

Best Execution Principles

The following Best Execution Principles (hereinafter referred to as "Principles") specify the manner in which Universal-Investment-Gesellschaft mbH, Universal-Investment-Luxembourg S.A. or Universal-Investment-Luxembourg S.A., Frankfurt Branch (in the following "Universal-Investment") will ensure that buy and sell orders for assets are executed consistently in the best interests of the investment fund or the investor.

Unless otherwise agreed with the client, we will execute buy and sell orders for financial instruments or other assets via an execution venue in accordance with the following terms. Should a client instruct Universal Investment to execute an order or parts of an order, he or she releases Universal Investment from its obligation to execute the order in the investor's best interest and to implement the requirements specified by the following Principles.

I. Scope of application

Our firm has implemented processes and measures designed to ensure the requisite due diligence and integrity, lawful and professional conduct, compliance with market standards and, above all, the safeguarding of the best interests of the investment fund or the investor. These Principles apply to trades involving financial instruments or other assets executed by our firm for the account of the investment funds managed by us. If trades are executed by our contract partners (e.g. within the scope of portfolio management delegation), the best execution principles of the respective contract partner shall apply. In order to ensure best possible execution in these instances also, we will take care to ensure that any best execution principles adopted by the relevant contract partners are consistent with our Best Execution Principles. If this is not the case, we will instruct our contract partners accordingly.

II. Execution rules

Trades may generally be executed using a variety of execution channels or venues, such as stock exchanges or other trading venues, in Germany or abroad, on a trading floor or via electronic trading platforms. Additionally, trades may be executed using different brokers, counterparties or the relevant fund's depository. This, however, does not apply to the purchase and sale of real estate or other alternative investments that does not have a selection of execution venues.

We place all trades in financial instruments for the assets managed by us via a broker (full-service broker, broker dealer, market maker) on regulated markets, exchange-like trading systems or systematic internalisers. Financial instruments traded outside regulated markets, MTF (Multilateral Trading Facility) or OTF (Organized Trading Facility) are executed directly with the counterparty in question on the basis of standardized master agreements.

We take into consideration the following factors when selecting specific trading channels and partners for the products listed below in light of the objectives, investment policy, and specific risks of each investment fund, as well as the particular features of the orders, assets and execution venues. The weighting of each factor follows from the order in which it is listed below, with the factors listed first having generally the highest weighting.

Equities, investment funds and exchange traded funds (ETFs), securitised standardised derivatives (warrants, certificates)

1. Price
2. Transaction costs
3. Instrument and order features, market conditions
4. Quality, speed and probability of execution
5. Market access
6. Settlement quality

Fixed income securities (bonds, debt securities, money market instruments)

1. Price
2. Transaction costs
3. Instrument and order features, market conditions
4. Quality, speed and probability of execution
5. Market access
6. Settlement quality

Non-securitised standardised derivatives (options, futures, and OTC derivatives), securities lending

1. Price
2. Transaction costs
3. Instrument and order features, market conditions
4. Quality, speed and probability of execution
5. Market access
6. Ability of counterparty to appropriately manage the products over their term
7. Existing settlement agreements

Foreign exchange transactions

1. Price
2. Transaction costs
3. Quality, speed and probability of execution
4. Market access
5. Processing quality

The purchase or sale of investment units will be carried out via the individual asset management companies or depository. In exceptional cases, such purchases or sales may be executed via the stock exchange. Exchange traded funds (ETFs) are normally traded via a MTF however, occasionally on a stock exchange via a broker. This may result in a scenario where an order is executed via a broker which does not charge the most favorable execution fee. The significance and order of the factors above may vary based on the type of order, the financial instrument or the execution venue. If several brokers meet our best execution criteria to an equal degree, we will narrow the field at our due discretion before issuing a recommendation. For individual trades, the selection of brokers or counterparties may be limited to a single provider; similarly, the transparency of liquidity and prices may be limited.

The brokers available for selection are standard elements of the contractually agreed upon terms and conditions of each mandate. Our selection is limited to these terms and conditions in particular cases.

The execution rules shall apply mutatis mutandis if orders are issued for execution via counterparties over-the-counter (OTC). In the case of OTC derivatives (non-securitised and non-standardised derivatives), the long-term ability of the counterparty to appropriately service the relevant products is a key criteria in addition to price.

Therefore, when selecting counterparties, we consider as a key factor whether the relevant counterparty is subject to comparable best execution principles and the obligation to comply with standards.

III. Consolidation of Orders

We may bundle buy and sell orders from different investment funds managed by us and execute them as aggregated orders (collective order / block order) if it appears expedient and in the best interests of the relevant investment funds or investors based on the order volume, securities type, market segment, current market liquidity and price sensitivity of the security being traded. We hereby note that bundling may place individual orders at a disadvantage. However, we will only bundle orders if it is generally unlikely that individual investment funds or investors are placed at a disadvantage. Executed block orders are allocated to the individual investment funds on a pro rata basis. Partially executed block orders may result in exceptions to the foregoing if the partially executed orders are allocated based on minimum denominations. If a new issue can be subscribed at several brokers, the possibly differing allotment ratios of each broker with whom a subscription is made are those which apply.

IV. Review of Principles

Our Principles are reviewed annually. We also regularly review the quality of the execution of the buy and sell orders by the trading partners named in these principles. Risk control, middle office and portfolio management are responsible for monitoring the quality of the executions. A Group-wide risk committee serves as an escalation body. Moreover, if there are indications of a material change having occurred that no longer guarantees order execution in the best possible interests, we also perform a review within an appropriate period. We notify investors invested in the assets managed by us of any material changes in the Principles.

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