

ORDER EXECUTION POLICY**Contents**

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1. Introduction

This policy sets out the principles of Mandatum Life Investment Services Ltd. (“MLIS”) to obtain the best possible outcome for its clients’ orders on a continuous basis (so called “*best execution*” obligation) in accordance with the requirements under Markets in Financial Instruments Directive 2014/65/EU (“MiFID II”).

MLIS provides investment services to its clients in two areas which are subject to the best execution obligations:

- (a) reception and transmission of retail and professional clients’ orders in financial instruments,
- (b) discretionary asset management services for professional clients, consisting of managing clients’ portfolio of financial instruments in accordance with the investment mandates agreed with the individual clients.

This Policy is applicable to all clients of MLIS in regards to transmission and execution of orders in financial instruments as defined by MiFID II. The policy is supplemented by appendices which provide further details on best execution for each class of instrument used in MLIS.

This Policy is available on MLIS website: <https://www.mandatumlife.fi/luottotietosivut/sijoituspalvelut/>.

2. Order Handling Principles

MLIS must ensure that all client orders are executed or transmitted promptly and that all orders will be accurately recorded and allocated. Comparable client orders must be carried out sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the client require otherwise.

MLIS may aggregate comparable client orders from two or more clients before they are being executed or transmitted if it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated. However, the effect of aggregation may work to disadvantage in relation to a particular order. MLIS allocates the related trades according to internal allocation procedures ensuring that orders are allocated fairly across portfolios and preference is not given to one client over another.

3. Order Execution Factors

3.1 Factors

MLIS is obliged to seek the best possible result for its clients in relation to each trade. In order to fulfill this requirement, MLIS will give consideration to following factors:

- **Price** - the execution of price of a financial instrument;
- **Costs** - implicit costs, such as the possible market impact, explicit external costs e.g. exchange or clearing fees and explicit internal costs which represents MLIS’s own remuneration through commission or spread;

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- **Speed** – the time it takes to execute a client transaction;
- **Likelihood of execution and settlement** - the likelihood that MLIS will be able to complete a client transaction;
- **Size** - the size of the transaction executed for a client accounting for how this affects the price of execution; and
- **Nature of the transaction or any other consideration relevant to the execution of the transaction** - the particular characteristics of a client transaction can affect how best execution is received.

In general, prioritization of the execution factors is based on:

- the characteristics of the client (e.g. other simultaneous orders from the same client);
- the characteristics of the transaction (e.g. order size relative to market);
- the characteristics of financial instruments that are the subject of the transaction (e.g. liquidity of the financial instrument);
- the characteristics of the execution venues to which the transaction can be directed;
- other possible criteria that MLIS deems relevant for the particular client order

In most cases MLIS considers price and cost factors to have the highest relative importance when determining the execution of client orders. The asset class specific policies in the appendices to this Policy contain further information on how the above mentioned factors are considered for each asset class and how the factors are prioritized for different asset classes.

3.2 Client Instructions

MLIS determines the importance of each execution criteria independently, unless the client has given specific instructions on how to execute the order and such orders do not interfere with any regulatory requirements set for MLIS. Client's order specific instructions are always prioritized over the criteria set out in this Policy. As a consequence, the client specific instructions may prevent MLIS from taking the steps that have been implemented with this Policy.

4. Order Execution

When executing client orders or when placing client orders with (or transmitting client orders to) other entities to execute, MLIS is obligated take all reasonable steps to obtain the best possible result on a consistent basis. MLIS executes transactions directly with an approved counterparty or on a trading venue following the principles stated in this Policy. MLIS is not a member of any regulated market; thus orders in regulated markets can be executed through brokers or Direct Market Access (DMA) of a participant. Client orders for subscriptions and redemptions of units in investment funds are executed directly with fund management companies or transfer agents of the funds.

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4.1 Trading venues

MLIS can use one or more of the following venue types when executing client orders:

- Regulated Markets;
- Other exchanges that are not Regulated Markets;
- Multilateral Trading Facilities (MTFs);
- Systematic Internalizers (SI);
- Third party investment firms, brokers acting as a Market Maker or other liquidity providers

MLIS selects such execution venues that offer the best possibilities of ensuring the best execution. For all classes of financial instruments, the main criterion when choosing between execution venues is efficient pricing, such as the size of bid-ask spreads and access to price information. In this assessment, liquidity and the costs of executing orders on the relevant execution venues are included. To make sure that the clients' total consideration is not negatively affected by the chosen execution venue, MLIS also considers any external costs when choosing between venues. These could be costs related to for instance clearing.

4.2 Brokers

MLIS may execute the order through a broker, i.e. another investment firm chosen by MLIS to execute the order. When the client order is executed via a broker, the receiving broker executes the order in accordance with its own Order Execution Policy. MLIS will only transmit orders to brokers who have been approved in accordance with the company's approval procedures. Both soundness and service level factors are considered in the approval process.

4.3 List of Execution Venues and Brokers

The asset class specific appendices will provide more information on the main execution venues and brokers on which MLIS executes.

As described in more detail in chapter 7, MLIS continuously performs monitoring of the execution quality of the selected venues and brokers to ensure that they meet the best execution obligations.

MLIS publishes annually a list of the top five execution venues and brokers in terms of trading volumes for all executed client orders and information on the quality of execution obtained at <https://www.mandatumlife.fi/muut-sivut/sijoituspalvelut/>.

4.4 OTC Execution

MLIS may execute client orders bilaterally with its counterparties outside trading venues (Over the Counter, OTC). OTC transactions may be subject to increased counterparty risk and settlement risk, as these transactions are not covered by the clearing and settlement rules of the relevant trading venue and central counterparty. Clients may ask MLIS for additional information about the consequences of OTC trading.

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When executing orders OTC, MLIS will check the fairness of the price proposed to the client by analysing market data used in the estimation of the price of such product and, where possible, by comparison with relevant products.

When dealing in derivatives, the counterparty must be on MLIS's approved broker list and an ISDA agreement must be in place.

In instrument classes subject to trading obligations under MiFID II, MLIS will ensure orders are not executed OTC, but instead done on a trading venue in accordance with the specific requirements.

5. Prohibited practices

The following practices are prohibited with respect to all trading procedures:

- misuse of information related to pending client orders;
- directing orders to brokers in return for any gifts or entertainment;
- directing orders to brokers if any conflict of interests exists which cannot be mitigated;
- receiving any remuneration, discount or non-monetary benefit for routing client orders to brokers or execution venues which would infringe the requirements on conflict of interest or inducements.

6. Deviating from the Policy

In unforeseen market and / or system failures, such as internal or external IT-system failures or other "force majeure situations", MLIS may deviate from this Policy when executing or transmitting client orders. In such situations MLIS will take all reasonable steps to ensure best possible execution of client orders considering the prevailing conditions. The deviation is not possible in terms of requirements stated in Chapter 5.

7. Monitoring and Review Procedures**7.1 Monitoring of Order Execution**

MLIS has implemented procedures to monitor and evaluate the effectiveness of this policy and the measures taken to comply with it.

Monitoring of the effectiveness of this policy takes place on a consistent basis by the portfolio managers and trading desks directly responsible for delivering best execution as well as by internal control functions that operate independently from the functions executing client orders.

Furthermore, MLIS performs regular, and at least yearly, assessments on the quality of execution venues and brokers based on their ability to provide execution on a continuous basis in accordance with this policy. The assessment includes relevant analytics (e.g. by using Bloomberg BTCA) and evaluating published information, such as financial figures and execution quality reports to ensure that the selected providers meet their best execution obligations.

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7.2 Updating the Policy

MLIS reviews this Policy at least annually and updates it whenever any material change is taking place. Material change includes e.g. changes to venues and brokers, changes to instruments in scope of this Policy and changes to the importance of Execution Factors. A review of this Policy is also made whenever MLIS changes its business plan or operational framework in such way that may have an impact on order execution.

Appendix 1 Cash Equities

1. Introduction

This asset class specific policy provides further details with regards to the application of best execution in relation to cash equity instruments, which include: common stock, rights, warrants, preference shares, American depositary receipts (ADRs) and global depositary receipts (GDRs) (collectively referred to as “Cash Equities”). This policy is an appendix to the overarching Order Execution Policy and should be read in conjunction with that document.

2. Execution factors

When executing client orders for cash equities, MLIS will take into account the execution factors listed in section “Order execution factors” of the Order Execution Policy. Outside of any specific instructions provided by the client, the most important execution factor when handling orders will be the price of the relevant financial instrument. Subject to any specific instruction, the following provides an example of the execution factors prioritization that may be applied:

- Price
- Liquidity
- Costs
- Speed
- Likelihood of Execution
- Size
- Other Considerations

3. Order handling

After acceptance of a client order MLIS will consider the different execution factors in the context of the instructions that the client has provided to form a suitable execution strategy. Under this execution policy MLIS will take sufficient steps to obtain the best possible result for the client by employing appropriate aspects of this Policy. The execution strategy may result in MLIS routing the order electronically or by phone to a third party broker immediately or working the order over some period of time. The execution strategy employed will take into account any information that the client has provided, together with MLIS knowledge of the relevant instrument and the market conditions in which the order is to be executed.

4. Execution venues

MLIS uses third party brokers for execution of client orders in Cash Equities. Third party brokers are selected based on their access to liquidity, cost effectiveness and local expertise and overall quality and scope of execution services. The execution quality of third party brokers is monitored periodically to ensure client order execution in accordance with this Policy.

List of counterparties

ABG Sundal Collier

ABN Amro

Baader Bank Ag

Barclays Bank Ireland Plc

Berenberg Bank

BNP Paribas

Carnegie investment Bank

CaixaBank SA

Citigroup Global Markets Ltd

Commerzbank AG

Danske Bank

Deutsche Bank

DnB Bank ASA

Evli Pankki

Exane BNP Paribas

Fearnley Securities AS

S-Pankki Oyj (former FIM)

Flow Traders

Gilbert Dupont

Goldman Sachs

Hauck & Aufhäuser

ITG Ltd

Jane Street Financial Limited

JB Capital Markets

Jefferies International Limited

JP Morgan AG

Kempen & Co N.V.

Kepler Cheuvreux S.A.

Mainfirst Bank AG

Merrill Lynch International

Morgan Stanley

M. M. Warburg
Nordea Bank Oyj
Numis Securities
Oddo BHF SCA
OP Yrityspankki
Optiver V.O.F.
Pareto Securities
Peel Hunt
Sanford Bernstein
SEB Skandinaviska Enskilda Bank
Shore Capital Stockbrokers Ltd
Societe Generale
Susquehanna International Group
Svenska Handelsbanken

Appendix 2 Exchange traded funds

1. Introduction

This asset class specific policy provides further details with regards to the application of best execution in relation to exchange traded funds (“ETF”). This policy is an appendix to the overarching Order Execution Policy and should be read in conjunction with that document.

2. Execution factors

When executing client orders for ETF, MLIS will take into account the execution factors listed in section “Order execution factors” of the Order Execution Policy. Outside of any specific instructions provided by the client, the most important execution factor when handling orders will be the price of the relevant financial instrument. Subject to any specific instruction, the following provides an example of the execution factors prioritization that may be applied:

- Price
- Liquidity
- Costs
- Size
- Speed
- Likelihood of Execution
- Other Considerations

3. Order handling

After acceptance of a client order MLIS will consider the different execution factors in the context of the instructions that the client has provided to form a suitable execution strategy. Under this execution strategy MLIS will take sufficient steps to obtain the best possible result for the client by employing appropriate aspects of this Policy. The execution strategy may result in MLIS routing the order electronically or by phone to a third party broker immediately or working the order over some period of time. The execution strategy employed will take into account any information that the client has provided, together with MLIS knowledge of the relevant instrument and the market in which the order is to be executed.

When filling an ETF order in a specific listing of an ETF MLIS will potentially trade

- On-exchange, in that specific listing of that ETF
- On-exchange, in an alternative listing of that same ETF
- Off-exchange (OTC), in that specific listing of that ETF
- Off-exchange (OTC), in an alternative listing of that same ETF
- In the primary market (i.e. trading with the ETF issuers)

4. Execution venues

MLIS uses third party brokers for execution of client orders in ETF. Third party brokers are selected based on their access to liquidity, cost effectiveness and local expertise and overall quality and scope of execution services. Some ETF transactions are also executed directly with brokers on an MTF venue. The execution quality of third party brokers is monitored periodically to ensure client order execution in accordance with this Policy.

List of counterparties

BNP Paribas

Commerzbank AG

Danske Bank

Evli Pankki

Flow Traders

Jane Street Financial Limited

Jefferies International Limited

M. M. Warburg

OP Yrityspankki

Optiver V.O.F.

Susquehanna International Group

List of Trading venues

Tradeweb

Appendix 3 Exchange traded derivatives

1. Introduction

This asset class specific policy provides further details with regards to the application of best execution in relation to exchange traded futures and options (“ETD”). This policy is an appendix to the overarching Order Execution Policy and should be read in conjunction with that document.

2. Execution factors

When executing client orders for ETD, MLIS will take into account the execution factors listed in section “Order execution factors” of the Order Execution Policy. Outside of any specific instructions provided by the client, the most important execution factor when handling orders will be the price of the relevant financial instrument. Subject to any specific instruction, the following provides an example of the execution factors prioritization that may be applied:

- Price
- Liquidity
- Costs
- Speed
- Likelihood of Execution
- Size
- Other Considerations

3. Order handling

After acceptance of a client order MLIS will consider the different execution factors in the context of the instructions that the client has provided to form a suitable execution strategy. Under this execution strategy MLIS will take sufficient steps to obtain the best possible result for the client by employing appropriate aspects of this Policy. The execution strategy may result in MLIS routing the order electronically or by phone to a third party broker immediately or working the order over some period of time. The execution strategy employed will take into account any information that the client has provided, together with MLIS knowledge of the relevant instrument and the market in which the order is to be executed.

When filling an ETD order and where the order meets particular size criteria or specific parameters such as minimum block or crossing thresholds, it may be possible for MLIS to execute such orders outside of the central order book of the relevant Exchange utilising the exchanges block or crossing functionality. In such circumstances MLIS will look to secure the best possible result for the client, given any parameters set, by utilising relationships with market makers or liquidity providers.

4. Execution venues

MLIS uses third party brokers for execution of client orders in ETD. Third party brokers are selected based on their access to liquidity, cost effectiveness and local

expertise and overall quality and scope of execution services. The execution quality of third party brokers is monitored periodically to ensure client order execution in accordance with this Policy.

List of counterparties

BofA Securities Europe S.A.

Danske Bank

Mako Financial Markets

SEB Skandinaviska Enskilda Bank

Appendix 4 Equity Derivatives

1. Introduction

This asset class specific policy provides further details with regards to the application of best execution in relation to equity derivative products, which include; equity OTC options (both complex and vanilla) and structured equity-linked notes (collectively referred to as “Equity Derivatives”). This policy is an appendix to the overarching Order Execution Policy and should be read in conjunction with that document.

2. Execution factors

When executing client orders for Equity Derivatives, MLIS will take into account the execution factors listed in section “Order execution factors” of the Order Execution Policy. Outside of any specific instructions provided by the client, the most important execution factor when handling orders will be the price of the relevant financial instrument. Subject to any specific instruction, the following provides an example of the execution factors prioritization that may be applied:

OTC equity options and structured equity-linked notes:

- Price
- Liquidity
- Costs
- Speed
- Likelihood of Execution
- Size
- Other Considerations

3. Order handling

After acceptance of a client order MLIS will consider the different execution factors in the context of the instructions that the client has provided to form a suitable execution strategy. Under this execution strategy MLIS will take sufficient steps to obtain the best possible result for the client by employing appropriate aspects of this Policy. The execution strategy may result in MLIS routing the order electronically or by phone to a third party broker immediately or working the order over some period of time. The execution strategy employed will take into account any information that the client has provided, together with MLIS knowledge of the relevant instrument and the market in which the order is to be executed.

4. Execution venues

Equity Derivatives are traded outside trading venues as OTC transactions. MLIS has established relationships with third parties to have access to OTC equity options and structured equity notes counterparties to ensure that best execution can be provided for its clients.

List of counterparties

Danske Bank

Merrill Lynch International

Nordea Bank Oyj

SEB Skandinaviska Enskilda Bank

Appendix 5 Fixed Income Securities and Other Debt Instruments

1. Introduction

This asset class specific policy provides further details with regards to the application of best execution in relation to fixed income securities and other debt instruments, which include Corporate, Government, Super Sovereign, Sovereign Agency and Convertible Bonds, Interest Rate (including Cross Currency) and Inflation Swaps, Interest Rate and Inflation Options and Money Market Instruments such as Treasury Bills, Commercial Papers and Certificates of Deposit (collectively referred to as “Fixed Income Securities”). This policy is an appendix to the overarching Order Execution Policy and should be read in conjunction with that document.

2. Execution factors

When executing client orders for Fixed Income Securities MLIS will take into account the execution factors listed in section “Order execution factors” of the Order Execution Policy. Outside of any specific instructions provided by the client, the most important execution factor when handling orders will be the price of the relevant financial instrument. Subject to any specific instruction, the following provides an example of the execution factors prioritization that may be applied:

- Price
- Liquidity
- Costs
- Speed
- Likelihood of Execution
- Size
- Other Considerations

3. Order handling

After acceptance of a client order MLIS will consider the different execution factors in the context of the instructions that the client has provided to form a suitable execution strategy. Under this execution strategy MLIS will take sufficient steps to obtain the best possible result for the client by employing appropriate aspects of this Policy. The execution strategy may result in MLIS routing the order electronically or by phone to a third party broker immediately or working the order over some period of time. The execution strategy employed will take into account any information that the client has provided, together with MLIS knowledge of the relevant instrument and the market in which the order is to be executed.

4. Execution venues

Fixed Income Securities orders are executed mainly with third party brokers who transact as an SI or Market Maker. The order may also be executed on an OTC basis. The third party brokers are selected based on their access to liquidity, cost effectiveness and local expertise and overall quality and scope of execution services. Fixed Income instrument orders can also be executed directly with brokers on an accepted

MTF venue via RFQ (Request for quote). The execution quality of third party brokers is monitored periodically to ensure client order execution in accordance with this Policy.

Inflation Swaps and Options and Commercial Paper and Certificate of Deposit orders are traded outside trading venues as OTC transactions. MLIS has established relationships with third parties to have access to OTC counterparties to ensure that best execution can be provided for its clients.

In instrument classes subject to trading obligations under MiFID II, MLIS will ensure orders are not executed OTC, but instead done on a trading venue in accordance with the specific requirements.

List of counterparties

ABG Sundal Collier
Arctic Securities ASA
Barclays Bank Ireland Plc
Berenberg Bank
BNP Paribas
Carnegie investment Bank
Citigroup Global Markets Ltd
Clarksons Platou Securities AS
Credit Suisse
Danske Bank
Deutsche Bank
DnB Bank ASA
Exane BNP Paribas
Goldman Sachs
JP Morgan AG
Jyske Bank
Mizuho International Plc
Morgan Stanley
Nomura International plc
Nordea Bank Oyj
Oddo Seydler Bank AG
OP Yrityspankki
Pareto Securities
RBC Capital Markets
Sampo Oyj
SEB Skandinaviska Enskilda Bank
SpareBank 1 Markets AS

Stifel Nicolaus

STX Fixed Income B.V.

Swedbank AB

Svenska Handelsbanken

UBS Ldn

UniCredit Bank AG

List of Trading venues

MarketAxess

Bloomberg MTF

Tradeweb

Appendix 6 Credit Instruments

1. Introduction

This asset class specific policy provides further details with regards to the application of best execution in relation to loans, credit derivatives and credit-linked structured products (collectively referred to as “Credit Instruments”). This policy is an appendix to the overarching Order Execution Policy and should be read in conjunction with that document.

2. Execution factors

When executing client orders for Credit Instruments, MLIS will take into account the execution factors listed in section “Order execution factors” of the Order Execution Policy. Outside of any specific instructions provided by the client, the most important execution factor when handling orders will be the price of the relevant financial instrument. Subject to any specific instruction, the following provides an example of the execution factors prioritization that may be applied:

- Price
- Liquidity
- Costs
- Speed
- Likelihood of Execution
- Size
- Other Considerations

3. Order handling

After acceptance of a client order MLIS will consider the different execution factors in the context of the instructions that the client has provided to form a suitable execution strategy. Under this execution strategy MLIS will take sufficient steps to obtain the best possible result for the client by employing appropriate aspects of this Policy. The execution strategy may result in MLIS routing the order electronically or by phone to a third party broker immediately or working the order over some period of time. The execution strategy employed will take into account any information that the client has provided, together with MLIS knowledge of the relevant instrument and the market in which the order is to be executed.

4. Execution venues

Loan and credit-linked structured product orders are executed with third party brokers as OTC transactions. The third party brokers are selected based on their access to liquidity, cost effectiveness and local expertise and overall quality and scope of execution services. The execution quality of third party brokers is monitored periodically to ensure client order execution in accordance with this Policy.

In instrument classes subject to trading obligations under MiFID II, MLIS will ensure orders are not executed OTC, but instead done on a trading venue in accordance with the specific requirements.

List of counterparties

BNP Paribas

JP Morgan

List of Trading venues

Bloomberg MTF

Appendix 7 Foreign Exchange Instruments

1. Introduction

This asset class specific policy provides further details with regards to the application of best execution in relation to Foreign Exchange Instruments, which include; FX spot, FX forwards, FX swaps and FX options (collectively referred to as “FX transactions”). This policy is an appendix to the overarching Order Execution Policy and should be read in conjunction with that document.

2. Execution factors

When executing client orders for FX Transactions, MLIS will take into account the execution factors listed in section “Order execution factors” of the Order Execution Policy. Outside of any specific instructions provided by the client, the most important execution factor when handling orders will be the price of the relevant financial instrument. Subject to any specific instruction, the following provides an example of the execution factors prioritization that may be applied:

- Price
- Liquidity
- Speed
- Size
- Costs
- Likelihood of Execution
- Other Considerations

3. Order handling

After acceptance of a client order MLIS will consider the different execution factors in the context of the instructions that the client has provided to form a suitable execution strategy. Under this execution strategy MLIS will take sufficient steps to obtain the best possible result for the client by employing appropriate aspects of this Policy. The execution strategy may result in MLIS routing the order electronically or by phone to a third party broker immediately or working the order over some period of time. The execution strategy employed will take into account any information that the client has provided, together with MLIS knowledge of the relevant instrument and the market in which the order is to be executed.

4. Execution venues

MLIS will work the FX transaction orders by sourcing liquidity through available sources and in accordance with client instructions. FX transaction orders are executed using third party brokers who are selected based on their access to liquidity, cost effectiveness and local expertise and overall quality and scope of execution services. The execution quality of third party brokers is monitored periodically to ensure client order execution in accordance with this Policy.

List of counterparties

Danske Bank

Nordea Bank Oyj

RBC Investor Services Bank S.A.

SEB Skandinaviska Enskilda Bank