

Mitsubishi UFJ
Investor Services & Banking
(Luxembourg) S.A.



Best Execution
POLICY



Table of Contents

1. General.....	3
1.1. Introduction and purpose.....	3
1.2. Amendment and abolition	3
1.3. Scope of application	4
2. Best execution criteria.....	4
3. Order handling	5
3.1. Order handling process	5
3.2. Client’s instructions.....	5
3.3. Aggregation and allocation.....	6
3.4. Selection of counterparties	6
3.5. Comparison of different competing venues.....	6
3.6. Public disclosure of the Top 5 execution venues	6
4. Fees.....	7
5. Force majeure.....	7
6. Record keeping	7
Appendices	8

1. General

1.1. Introduction and purpose

In accordance with the requirements of the Directive 2014/69/EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments which will enter into force on January 3rd, 2018 (hereafter "MIFID II"), and as implemented in the rules of the Commission de Surveillance du Secteur Financier ("CSSF"), Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. (hereafter "MIBL" or "the Bank"), is required to put in place a document showing that it takes all sufficient steps to obtain the best possible result, or best execution, on behalf of Clients and to implement effective order execution arrangements.

This document is part of the Bank's obligation to provide appropriate information to its Clients with regards to its order execution arrangements. In order to comply with this obligation, the Bank makes this document available as part of its on-boarding process for new Clients and upon request.

1.2. Amendment and abolition

This Policy shall be managed by the Compliance Department.

This Policy shall be reviewed at least annually or whenever a material change occurs that affects the Bank's ability to continue to obtain the best possible result for their Clients. The amendment and abolition of the Rules shall follow the Document Management Procedure. Any amendment or abolition is subject to prior approval of the Board of Directors as per the Document Management Procedure.

A material change shall be a significant event that could impact parameters of best execution such as cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

The Bank monitors and assesses on a regular basis the effectiveness of its order execution arrangements in order to identify and, where appropriate, correct any deficiencies.

1.3. Scope of application

The information contained herein about MIBL's execution arrangements applies exclusively to the services provided by MIBL when these are falling under the list of investment services (as listed in section A of Annex I of MiFID II), in relation to transactions in "Financial Instruments" (as defined under Annex I, section C of MiFID II), to Clients classified as "Professional Clients" (as defined under Annex II of MiFID II, hereafter the "Clients"). Those services are listed in Appendix I of this document.

According to Article 30 of MiFID II, for the investments services provided to "Eligible Counterparties", MIBL must act honestly, fairly and professionally, taking into account the nature of the Eligible Counterparty and of its business.

2. Best execution criteria

As provided by MiFID II in Article 27(1), MIBL must take all sufficient steps to obtain, when executing orders, the best possible result for its Clients taking into account and determining the relative importance of execution factors such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. When determining the relative importance of factors listed here above, MIBL shall mainly take into account the following execution criteria:

- a) the characteristics of the Client including its categorisation;
- b) the characteristics of the Client's order and especially any letter agreement between the Client and MIBL, specifying the instructions to execute transaction (refer to Appendix II for further details);
- c) The characteristics of the financial instrument, and the characteristics of the execution venue, or counterparty, to which that order can be directed; and
- d) Any specific instruction from the Client, particularly in relation to the point b) here above - relating to the order or any specific aspect of the order (as for example, the instruments to be used or the timing of execution).

With respect to the services provided by MIBL in relation to the asset class of FX derivatives (as further described in Appendix I), every transaction is executed between MIBL and the Clients Over-The-Counter (meaning outside a regulated markets, multilateral trading facilities and organised trading facilities), where MIBL executed the order, as a riskless principal, on behalf of the client.

All transactions executed by MIBL with its Clients are covered back-to-back with one of the current four execution venues listed in Appendix II. Two of them (intra group execution venues) are mainly used for transactions qualified as large, subject to MIBL sole discretion and to MIBL's applicable rules and limits.

With respect to the reception and transmission of orders (as further described in Appendix I) and where applicable, MIBL processes orders based on the instructions received from Clients, acting exclusively on an agency basis.

3. Order handling

3.1. Order handling process

MIBL is required, when executing orders on behalf of its Clients, to implement procedures and arrangements which provide for the prompt, fair and expeditious execution of Client orders. These procedures or arrangements shall allow for the execution of otherwise comparable Client orders in accordance, and where applicable, with the time of their reception by the Bank.

3.2. Client's instructions

By default, MIBL does not accept specific Client instructions to execute transactions in a particular manner (in any other form than through an agreement as defined in Appendix I), be it through the use of Client designated execution venues or any other instruction. Should such case arise, this should be subject to MIBL discretion, and would be deemed that all sufficient steps to achieve the best possible result for the Client with regards to best execution have been taken.

MIBL shall provide Clients with a clear and prominent warning in case any specific instruction may prevent MIBL from taking the steps that it has designed and implemented in this Policy to obtain the best possible result.

3.3. Aggregation and allocation

In the scope of the execution process, aggregation of orders will only occur if the Bank reasonably believes that to do so will be of benefit to all of the Clients included in the aggregated order. Allocations between the Clients in an aggregated order will have been at the pre-execution stage.

3.4. Selection of counterparties

When executing client's order, the Bank will deal only with the four counterparties listed in Appendix I. These counterparties will be subject the Bank's periodic and on-going review processes. As part of this process, the Bank will confirm that each of them has an obligation to provide it with best execution under MiFID II or will provide a similar undertaking.

Currently, transactions qualified as large will be executed in priority with the two intra group execution venues, subject to MIBL sole discretion and to MIBL's applicable rules and limits.

3.5. Comparison of different competing venues

As required by Article 27(1) of MIFID II, where there is more than one competing venue to execute an order for a financial instrument, MIBL assesses and compares the results for the Client that would be achieved by executing the order on each of the execution venues, listed in Appendix I, capable of executing that order and subject to applicable requirements and limits, taking into account the Bank's own commissions and the cost for executing the order on each of them.

3.6. Public disclosure of the Top 5 execution venues

In accordance with Article 27(6) of MIFID II, the Bank should summarize and make public, on an annual basis, the top five execution venues in terms of trading volumes where it transmitted or placed Client orders for execution in the preceding year as well as information on the quality of execution obtained. Nevertheless, currently the bank is working with four execution venues in which two are intra group.

4.Fees

The Bank commits to not receiving any remuneration, discount or non-monetary benefit for routing Client orders to a particular trading venue or execution venue which would infringe the requirements on conflicts of interest or inducements.

If MIBL applies different fees depending on the execution venue, MIBL should explain these differences in sufficient detail in order to allow the Client to understand the advantages and the disadvantages of the choice of a single execution venue. Similarly, MIBL should specify the costs and charges applied to all Client involved in the transaction.

5.Force majeure

Due to systems failures, market disruptions or other reasons which are unavoidable or beyond its reasonable control, MIBL may from time to time place orders or execute transactions in a manner that differs from the normal process contemplated by its Best Execution Policy. In such an event MIBL will still endeavor to place or, as the case may be, to execute transactions on the best terms available in the relevant circumstances.

6.Record keeping

MIBL shall arrange for records to be kept of all services, activities and transactions undertaken by it for a period of five years and, where requested by the CSSF, for a period of up to seven years.

Appendices

APPENDIX I – List of services provided

FX transaction services based on the following instruction types:

- Passive hedge agreement, where, based on the rules contractually agreed with Clients, MIBL monitors the Clients position as per pre-set limits and trades FX Forwards or FX Swaps accordingly when a trigger condition has been identified, at the frequency and within the agreed timeline;
- Standing instruction agreement, where, based on the rules contractually agreed with Clients; MIBL monitors particular events (as subscription, redemption, dividend payment...) and trades FX Forwards or FX Swaps accordingly when a trigger condition has been identified, at the frequency and within the agreed timeline; or
- Direct orders, where MIBL directly receives instructions from Clients, in the scope of pre-determined contractual terms, via the agreed means of communication.

When providing such services, MIBL will consider speed of execution, size and price as the most important factors for execution.

Reception and transmission of order:

The Services consists of the transmission by the Bank to the relevant Target Fund(s), the relevant Transfer Agent(s) and/or the relevant broker(s), of Orders received by the Bank from the Client, subject to the provisions of the Agreement entered into with the Client including the following financial instruments:

- Units in collective investment undertakings; and
- Options.

When providing such services, MIBL will consider price, and speed of execution as the most important factors for execution.

APPENDIX II - List of selected counterparties

For the back-to-back execution of orders in FX Forwards and Swaps, MIBL will deal with the following Execution venues:

- The Bank of Tokyo - Mitsubishi UFJ Ltd (London and Tokyo branches) *
- Mitsubishi UFJ Trust and Banking Corporation (London and Tokyo branches) *
- Standard Chartered Bank (London branch)
- Barclays Bank (London branch)

* Transactions qualified as large will be executed in priority with these entities, subject to MIBL sole discretion and to MIBL's applicable rules and limits.

For indicative purpose, large transactions are defined, at the date of this Policy, as transactions with a notional amount higher than USD 250 Millions equivalent.

