of the appropriate Manager(s) and/or compliance officer*

Due to data protection purposes the form will contain no names of the involved individuals. Names will be stored in the database and are only visible for the compliance officer.