



**Nordea**  
FUNDS

# **Best Execution Policy**

**Nordea Funds Ltd with Branches**

Updated May 2021

**Nordea Funds Ltd ("NF") is a management company authorised by the Ministry of Finance in Finland and subject to the regulation by the Finnish Financial Supervisory Authority.**

## **Purpose of Policy**

This policy sets out the overall principles that apply in relation to executing orders on behalf of the UCITS funds and alternative investment funds ("funds") managed by NF for assets for which best execution is relevant.

For the purpose of this policy, "orders" are to be interpreted as orders sent by the investment manager for execution as NF does not execute orders itself or transmit orders for execution. NF has appointed Nordea Investment Management AB to act as the investment manager for the funds managed by NF as disclosed in the fund prospectus available on [www.nordea.fi/rahasto](http://www.nordea.fi/rahasto); [www.nordea.se/fonder](http://www.nordea.se/fonder); [www.nordea.no/fond](http://www.nordea.no/fond); [www.nordea.dk/fonde](http://www.nordea.dk/fonde).

## **General Best Execution Principles**

The best execution requirements apply to NF and its delegate (the appointed investment manager). NF, as the management company ensures that the investment manager's best execution policy and the principles set below are both effective and regularly monitored.

### **Order handling**

The investment manager must seek to achieve best execution subject to relevant regulation and execute orders on behalf of the funds promptly and fairly unless the characteristics of the order or prevailing market conditions make this impracticable or the interests of the funds require otherwise. In addition, the investment manager must ensure that the orders executed on behalf of the funds are recorded and allocated in accordance with the relevant regulation.

Financial instruments or sums of money received in settlement of the executed orders must be promptly and correctly delivered to the account of the relevant fund. NF or the investment manager must not misuse the information relating to pending



fund orders and reasonable steps must be taken to prevent the misuse of such information by any of their related persons.

The investment manager may not aggregate orders of a fund with orders of another fund or another client unless the following conditions are met:

- it must be unlikely that the aggregation of orders is disadvantageous to any of the funds or other clients whose orders are aggregated;
- there are order allocation principles that are applied, and such principles regulate to sufficient extent how aggregated orders are allocated fairly, including also how the size and price effect the allocation and how partial execution is managed.

### **Best interest**

When executing transactions on behalf of the funds managed by NF the investment manager must take all sufficient steps to achieve the best possible outcome for the funds.



To reach this outcome and depending on the financial instrument, the investment manager must consider several factors including price, cost, speed of execution, likelihood of execution and settlement, type and size of the order, or any other element relevant to the execution of the order.

In determining the relative importance of each of the above factors, the investment manager must consider the following best execution criteria to reasonable extent:

- the objectives, investment policy and risks specific to the fund, as indicated in the prospectus or, as the case may be, in the fund rules;
- the characteristics of the order;
- the characteristics of the financial instruments that are subject to the order;
- the characteristics of the execution venues to which that order can be directed.

## Brokers and venue selection

When placing orders on behalf of the funds, the investment manager may choose between executing the order by itself or through a venue. An execution venue may be for instance a regulated market, a market trading facility or an organised trading facility.

When selecting a broker or venue execution, the investment manager must consider various factors such as the following:

- the size and nature of the order;
- the price at which the trade is likely to be executed;
- the costs which will be incurred by the trade;
- the speed and likelihood of both execution and settlement.

The investment manager may have recourse to cross-trading only when the investment manager considers it to be in the best interest of the funds and only through approved brokers or venues.

The investment manager must maintain a list of approved brokers and venues which is regularly reviewed.

## Responsibilities

This policy has been adopted by the board of directors of NF. It is reviewed at least annually and updated whenever any material changes are needed.

The investment manager must maintain a best execution policy and procedures that are regularly reviewed and must decide how orders are placed in accordance with this policy.

NF will seek to monitor the investment manager to ensure that it complies with the requirements on order execution as stated in the relevant regulation. The investment manager is on NF's request to submit relevant information to NF for NF to ensure that the investment manager is fulfilling the requirements on an ongoing basis.

**This policy is available on [www.nordea.fi/rahasto](http://www.nordea.fi/rahasto); [www.nordea.se/fonder](http://www.nordea.se/fonder); [www.nordea.no/fond](http://www.nordea.no/fond); [www.nordeainvest.dk](http://www.nordeainvest.dk)**

