

Order Execution Policy

Danske Invest Management A/S (DIMA) is the management company for a number of UCITS and alternative investment fund manager (AIFM) for a number of Alternative Investment Funds (AIFs) domiciled in Denmark and Luxembourg as well as in other countries.

This policy sets out the overall principles for DIMA, which shall apply in relation to order execution on behalf of funds, sub-funds or part of a sub-fund (Sub-funds), whether they are UCITS or AIFs, managed by DIMA. DIMA either take investment decision or outsource Investment Management to an appointed Investment Manager.

When DIMA has outsourced Investment Management to an appointed Investment Manager, such manager must be elected with care, and best execution taken into consideration to ensure that the Investment Manager adhere to similar requirements as set out in this policy. However, section 2-5 in this best execution policy does not apply, when an Investment Manager has been appointed, as in this case DIMA is not deciding on orders with other entities for execution on behalf of the Sub-Funds. DIMA do not have access to any marketplace on their own, but always need to trade through a broker.

The appointed Investment Managers shall seek to achieve best execution according to UCITS Directives¹ (Directive 2009/65/EC, Directive 2010/43/EU and other directives and regulations implementing Directive 2009/65/EC) and MiFID Directives (Directive 2014/65/EU, Regulations 600/2014) ; as amended and or repealed, from time to time) hereinafter referred to as “Relevant Regulations”. The Investment Manager shall establish and maintain a policy fulfilling the requirements of Relevant Regulations. When appointing Investment Managers DIMA shall monitor that, the Investment Managers are fulfilling relevant requirements on best execution.

In case DIMA takes investment decisions after it has been given advice, DIMA normally uses the Investment Advisor as broker. The reason why we choose the Investment Advisor is that the Investment Advisor has the knowledge of the market and is considered to be the broker that is most likely to be capable of providing best execution. In the few special cases where DIMA has not been given advice, DIMA will as agreed with the relevant UCITS/AIF normally use the custodian for the relevant UCITS/AIF as broker. The reason why we choose the custodian is that the Sub-fund has trust in the custodian as a broker to be capable of providing best execution.

1. Best execution

This policy outlines the duties placed on DIMA to ensure compliance with the regulatory requirements with respect to best execution and handling of orders.

¹ Relevant for UCITS

DIMA must take all reasonable steps to obtain the best possible result for the Sub-funds, 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. This obligation is known as the duty of “best execution”.

2. Basis of assessment

When placing the orders on behalf of the Sub-funds for those assets for which best execution must be applied, DIMA has to take reasonable steps to obtain the best possible result for the Sub-funds, 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.

In determining the relative importance of each of the above factors, DIMA shall take into account the following best execution criteria:

- (a) the objectives, investment policy and risk profile specific to the Sub-funds;
- (b) the characteristics of the order;
- (c) the characteristics of the financial instruments that are the subject of that order;
- (d) the characteristics of the execution venues to which that order can be directed.

In most cases, price and costs will be the essential factors for obtaining best execution for the Sub-funds - unless the purpose of the execution of the order dictates that other elements should be prioritised.

Accordingly, the total consideration is usually of paramount importance – unless the purpose of the execution of the order dictates that other elements should be prioritised, e.g. liquidity, speed or likelihood of execution.

3. Execution venues

DIMA shall either determine (giving specific instructions to the broker) the ultimate execution venue or entity for a Sub-fund’s order on the basis of the order execution factors mentioned above or DIMA shall ensure that the broker it is using has appropriate arrangements in place to enable the broker to comply with its obligations to DIMA and the Sub-funds. The broker shall establish and maintain a policy identifying, for each class of instrument, the entities with which orders may be placed. DIMA or the chosen broker shall assess which venues are likely to provide the best possible result for the Sub-funds on an order-by-order basis. For transactions in shares or units of collective investment schemes orders shall be placed with the relevant venue mentioned in the prospectus or other relevant constitutional document of the collective investment scheme in question at a price in accordance with the said documentation.

4. Broker election

DIMA will for all securities, where it has been given advice, elect the adviser as broker, provided the broker on a consistent basis has proven / are able to prove, that it can provide best execution as defined under 1 for the Sub-funds for each relevant type of security.

DIMA will for all securities, where it has not been given advice, elect the custodian as broker, provided the broker on a consistent basis has proven / are able to prove, that it can provide best execution as defined under 1 for the Sub-funds for each relevant type of security.

DIMA may however on a case to case basis choose to elect another broker than indicated above, if DIMA considers this to be the best choice and such broker on a consistent basis has proven / are able to prove, that it can provide best execution for the Sub-funds

If a broker is no longer able to provide best execution, DIMA shall choose another broker to execute the orders. Such broker shall also prove on a consistent basis that it can provide best execution for the Sub-funds.

5. Execution of orders

Orders executed on behalf of the Sub-funds shall be accurately recorded and allocated. The orders executed on behalf of the Sub-funds shall be executed sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable or the interests of the Sub-funds require otherwise.

Orders may be aggregated and executed in one or several tranches if, due to market conditions, several orders may be settled at an average price that is considered generally favourable by DIMA or the broker. Orders may be aggregated only if it can be reasonably expected that the aggregation of orders will not work overall to the disadvantage of any AIFs or UCITS whose order is to be aggregated. When executed, aggregated orders will, to the extent possible, be allocated to the Sub-funds on the trade date at the calculated average price. If aggregated orders can be executed only in part, the executed part shall be allocated to the participants in proportion to the size and conditions of the orders. Allocation to DIMA or the broker shall be made only if all the orders of the participating Sub-funds are satisfied in full.

6. Monitoring and evaluation

DIMA will ensure when entering into an Agreement with a broker, that the broker on request is required to report to DIMA on how they have provided best execution, so DIMA can monitor this.

DIMA shall monitor that all brokers provide best execution on a consistent basis, however DIMA may reply on reports from the broker, which documents this, provided such reports gives DIMA the comfort, that best execution is provided. DIMA is required to ask for more documentation or ask questions, if in any doubt as to if best execution has been provided on a consistent basis..

DIMA shall ensure that the Investment Managers of the Sub-Funds shall review, on a regular basis, the effectiveness of their arrangements and order execution policy, in order to identify and correct any deficiencies on allocation of trading orders, whether the quality of the execution venues or entities provide for the best possible result for the Sub-Funds and whether changes are required to their execution arrangements.

DIMA will also seek to monitor their delegates to ensure that they follow the requirements on order execution as stated in Relevant Regulations. The Investment Managers of the Sub-Funds are required on DIMA's request to submit relevant information to DIMA in order for DIMA to ensure that the Investment Managers are fulfilling the requirements on an ongoing basis.

DIMA is responsible to ensure that its duties relating to "best execution" and order handling as laid down in the Commission Directive 2010/43/EU of 1 July 2013 (UCITS) and Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 (AIFs) is met.

This policy and measures taken to comply with it will be reviewed at least on a yearly basis.

1 September 2022

Danske Invest Management A/S