# Evaluation of execution quality for credit derivatives

Portfolio management selects brokers and counterparties independently in compliance with all regulatory requirements and the Best Execution Policy while taking account of applicable laws, regulations and the Code of Conduct of the BVI (association for investment fund management companies and investment funds).

Most importantly, the broker/counterparty selection process ensures that the respective broker can guarantee the following criteria/services:

1. The ability of the respective broker to execute orders in the best possible way, taking into account the following criteria:
   1. Price and costs of the respective order execution
   2. Access to and provision of liquidity
   3. Speed and reliability of order execution
   4. Reliable transaction processing and settlement including technical requirements necessary for efficient processing
2. Comprehensive brokerage services with consistent quality
3. Financial reliability

For derivatives transactions, portfolio management must separately coordinate brokers and counterparties with the respective investment management company (KVG). Since the contractual requirements must be created by the KVG, trading can only take place after clearance has been given by the KVG.

For trading, these checked brokers are linked up via FIX.

During the review period, the continuous broker control did not reveal any abnormalities. No changes were made in the broker selection. Our top brokers/platforms cover most of the business in Credit Default Swaps. There are no specific agreements regarding payments received/paid, discounts and rebates.

Only the "Professional Clients" customer class is relevant for assessing the quality of execution. When analysing the quality of execution, only our own data is currently used.

Universal has no close links with individual brokers and there are no conflicts of interest with any brokers.

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