

Swiss Life Asset Managers Luxembourg

Best Execution and Best Selection Policy

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Best Execution and Best Selection Policy

1. Purpose

Swiss Life Asset Managers Luxembourg is a management company within the meaning of chapter 15 of the Luxembourg law of 17 December 2010 on undertakings for collective investment, and an alternative investment fund manager pursuant to chapter 2 of the Luxembourg law of 12 July 2013 on alternative investment fund managers. The purpose of this document is to provide clear, precise and up-to-date information on Swiss Life Asset Managers Luxembourg best execution and best selection principles and procedures. Swiss Life Asset Managers Luxembourg will conduct transactions in financial instruments according to this Best Execution and Best Selection Policy (“the Policy”). The aim is to achieve the best possible result for the managed UCITS and AIFs (hereinafter referred to as “the Funds”) and to protect their investors. This Policy applies to all Funds managed by Swiss Life Asset Managers Luxembourg.

2. General principles of the Policy

Swiss Life Asset Managers Luxembourg will act in the best interests of the managed Funds when executing decisions to deal on behalf of the managed UCITS and AIFs in the context of the management of their portfolios. This is also applicable when placing orders to deal on behalf of the managed funds with other entities for execution.

In case where Swiss Life Asset Managers Luxembourg has delegated the Portfolio Management to external parties, Swiss Life Asset Managers Luxembourg will ensure that these service providers act in the best interests of the managed Funds and that they are required to have their own Best Execution in place. This is included in the initial and ongoing Due Diligence and oversight process.

In general, placement of orders will not be transferred directly by Swiss Life Asset Managers Luxembourg to the market, but through intermediaries (e.g. brokers, banks or other counterparties). Therefore, the duties of Swiss Life Asset Managers Luxembourg are related to the selections of these intermediaries.

3. Best Execution

Swiss Life Asset Managers Luxembourg will take all reasonable steps to obtain the best possible result for the managed Funds, taking into account particularly the following factors:

- price,
- costs,
- speed,
- likelihood of execution and settlement,
- order size,
- nature,

- or any other consideration relevant to the execution of the order.

The relative importance of such factors shall be determined by reference to the following criteria:

- the objectives, investment policy and risks specific to the UCITS and AIFs, as indicated in the prospectus or, as the case may be, in the management regulations, instruments of incorporation, rules, articles of incorporation or offering documents;
- the characteristics of the order;
- the characteristics of the financial instruments that are the subject of that order;
- the characteristics of the execution venues to which that order can be directed.

The relative importance of these factors for each type of instrument is specified. Upon request we provide our customers with further information.

With regard to the Best execution, Swiss Life Asset Managers Luxembourg distinguishes between Financial Asset Funds and Real Assets Funds. The distinctions in handling are described in the following sections.

3.1 Financial Asset Funds

Swiss Life Asset Managers Luxembourg has delegated the Portfolio Management for Securities Funds to other service providers. Swiss Life Asset Managers Luxembourg still re-mains responsible to act in the best interests of the managed funds and ensures that these service providers are required to have their own Best Execution Policy in place. This is included in the initial and ongoing Due Diligence process.

For our group-internal Portfolio Management delegates the Guideline of Swiss Life Asset Managers is applicable and ensures consistency with the approach applied by Swiss Life Asset Managers Luxembourg.

3.2 Real Assets Funds

Swiss Life Asset Managers Luxembourg distinguishes between two approaches:

Real Assets:

Considering that investments in real estates or partnership interest are made after extensive negotiations, they do not have to comply with the best execution rules laid down in Directive 2014/65/EC of the European Parliament (MiFID).

Financial Instruments:

Executing financial instruments, which fall under the best execution rules (e.g. transferable securities, money market instruments, shares/units of funds or options, futures and swaps, FX trades), Swiss Life Asset Managers Luxembourg is complying with these rules (see Annex I - Directive 2014/65/EC of the European Parliament (MiFID)) via a dedicated Portfolio Management team following the investment process.

4. Best Selection

The selection of intermediaries will be made to achieve the best possible result. To ensure this, Swiss Life Asset Managers Luxembourg will only pass orders to intermediaries, which were selected through an evaluation and approval procedure. On the basis of granted approvals a list of agreed counterparties is established. This list will be regularly reviewed and updated. Swiss Life Asset Managers Luxembourg assesses for new delegations or transactions the counterparties and monitors on a regular basis the portfolio of these counterparties.

5. Exceptions

Market conditions or system breakdowns may lead to a deviation from the procedures and principles mentioned in this policy. In such circumstances, orders may not be placed in compliance with these principles. However, Swiss Life Asset Managers Luxembourg will make best efforts to achieve the best possible result for the managed Funds and clients.

With respect to individual mandates, priority is given to client instructions over this policy. In this case, the order will be followed by the client instructions and not in accordance with this Best Execution and Best Selection Policy.

6. Review of the Policy

Swiss Life Asset Managers Luxembourg will monitor on a regular basis and at least once a year the effectiveness of the Best Execution and Best Selection Policy. A review is also carried out whenever material change in the market environment occurs that may affect Swiss Life Asset Managers Luxembourg's ability to achieve the best possible result.