

Best Execution Policy

Raiffeisen Kapitalanlage-Gesellschaft m.b.H.

1. Introduction

In addition to its license to manage investment funds under the Austrian Investment Fund Act, Raiffeisen Kapitalanlage-Gesellschaft m.b.H. (management company) also holds a license to provide investment advice and individual portfolio management services. As a fund provider, the management company pursues an honest and long-term investment policy which is always based on clients' interests. In the context of its investment activities the management company complies, in particular, with the 2011 Austrian Investment Fund Act (InvFG 2011), the Austrian Alternative Investment Funds Manager Act (AIFMG), delegated EU Regulation No. 231/2013 of the Commission supplementing the AIFM directive and the 2012 Code of Conduct of the Austrian Investment Fund Industry.

§§ 32ff InvFG 2011 and Art. 27f of EU Regulation No. 231/2013 of the Commission supplementing the AIFM directive include provisions regarding optimal execution of trading decisions for managed funds. §§ 62ff of the Austrian Securities Supervision Act (WAG 2018) also applies for individual portfolio management.

The above regulations all reflect the following fundamental idea:

- trading decisions are executed such that the overall result of the individual transactions is as favorable as possible in the given circumstance, or
- the management company selects the counterparty via which transactions are performed on behalf of the funds under management on the basis of objective criteria while exclusively upholding the interests of the investors and the integrity of the market with the diligence required by prudent and conscientious management.
- and the management company thus acts in the best interest of the funds and portfolios under its management when executing trading decisions, or having such decisions executed, as part of its management activities.

In the course of the management company's activities, the execution of trading decisions, or the transfer of trading orders for execution, is determined by the following principles with the aim of achieving the best possible results for the funds, and ultimately their clients, or the portfolio management clients. These principles are referred to as best execution policy.

The best execution policy applies to the purchase or sale of all types of purchasable assets as defined by the Investment Fund Act and the Securities Supervision Act. The processes described in the best execution policy shall ensure that, in consideration of the relevant circumstances, the best possible result is achieved in the execution of transactions.

2. Selection of brokers

With the custodian's agreement, the selection of trading partners (brokers) to which orders can be transferred is based on the following criteria. After the establishment of a business relationship, the brokers are also subject to regular reviews by the management company. The following selection criteria apply:

- Speed of execution
- Traded volume
- Smooth and timely execution
- Assurance of best execution
- Information on markets and flows (technical information)
- Reputation

All of our brokers have their own best execution procedures or policies to ensure that they deliver the best results at all times.

Brokers that meet the criteria set out by our internal review will be placed on the management company's broker lists relating to the respective instrument categories. When selecting individual brokers on the management company's brokers lists for specific transactions, the management company applies the following execution criteria to ensure that the best possible result is achieved.

3. Execution criteria

In respect of specific transactions, the following criteria are relevant to ensure the sustained achievement of the best long-term execution results for the funds or portfolios:

- Price
- Costs
- Type and scope of the order
- Speed
- Probability of execution and processing

This is not an exhaustive list of execution criteria. Various other qualitative factors may play a role in the order execution decision.

Depending on the nature of the transaction and the specific financial instrument category as well as the associated characteristics, different weightings of the relevant criteria may be applied.

With regards to the individual performance of portfolio management for private clients, the best possible result in terms of the overall fees is relevant. This consists of the price of the respective financial instrument and all of the costs associated with the execution of the order which must be borne by the client.

The management company will execute transactions such that the best results can be expected over time and in consideration of all relevant factors.

Instructions from the client

In the context of fund or portfolio management, clients may specify the place of execution for individual transactions which exempts the management company from the obligation to execute the order in accordance with its best execution policy. Within the scope of individual portfolio management where the Raiffeisen banks make use of the management company's services as a vicarious agent, even where the client issues the respective Raiffeisen bank with instructions. In this case, this Raiffeisen bank and thus the management company will be exempt from the obligation to execute the order in question in accordance with this Best Execution Policy.

The management company hereby expressly declares that clients' instructions may prevent the management company from achieving the best possible result for the clients in the context of this best execution policy.

In the case of **exceptional circumstances** (e.g. an interruption of technical connections with individual places of execution), the management company may be forced to deviate from the principles set out in this best execution policy. The management company will nevertheless endeavor to achieve the best possible order execution.

Pooling of transactions: Transactions on behalf of a fund may under certain conditions be executed together with transactions on behalf of other funds or with transactions for account of the management company. In addition, under certain circumstances transactions may be executed for a portfolio together with transactions for other portfolios. Allocations are made according to pre-determined principles for part-executions (cf. management company's conflict of interest policy, which is available from the About Us menu/Corporate Governance submenu of the website www.rcm.at).

The management company routinely checks each concluded transaction for market conformity. Discrepancies that exceed a defined limit are investigated by the staff.

4. Places of execution for fund management

Equities/bonds/exchange-traded derivatives/credit default swaps or CDS

In general, transactions may be executed both on regulated markets and multilateral trading facilities (MTFs) as well as other places of execution (e.g. over the counter). Where transactions are executed via brokers, the latter are selected for specific transactions from existing broker lists (see attachment) in consideration of the above execution criteria.

In the bond category, transactions are usually executed either via MTFs or directly at the counterparty. Where transactions are executed via MTFs, price represents the predominant execution criteria in the decision-making process. In the case of first-issue bonds, the probability of the largest allocation is the main criterion.

In respect of the equities, exchange-traded derivatives, exchange-traded funds (ETFs) and exchange-traded commodities (ETCs) categories, the following applies aside from the above criteria:

A fundamental distinction is made between the level of liquidity of the individual instruments. Where liquidity is relatively high, the price and speed criteria have a more substantial weighting. Where liquidity is low, more weight is attached to type and scope of the order as well as the probability of execution and processing.

The above categories all have separate broker lists.

Money market instruments (including short-dated bonds)/deposits

As a rule, for publicly offered funds deposits will be invested within the scope of the Austrian Raiffeisen sector. However, they may also be invested with other banks. The decision in favor of a specific counterparty is predominantly based on the criteria of interest terms, the counterparty's credit standing and processing security. Bonds which, due to their short maturity, qualify as money market instruments under investment fund law are subject to the above explanations regarding bonds.

Foreign currencies/foreign exchange futures

Foreign exchange transactions and forwards are always executed via Raiffeisen Bank International AG (RBI) for funds of the management company. Foreign exchange transactions and forwards for funds of other asset management companies which are managed by the management company may be executed through the respective custodian bank.

Issue and redemption of fund units

Unit certificates in the management company funds are principally issued and redeemed via RBI in its capacity of custodian. The issue and redemption of unit certificates in other investment companies' funds is usually effected via an intermediary at the fund's issuing office.

5. Places of execution within the scope of asset management

With respect to asset management the execution of securities transactions is effected via RBI. The trades are executed in accordance to the RBI Best Execution Policy. The RBI Best Execution Policy is available via RBI website <https://www.rbinternational.com/content/dam/rbi/ho/home/legal/business-terms/wag-mifid/best-execution-policy-rbi-layout-v2-4-english.pdf>.

Issue and redemption of fund units

Unit certificates are issued and redeemed through the custodian bank for the respective investment fund, through fund trading platforms or through RBI.

Special places of execution

Client orders may also be implemented outside the scope of regulated markets if their execution and settlement would otherwise be unlikely.

6. Review of best execution policy

The best execution policy is checked as to its up-to-dateness and efficiency at least once a year, or in the case of material changes. Where necessary, the policy is amended.

Securities	AK YATIRIM MENKUL DEGERLER A.S.	LANDESBANK BADEN-WUERTEMBERG
Shares, Bonds & Funds	BAADER BANK AG	LLOYDS BANK CORP MARKETS WP-HANDELSBANK
	BANCO BILBAO VIZCAYA ARG, MADRID (BBVA)	MIZUHO BANK EUROPE N.V.
	BANK OF AMERICA SEC. EUROPE SA	MORGAN STANLEY EUROPE SE
	BARCLAYS BANK IRELAND PLC	MUFG SECURITIES (EUROPE) N.V.
	BERENBERG BANK, HAMBURG	NATIXIS CAPITAL MARKET, PARIS
	BNP PARIBAS (CHINA) LTD	NATWEST MARKETS N.V.
	BNP PARIBAS SA	NOMURA BANK SWITZERLAND LTD.
	BRADESCO SECURITIES INC	NOMURA FINANCIAL PRODUCTS EUROPE
	CARNEGIE INVESTMENT BANK AB	NORDEA BANK ABP
	CHINA INTL. CAPITAL CORP	NUVAMA WEALTH MANAGEMENT LIMITED
	CIBC CAPITAL MARKETS (EUROPE) SA	ODDO ET CIE
	CITIGROUP GLOBAL MARKETS EUROPE AG	PARETO SECURITIES
	CLSA EUROPE BV	PIRAEUS SECURITIES SA
	COMMERZBANK, FRANKFURT	RABOBANK NEDERLAND
	CREDIT AGRICOLE CIB (FORMERLY CALYON)	RAIFFEISEN BANK INTERNATIONAL AG
	DAIWA CAPITAL MARKETS DE	RAYMOND JAMES ASSOCIATES USA
	DANSKE BANK A/S	RBC Capital Markets (Europe) GmbH
	DEUTSCHE BANK FRANKFURT	SANTANDER BANK POLSKA S.A. (eh. Bank Zachodny WBK)
	DZ BANK	SANTANDER Ciudad Grupo
	ERSTE GROUP BANK AG	SKANDINAVISKA ENSKILDA BANK STOCKHOLM
	FLOW TRADERS B.V. AMSTERDAM	SOCIÉTÉ GÉNÉRALE, PARIS
	GOLDMAN SACHS, FRANKFURT	SQUARE GLOBAL LTD.
	HSBC CONTINENTAL EUROPE	SUSQUEHANNA INT. SECURITIES LTD.
	ING BANK N.V. AMSTERDAM	TD GLOBAL FINANCE UNLIMITED COMPANY
	INSTINET GERMANY GMBH	UBS EUROPE SE. FRANKFURT
	J.P. MORGAN SE	UNICREDIT BANK AG MUNICH BRANCH
	JANE STREET NETHERLANDS B.V.	WIENER PRIVATBANK SE
	JEFFERIES GMBH	WILLIAM BLAIR & COMP
	KEPLER CHEUVREUX FRANCE	WOOD & CO (LONDON, WARSCHAU, PRAG)

ETD Exchange	BANK OF AMERICA SEC. EUROPE SA	Currencies	OBERBANK
Traded Derivatives	CITIGROUP GLOBAL MARKETS EUROPE AG	FX & Time	RAIFFEISEN BANK INTERNATIONAL AG
Futures & Options	DEUTSCHE BANK FRANKFURT	Deposits	RLB BURGENLAND
	GOLDMAN SACHS, FRANKFURT		RLB KÄRNTEN
	J.P. MORGAN SE		RLB NIEDERÖSTERREICH/WIEN
	RAIFFEISEN BANK INTERNATIONAL AG		RLB OBERÖSTERREICH
	SOCIÉTÉ GÉNÉRALE, PARIS		RLB STEIERMARK
	UNICREDIT BANK AG MUNICH BRANCH		RLB TIROL
	SUSQUEHANNA INT. SECURITIES LTD.		RLB VORARLBERG
	JANE STREET NETHERLANDS B.V.		ERSTE GROUP BANK AG
			UNICREDIT BANK AUSTRIA AG
			HYPO OÖ OBERÖSTERR. LANDESBANK AG