

## **Best Execution Policy**

### **1. PURPOSE OF THE POLICY**

The purpose of this Best Execution Policy (the “**Policy**”) is to set out the legal & regulatory requirements, as well as the related actions, which Japan Fund Management (Luxembourg) S.A. (below “**JFML**”) have to comply with in order to meet its obligations, in the area of the best execution, as a management company authorised under Chapter 15 of the Law of 17 December 2010 relating to undertakings for collective investment, as amended (the “**2010 Law**”) and as alternative investment fund manager authorised under the law of 12 July 2013 related to alternative investment fund managers, as amended (the “**AIFM Law**”), which manages undertakings for collective investment subject to Part I and Part II of the 2010 Law, specialised investment funds subject to the law of 13 February 2007 relating to specialised investment funds (the “**SIF Law**”) as well as Irish unit trusts subject to the Irish Unit Trust Act, 1990.

JFML has aligned its best execution policy with the relevant Luxembourg regulatory framework such as CSSF Circular 12/546, Law of 17 December 2010 and CSSF Regulation 10-04.

### **2. SCOPE OF THE BEST EXECUTION POLICY**

As the portfolio management function for all of the JFML managed funds (the “**Funds**” or “**Fund**”) is delegated, this Policy outlines the duties placed on the delegates to ensure JFML’s compliance with the legal and regulatory requirements with respect to Best Execution.

The delegates will determine how orders are placed or executed and JFML must ensure that those delegates respect regulatory requirements.

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

Delegates are required to establish and maintain a Best Execution Policy. This policy is designed to ensure that investment manager act in the best interests of the Funds when executing decisions to deal on behalf of the Funds and in the context of the management of their underlying portfolios.

When executing orders on behalf of the Funds, delegates shall take all reasonable steps to obtain the best possible results for the Funds taking into account factors such as price, costs, speed, likelihood of execution and settlement, size, nature or any other relevant consideration.

In determining the relative importance of each of these factors, the delegate shall take into account the following 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;

#### **4. EXECUTION VENUES**

The delegate shall act in the best interest of the Funds when placing orders to deal on behalf of Funds with other entities for execution. JFML will, therefore, for each class of financial instruments, expects that the investment manager define the key execution factors that will be taken into account when executing orders and information and the execution venues/entities that best suit its requirements.

#### **5. ORDER HANDLING**

Delegates are required to execute Funds' orders in an expeditious and fair manner for all Funds. A due attention should be also given to respect of regulatory requirements in regards to aggregation and allocation of trading orders.

#### **6. INFORMATION DISCLOSURES**

JFML shall make available to investors in the Funds it manages appropriate information on the Best Execution Policy established. JFML will notify the Funds of any material changes to this Policy and arrangements.

#### **7. MONITORING**

Prior to the appointment of any delegate in charge of the portfolio management function, the Conducting Officer in charge of delegated functions of JFML performs an initial due diligence on the potential delegate to make sure that effective arrangements for complying with the best execution obligations are established and implemented at the delegate level.

Once the delegate is appointed, JFML will regularly monitor effectiveness of execution arrangements and compliance with the Best Execution Policy by the delegates. The delegates should be able to demonstrate that they have executed orders on behalf of the Funds in accordance with the Best Execution policy. The supervision of JFML on the delegate is done within the framework of an on-going due diligence process.