

RULES FOR BEST EXECUTION

1. Introduction

Fund management companies that manage investment funds and discretionary portfolios must establish internal rules on best execution in accordance with the Swedish Financial Supervisory Authority's Regulatory Codes, FFFS 2008:11 and FFFS 2007:16.

Swedbank Robur Fonder AB (the Company) shall act in the best interests of its customers at all times. These rules aim to determine how best execution will be achieved when trading on behalf of funds and discretionary portfolios. When the Company has made a decision to trade in a financial instrument the Company can either execute a portfolio transaction or place an order with a trading counterparty.

Here "execution of portfolio transactions" is defined as trading when the Company acts on the securities market and executes an order on behalf of a fund or discretionary portfolio, such as e.g. fixed income trading, trading with fund units not admitted to trading on a regulated market or when trading with OTC derivatives.

Here "placing orders with other trading counterparties" is defined as trades that are done through a broker on behalf of a fund or discretionary portfolio.

2. Criteria to be considered in order to achieve best execution

With the aim of achieving best execution, the Company shall, when trading on behalf of a fund, act in accordance with the objectives, the investment policy and the risk profile of the respective fund. When trading on behalf of a discretionary portfolio, the Company shall make the decision of the trade based on the characteristics of the client, including whether the client is categorised as a non professional or a professional.

With regards to the foregoing, the Company shall, when it is possible and relevant, take all reasonable measures to achieve best execution with consideration to the following criteria:

1. price,
2. cost,
3. speed,
4. likelihood of execution and settlement,
5. the size of the transaction,
6. the nature of the transaction, and
7. other circumstances relevant for the execution.

The Company shall normally accord the greatest importance to the total cost. The total cost includes the price of the financial instrument and the costs directly attributable to the execution of the transaction.

In certain cases however, the nature of the transaction or characteristics of the financial instrument or marketplace¹ can affect the relative significance of the criteria stated above. For example, in the case of a large order or an order with specific terms and conditions, the Company can give greater accord to the probability of the order being executed and settled, rather than the total cost. Furthermore, it may be important for the company to assess whether the order due to its size or nature, could have a material impact on the price of the financial instrument. When executing orders, it is not always possible to apply the above stated criteria. This is the case with regards to e.g. transactions with:

- fund units,
- government bonds,
- corporate bonds
- OTC derivatives and
- instruments issued by a securities firm.

3. Trading counterparty

The Company has a list which is kept up to date with the trading counterparties that the Company uses for each category of instrument. This list forms an appendix to these rules and is updated regularly.

4. Evaluation of Robur trading counterparties and its rules

The Company will regularly evaluate and annually update these rules on best execution. When evaluating trading counterparties, the "counterparty's rules for best execution" will be taken into account together with the criteria stated in article 2.

A review of the rules will also be done in the event of any significant change occurring that have impact on the Company's ability to achieve best execution. The Company shall provide notification in an appropriate way of any significant changes to its internal rules on best execution.

5. Interruptions in the market or trading systems

In the event of interruptions in the market or in the Company's own trading systems, caused by e.g. power outages or unavailability of technology systems, it can, in accordance to the Company's assessment, be impossible or inappropriate to perform trades in a way stated in these rules. The Company shall, in such instances, take all reasonable steps to achieve best execution through other means.

¹ Here marketplace means a regulated market, a trading platform, a systematic internaliser or a market maker within the EEA or another person who provides liquidity within the EEA or a unit that corresponds to any of the above outside the EEA.