

Best Execution Policy

of

Amundi Austria GmbH

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**Policy on selecting trading partners
and executing trading decisions (Best Execution Policy)**

1. Goal

In the interest of sustainable business relationships with our clients based on fairness, transparency and trust, Amundi Austria GmbH (hereinafter referred to as "Amundi Austria") has established principles in this Best Execution Policy according to which trading partners are selected and transactions in financial instruments are executed for the investment funds of Amundi Austria.

2. Scope of Application

This Best Execution Policy of Amundi Austria applies to all purchases and sales of financial instruments by Amundi Austria within the scope of fund management and covers all trading venues (regulated markets, multilateral trading facilities, over-the-counter, etc.).

In case of delegation of the portfolio management to a third party, the respective delegate has to ensure the best possible order execution. In this context, Amundi Austria works exclusively with licensed partners who are subject to regulatory supervision and an equivalent legal obligation to ensure best execution.

**3. General information on the Best Execution Requirement and Relevant
Criteria for the Execution of Orders**

The requirement for best execution is defined as the obligation to take all reasonable measures to achieve the best possible result for customers when executing orders for the managed investment funds or when passing on trading orders for investment funds to other institutions (Section 32 Investment Fund Act 2011).

Amundi Austria's objective is to act always and exclusively in the best interest of the managed funds and their investors. Amundi Austria therefore takes all reasonable steps to consistently achieve the best possible result for the execution of trading decisions of the managed investment funds.

The following factors shall be taken into account in achieving the best possible result: Price, cost, speed, probability of execution and settlement, order size, order type or any other circumstance relevant to order execution.

Specifically, on the one hand, the selection of trading partners and, on the other hand, the decision on the type of execution of the respective transactions (order typologies / execution strategies, as shown in the table in → **Appendix 1**) as well as on the selected trading venue shall be made according to objective criteria and shall be exclusively oriented towards the investment funds' best interest as well as towards the preservation of the integrity of the financial markets. The "best possible result" is understood to mean that the best possible results can be expected from an overall perspective over time.

A key criterion in deciding on the type of order execution is the **total cost (transaction costs and price)**. Other factors include:

- the **market liquidity**,
- the **size** of the order,
- the **type of financial instrument**,
- the **type of order**,
- **speed of execution** and
- **probability of execution** and settlement

The weighting of individual criteria mentioned above may vary under certain circumstances depending on the market situation at the time the order is placed. The above list is also not to be understood as exhaustive – there may be various other, qualitative factors that may also play a role in the decision on the type of order execution.

In individual cases, specific instructions for order placement or execution may be expressly specified for a dedicated fund by the unit holder(s) concerned. In such cases, the provisions of this Best Execution Policy do not apply and are replaced by execution in accordance with the unit holders' instructions (see → **Chapter 5**).

If Amundi Austria cooperates with brokers and intermediaries for the managed investment funds, Amundi Austria will generally require a classification as "professional client" in order to ensure an appropriate and sufficient protection of investor interests with regard to the execution quality of the transactions.

4. Delegation of the Trading Activity to Amundi Intermédiation S.A.

4.1 Division of Tasks between Amundi Austria and Amundi Intermédiation

In order to achieve its objectives related to the best possible execution of trading decisions, Amundi AT has outsourced its trading activities – i.e., the execution of transactions – to an

affiliated company, namely Amundi Intermédiation S.A. with its registered office in 91-93 boulevard Pasteur, 75015 Paris, France ("Amundi Intermédiation", "Trading Desk").

Amundi Intermédiation is a specialized investment firm subject to the regulations of MiFID II (EU Markets in Financial Instruments Directive, Directive 2014/65/EU) and related implementing acts, and licensed by the French banking and insurance regulator *Autorité de contrôle prudentiel et de résolution* (ACPR) to provide services including, but not limited to, the reception and transmission and execution of orders in financial instruments for third parties.

The collaboration between Amundi Austria and Amundi Intermédiation provides for the following division of tasks: The investment decision itself and the prioritization of the above criteria for the type of execution, i.e., the selection of the order type (shown in the table in → **Appendix 1**) rests with the relevant fund managers of Amundi Austria. Amundi Intermédiation selects the most suitable trading partner or execution platform taking into account the order type selected by the relevant fund manager and places the order accordingly.

For this purpose, Amundi Intermédiation has its own selection and execution policy, which is available on the website of Amundi Austria www.amundi.at under **Regulatorische Informationen → Execution Policy Amundi Intermédiation**.

Only in exceptional cases due to special circumstances (e.g., technical problems) Amundi Austria may deviate from this procedure and transmit orders directly to the individual trading partners. In this case, Amundi Austria will also endeavor to execute the orders in the best possible manner in accordance with the aforementioned criteria.

4.2 Selection Policy and und Review of Trading Partners (Execution Brokers)

For the selection of trading partners, Amundi Intermédiation provides for an annual voting and evaluation process based on objective, proven and relevant criteria.

The selection of trading partners is based, inter alia, on the following criteria:

- **Quality and speed** of order execution
- **Access to markets**
- Quality of **trading information**
- Level of **commissions / prices** (determined by transaction cost analysis)
- **Volumes** traded
- **"Hit ratio"** - number of best bids in case of price requests ("request for quote" process) and reliability and market adequacy of quoting in the OTC area
- **Quality of operational support** (legal, mid-office) based on experience of Amundi Intermédiation traders

All trading partners must also meet certain risk management and KYC ("Know-Your-Counterpart") requirements on an ongoing basis, as well as ensure best execution on their part. The performance of the trading partners and their execution quality are monitored by Amundi Intermédiation on an ongoing basis.

In a specially established committee ("Broker Selection Committee"), the results of this evaluation process, any measures and adjustments as well as the general service quality are discussed with the involvement of representatives of Amundi Intermédiation as well as Amundi Austria and the list of permissible trading partners for the investment funds of Amundi Austria is determined annually. In the event of significant changes or deviations, a reassessment can also be made outside of the annual reconciliation process.

The result of this process is a list – agreed between Amundi Intermédiation and Amundi Austria – of those trading partners by instrument category (e.g. equities, bonds, ETFs, derivatives,...) that are best suited to execute trading decisions based on the defined selection criteria and the service requirements of the Amundi Austria and therefore may be used by Amundi Intermédiation to execute or route trading orders for the Amundi Austria's investment funds.

The list of Amundi Intermédiation's five most used trading partners by type of financial instrument traded is published annually by Amundi Intermédiation and is available on the Amundi Austria's website www.amundi.at under **Regulatorische Informationen** → **Execution Policy Amundi Intermédiation**.

4.3 Dealing with Conflicts of Interest

Amundi's measures and controls for the avoidance and management of potential conflicts of interest include a Conflicts-of-Interest Policy, a register of potential conflicts, and other internal procedures regarding the routing and execution of orders and the selection of trading partners. Taken together, these ensure that customer interests take precedence at all times.

Amundi Intermédiation receives transaction fees for providing the outsourced services. These fees are calculated according to a predefined fee scale, depending on the type of financial instrument. They are designed in such a way that no unjustified preference or disadvantage of individual trading partners can occur in the course of the selection process. Amundi Intermédiation does not receive any benefits or inducements in monetary or non-monetary form from its trading partners. If Amundi Intermédiation receives such inducements from third parties, customers will be informed of the existence and nature of the benefit or inducement received.

Providers of research services (research brokers)

Amundi Austria's obligation to act in the best interest of the funds or investors is not limited to the best execution of investment decisions, but also extends to the procurement of complementary research services in the interest of the investment funds under management.

For this reason, Amundi Austria's execution policy provides for an "unbundling" of order execution fees and research fees. This means that the remuneration for the order execution service is strictly separated from that for any research service. So-called "soft commissions" or "soft dollars" agreements, i.e. agreements that provide for remuneration of, e.g., research services via transaction fees, are prohibited.

In addition, the Amundi Group maintains its own internal research department with the aim of providing the essential part of the required investment research internally. The selection of additional, external research providers required is made on the basis of objective criteria and independently of the selection of trading partners.

This approach facilitates ensuring the best possible sourcing of these services for Amundi Austria's investment funds. At the same time, the separation and separate evaluation of the services of execution brokers on the one hand and research brokers on the other hand can more effectively prevent any conflicts of interest.

4.4 Execution Criteria

Based on the trading partner selection policy outlined above, Amundi Austria has access via Amundi Intermédiation to all relevant markets or trading partners that allow for the best possible order execution.

Orders are routed through Amundi Intermédiation according to the best available trading conditions either to regulated markets (RM), multilateral trading facilities (MTF), systematic internalizers (SI), organized trading facilities (OTF) or directly with providers offering the best possible trading conditions bilaterally ("over-the-counter"; OTC) in the respective situation.

In this regard, Amundi Austria expressly instructs Amundi Intermédiation to execute orders outside regulated markets or multilateral trading facilities if this is expected to be conducive to the best possible order execution. However, Amundi Austria reserves the right to revoke this instruction at any time.

The types of trading venues for each type of financial instrument and the strategy used by Amundi Intermédiation to achieve best execution are described in Amundi Intermédiation's

Selection and Execution Policy, which is available on Amundi Austria's website www.amundi.at under **Regulatorische Informationen → Execution Policy Amundi Intermédiation**.

All actions are taken in such a way that order execution is in the best interest of the managed investment funds and aligned with the integrity of the market, taking into account the criteria outlined at the beginning of this document, such as price, liquidity, speed, cost, etc.

The individual order types that can be instructed by the portfolio management to the trading desk, together with the associated execution criteria and the corresponding price targets or benchmarks, are shown in the table in → **Appendix 1**.

4.5 Order Transmission to Amundi Intermédiation

Orders are transmitted from Amundi Austria to Amundi Intermédiation by means of the Amundi Group's internal order routing system ALTO Order Booking in order to ensure complete traceability and documentation. The same system is also used for immediate feedback on the execution.

If this system is not available – for example due to technical problems – Amundi Intermédiation has made adequate and suitable arrangements for alternative order routes as part of its emergency planning ("Business Continuity Plan").

4.6 Aggregation of Orders, Partial Executions, Execution Benchmarks

Incoming orders are documented by Amundi Intermédiation and are generally processed in the order in which they are received.

However, transactions for one fund may be combined with or executed jointly with transactions of another fund, provided this is in the interest of all unitholders. In the event of partial execution of such orders, the allocation to the participating investment funds shall be made on the basis of principles established in advance, namely strictly pro rata on the basis of the order originally placed and in accordance with the minimum lot sizes of the respective instrument type.

Depending on the respective order type (see → **Appendix 1**), incoming orders are assigned a price target ("Execution Benchmark") at the Amundi Intermédiation level, against which the quality of order execution by the trading desk is subsequently measured.

4.7 Multi-level Control

At Amundi Intermédiation level, a two-stage evaluation of the quality of order execution as well as transaction costs is carried out on the basis of execution benchmarks with the involvement

of Amundi Intermédiation's compliance department and taking into account comparative data from an independent, external provider.

Based on these reviews, Amundi Intermédiation submits a monthly report to Amundi Austria – broken down by instrument type – on the key statistical data of the services provided, including the following elements:

- **Volumes traded and number of orders** per trading partner.
- Results of **reviews of the quality of order execution** at the Amundi Intermédiation level
- Information on **transaction cost analysis**
- **Transaction fees** incurred per broker
- **Number of trading partners requested** for quotes (RFQ)

In addition, Amundi Austria has ongoing comprehensive access at transaction level to all relevant information concerning Amundi Intermédiation's order execution in order to be able to independently assess the quality of Amundi Intermédiation's service. Based on this detailed information, Amundi Austria's compliance department conducts independent review steps at regular intervals and reports on them to Amundi Austria's management and supervisory board.

All records and documents related to the monitoring of implementation quality are kept by the Amundi Austria for at least five years.

5. Miscellaneous Provisions

Purchase and sale of investment fund units (except ETFs)

The issue and redemption of shares in funds of the Amundi Austria is carried out via the respective depository / custodian.

Orders relating to third-party funds (i.e., funds of other management companies) – excluding exchange-traded funds – are also processed via the respective depository / custodian bank of the fund, i.e., either via the Agent Fund Trading Service of State Street Bank International GmbH for funds with custodian bank State Street Bank International GmbH, Vienna branch, or for funds with custodian bank UniCredit Bank Austria AG via that depository's order routing platform.

Express instruction of a dedicated fund client

Upon express client instruction of all unit holder(s) of a dedicated fund, Amundi Austria may deviate from this Best Execution Policy. In this case, the order will be executed at the unit

holders' request in accordance with the nature of the order and the parameters defined by the client (trading partner, trading venue, execution modalities, etc.).

However, Amundi Austria points out that it may be prevented from achieving the best possible result in terms of this Best Execution Policy by an explicit client instruction on order execution.

6. Review and Update of the Best Execution Policy

In order to continuously achieve the best possible results for the managed funds, this Best Execution Policy is reviewed by Amundi Austria at regular intervals and adjusted if necessary. In the event of significant changes, an immediate review and, if necessary, adjustment will take place.

The current version of this Best Execution Policy is available on the website of Amundi Austria www.amundi.at under **Regulatorische Informationen → Execution Policy Amundi Austria**.

Appendix 1 – Order Typologies and Execution Strategies

Order typology	Execution strategy	Execution criteria	Price target / Execution benchmark
Default strategy *	At discretion	Price, Liquidity	Price at time of order reception
Target time (Portfolio manager defines the desired execution time at order submission)	Market (as soon as possible) **	Speed, Liquidity	Price at time of order reception
	Open	Liquidity, Cost	Opening price
	Close	Liquidity, Cost	Closing price
	Close limit	Liquidity, Cost	Limit price or closing price
	Trade time to input	Speed, Liquidity	Price at the time chosen by the PM
	Fixing	Liquidity, Cost	Fixing price
Target price (Portfolio manager defines the desired execution price at order submission)	Limit	Liquidity, Cost	Limit price
	VWAP (volume-weighted average price)	Price, Liquidity	Volume weighted average price over the considered time period (default: until the closing)
	At discretion ***	Price, Liquidity	Price at time of order reception
	Stop-Limit	Liquidity, Cost	Defined trigger threshold price
	Maximum deviation	Liquidity, Cost	Price integrating the maximum deviation chosen by the PM
	NAV (net asset value)	Liquidity, Cost	Net Asset Value (for ETFs)
Target volume	PWP (participation-weighted price)	Price, Liquidity	Participation-weighted price with a theoretical 20% volume participation

* The default execution strategy is "At discretion" for all financial instruments.

** For orders of order typology "Target time" the default execution strategy is "Market".

*** For orders of order typology "Target price" the default execution strategy is "At discretion".