

Investment Management's Execution Policy

1. Purpose

Nordea Investment Management AB (NIM) has adopted the following Execution Policy (Policy) in order to secure the best possible execution of client orders in financial instruments. The Policy applies to all clients, irrespective of their classification.

The procedures set out herein constitute best execution in NIM's point of view. When a client asks NIM to enter into transactions on its behalf, the client agrees to the transaction being executed in accordance with this Policy.

NIM follows this Policy unless the client gives specific instructions about how its orders, or a specific trade, should be handled. Clients should be aware that such instructions might prevent NIM from taking the steps implemented in this Policy to obtain the best possible result.

Terms used in this Policy have the same meaning as defined in applicable local regulations.

2. Choice of venue for execution

NIM has access to a variety of different execution venues. NIM regularly reviews what venues to use.

When selecting the best venue for execution, NIM will amongst other factors take into account:

- the size and nature of the order;
- the price at which it is likely to be executed at and the costs which will be incurred to the client;
- the speed and likelihood of both execution and settlement.

Normally, NIM will regard price and costs as being the most important factors. However, in the case of eg orders that due to their size, type or investment strategy may have an impact on either the prevailing price of the financial instrument or the markets on which it could be executed, other factors may take precedence to ensure the prompt execution of the order.

Orders which are large compared to the total turnover in the market will as a general rule be directed to the market place with the best liquidity; ie the venue where a large order can be executed promptly with the least impact on the market price.

The speed or likelihood of execution or settlement may take precedence if there are significant differences in these factors depending on the execution venue chosen.

3. Execution venues

Depending on the instrument and the market in which the instruments trade different venues for trading may be available and NIM will choose the one which will ensure best execution for the specific trade in NIM's point of view.

3.1 Shares

This section applies to orders in shares admitted to trading on a regulated market or Multilateral Trading Facility (MTF), eg shares listed on the stock exchange.

3.1.1 Brokers

Orders in financial instruments can be placed with a broker which will then be responsible for selecting the best trading venue in the form of Regulated Market, MTF, Over The Counter or other relevant trading venues.

Brokers are chosen based on a broker selection procedure, which encompasses price, execution and settlement, understanding of investment and stock selection process etc.

Brokers are reviewed on a regular basis according to procedures.

3.1.2 Algorithm trading facilities

NIM will use algorithm trading facilities from a large number of providers and will use a large variety of strategies depending on the size of the order, liquidity and other aspects of the order.

3.1.3 Crossing networks

NIM utilizes crossing networks to cross block orders in order to minimise the market impact.

3.1.4 Direct market access

NIM has direct market access to a large number of trading venues and will on a regular basis execute orders directly at these venues.

3.1.5 Internal crossing

When internal crossing is chosen for trading, information will be sought in the market on the level of

the specific deal by the use of information channels, brokers and potential counterparties.

The execution price will be a product of available reference price information and other factors such as:

- liquidity
- order size
- price developments in related products
- market price
- market conditions
- trade size and nature

3.2 Investment funds

NIM will execute transactions regarding investment funds by placing the order with the fund management company, for execution in accordance with investment fund regulations or the equivalent. In case the fund is admitted to trading at a regulated market or MTF, see section 3.1.

3.3 Other financial instruments

This section applies to transactions in the following financial instruments:

- bonds, treasury bills and other money market instruments;
- OTC derivatives;
- derivatives admitted to trading on a regulated market or MTF (eg options and futures listed on the derivatives exchange);
- other instruments created by an intermediary.

3.3.1 Brokers

See section 3.1.1.

3.3.2 Internal crossing

See section 3.1.5.

4. Order handling, aggregation and allocation

NIM will execute client orders promptly, fairly and expeditiously.

NIM may aggregate a client order with another client order if the aggregation of orders will work overall to the advantage of any clients whose order are to be aggregated. The aggregation could be disadvantageous in relation to a specific order.

An aggregated order that has been executed in its entirety will be allocated on the average price. Where an allocated order only has been executed partly, NIM will seek allocation in accordance with best execution, equal treatment and clients' interests.

5. Reservations

In the event of system disruption, irregularities break down or exceptional market conditions NIM may execute orders at other venues or subject to other considerations than set forth in this Policy.

6. Monitoring

NIM monitors compliance with the Policy on a regular basis.

7. Review

In order to ensure the best execution possible on a consistent basis, NIM will at least annually review this Policy, the methods and the execution venues used for execution, including other firms to which NIM transmits orders for execution. Changes and up-dates will be published on the Nordea website and will come into effect from the day that they are published on the website.

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