



<b>BEST EXECUTION &amp; ORDERS EXECUTION POLICY</b>
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<b>“The Policy”</b>
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<b>July 2023</b>
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## **1. INTRODUCTION**

This policy is part of a more global “Code of conduct policy” setting out the legal & regulatory requirements, as well as the related actions, which ING Solutions Investment Management S.A. (below “**ISIM**”) complies with in order to meet its obligations, in the area of the rules of conduct, as Management Company authorised under Chapter 15 of the Law of 17 December 2010 as amended relating to undertakings for collective investment (the “**2010 Law**”) and Alternative Investment Fund Manager authorised under the Law of 12 July 2013 (the “**AIFM Law**”), which manages undertakings for collective investment subject to Part II of the 2010 Law and other types of funds which qualify as alternative investment funds.

The policy may be updated from time to time in order to reflect developments affecting ISIM’s business or internal organization or changes to applicable regulatory rules and guidance.

## **2. PURPOSE OF THE POLICY**

According to the above mentioned 2010 Law as amended from time to time and in accordance with CSSF regulation 10-04 and CSSF Circular 18/698 (supporting UCITS activities), and the provisions of the EU Directive 2011/61/EU supplemented by the European Commission Delegated Regulation of 19 December 2012, referred to as “Level 2 AIFM Regulation” (supporting AIFs activities), ISIM is required to establish and implement a Best Execution & Orders Execution Policy and to take all reasonable steps to obtain the best possible result (or “Best Execution”) when :

- executing decisions to deal on behalf of the Funds under its supervision in the context of the management of their portfolios;
- placing orders to deal on behalf of the managed Funds with other entities for execution, in the context of the management of their portfolios.

ISIM must take all reasonable steps to obtain the best possible results for the managed Funds, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature or other consideration relevant to order execution. This obligation is known as the duty of “best execution”.

The purpose of this document is to detail ISIM’s arrangements in relation to order execution which will be applied to all managed funds (the “Funds”).

## **3. SCOPE OF THE POLICY**

ISIM does not execute orders itself, neither does it transmit orders for execution; all such activity is delegated to duly selected services providers appointed as Investment Manager (the “Delegates”).

The Delegates will determine how orders will be placed or executed and ISIM must ensure that those Delegates apply similar and equivalent principles.

When executing orders on Funds’ behalf, ISIM or its Delegates will take all reasonable steps to obtain the Best Execution for them subject to and taking into account any specific instructions given by them.

ISIM and its Delegates will be executing orders “on a Fund’s behalf” where the Fund legitimately relies on ISIM to protect its interests in relation to the pricing or other aspects of the transaction that may be affected by how ISIM or its Delegates executes the order.

#### **4. BEST EXECUTION FACTORS & CRITERIA**

Subject to any specific instructions, when executing orders on behalf of the Funds, ISIM or its Delegates will take into consideration a range of different execution factors which include:

- price
- costs
- speed
- likelihood of execution and settlement
- order size and nature
- any relevant consideration

ISIM or its Delegates will take all reasonable steps to obtain the best possible results for the Fund taking into account the above factors.

In determining the relevant importance of the above factors, ISIM or its Delegates, by using professional judgment and experience in light of market information available, will take into account the following Execution Criteria:

- the objectives, investment policy and risk specific to a Fund, as indicated in the prospectus of the Fund;
- characteristics of the order;
- characteristics of the financial instruments that are the subject of that order;
- characteristics of the execution venues or entities to which that order can be directed;

ISIM or its Delegates would generally expect price to be the most important execution factor for the majority of trades that are executed, however there will be trades where price is not the most important factor when executing a trade.

Consequently, the following additional criteria may be considered:

- Dealer quality
- Liquidity concentration
- Financial screening
- Suitability of counterpart
- Capital commitment
- Quality of research

## **5. EXCEPTIONS TO THE BEST EXECUTION**

All Delegates of ISIM's are allowed not to apply or to modify in their application the best execution for the following transactions:

1. Request for Quote Trading: where the client merely requests or takes a price but is not relying on the Delegates to protect its interests.
2. Highly structured and customised transactions: e.g. customised OTC financial instruments, tailored to the specific circumstances of the client, for which the market does not provide a comparable alternative.
3. Single venue transactions: if the order given by the client relates by definition to only one venue.
4. Direct market access: where the client has direct market access through an electronic interface provided by the firm and in each case it links only to a certain exchange.
5. Specific client instruction: where the Delegates receive a specific client instruction, they must execute in accordance with it and to that extent the obligation of best execution of the Delegates is satisfied.

## **6. EXECUTION VENUES**

ISIM or its Delegates perform a selection of the execution venues granting, in the big majority of cases, the best execution regarding the factors and criteria as defined in the point 4.

These execution venues may be:

- a regulated market or a multilateral trading facility (MTF);
- ISIM's parenting entity or its Delegates;
- another investing company or a broker;
- outside a regulated market or MFT with selected high quality counterparties who deal on their own book (e.g. Systematic Internalizers)

When operates a choice between the different execution venues, ISIM or its Delegates will consider the impact on its own fees/commissions on the global price paid by the client. In this respect, ISIM or its Delegates will take all the reasonable measures in order to avoid that its own fees/commission are structured in a subjective way discriminating some execution venues. In any circumstances, ISIM and its Delegates will respect its general policy of Conflicts of Interests as its first concern is to respect in the best way clients' interests in a fair and right manner. ISIM or its Delegates reserve the right to use other execution venues where it deems it appropriate in accordance with this Policy.

ISIM and its Delegates will regularly assess the execution venues available in respect of any products that they trade and identify those which they believe enables them to obtain the best possible result when executing orders.

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## ***7. ORDER HANDLING***

ISIM and its Delegates are required to execute Funds orders in an expeditious and fair manner for all Funds. Orders of one Fund may be aggregated with other orders, if:

- In ISIM's or its Delegates' opinion the aggregation of such orders will not work to the disadvantage of any Fund;
- ISIM and its Delegates comply with their order allocation procedures

## ***8. MONITORING AND REVIEW***

ISIM will regularly monitor effectiveness of execution arrangements and compliance with this Policy by the Delegates. To do that, ISIM will assess and monitor every semester (in June and December) a sample of trades selected over 3 months (e.g. January, March, May and July, September, November), comprised of each asset type (ETF, Equity, Fixed Income, FX). ISIM will ask to its Delegates to provide the proof of the best execution on the sample selected by ISIM. The best execution checks are only applicable for the direct lines.

Additionally, to assess the quality of the broker/counterparty used to execute the trades, an annual assessment will be performed based on the following criteria:

Scorecard Dimension	Explanation	Weight	Score	A 100%	B 75%	C 50%	D 25%	E 0%
<b>Reputational/ Qualification</b>		<b>35%</b>	<b>18%</b>					
Years of experiences		10%	B	15	10	7	4	1
Number of employees		5%	B	20	10	5	3	1
Other clients opinions / Remarks (if any)		3%	B	Perfect	Very Good	Good	Poor	Bad
Ranking among other brokers		13%	E	Top 5	Top 10	Top 20	Top 50	No ranking
Awards / Certifications		4%	A	10	5	3	1	0
<b>Characteristics</b>		<b>32%</b>	<b>24%</b>					
Fees structure		15%	B	0.05	0.08	0.1	0.15	0.25
Exchange Members or via partners	Direct or indirect access to the market	3%	B	10	5	3	2	1
Brokerage skill / Strategies implemented	All the strategy to get the best price (Vwap, RFQ, bulk, Stop limit,...)	8%	B	15	10	5	3	1
Production of market outlook, research, conferences, Webpage, etc) PROSPECT		6%	B	Daily, Macro, Companies, fx, etc	Weekly, Macro, Companies, fx, etc	Monthly, Macro, Companies, fx, etc	Only yearly outlook, or just Macro, FX, etc	No
<b>Operative</b>		<b>33%</b>	<b>19%</b>					
Instrument traded (Equities, ETF, Fixed Income, Funds, Forex, Derivatives,etc)		5%	A	6	3	2	1	-
Bloomberg or equivalent routing connection		7%	A	Bloomberg or equivalent routing	Live Chat + Virtual Confirmation	Live chat	Excel via Mail	Telephone or mail
Trades Confirmations		7%	A	send immediatly via mail	send end of the day via mail	Send next morning, via mail	send immediatly via Fax	send end of the day via Fax
Rapidity	Speed at which we are able to execute an order	7%	A	Inmediatly	Same half hour	Same hour	Same day	Next day
Proactivity (on settlement/connection issues) and global reactivity		7%	A	Perfect	Very Good	Good	Poor	Bad
<b>Total Score</b>			<b>61%</b>					

The counterparty/broker with a low score (<50%) will be considered as unacceptable. In this case the result will be shared and discussed with the Delegates in order to improve the quality of the counterparty/broker used.

ISIM will also review this Policy on a regular basis and whenever a material change occurs that affects its ability or its Delegates' to continue to obtain the best possible results for clients.

It will be reviewed and validated by the conducting officer in charge of the Best Execution & Orders Execution Policy.