



POLICY FOR BEST EXECUTION

MARCH 2023



FORMUE | PLEJE

This document is a translation of the Danish policy for best execution.
In case of any reasonable doubt, the authentic Danish text shall prevail.

1 Introduction

This Order Execution Policy ("**Best Execution Policy**") for Formuepleje A/S (the "**Company**") describes the procedures that the Company follows in the transmission and execution of orders with financial instruments for our retail and professional clients to achieve the best result for the client (referred to as "Best Execution").

The Best Execution Policy is supported by the Company's internal processes and procedures, which together ensure compliance with the applicable regulations in the area.

The Best Execution Policy in force at any time is available on the Company's website, and it can be obtained from the Company's offices in Aarhus or Hellerup upon request.

2 Best execution - Summary for retail clients

The Company is obligated to provide our retail clients with a summary of the Best Execution Policy.

When trading on behalf of retail clients, the Company is required to take all adequate steps to obtain the best result for the client ("Best Execution").

The Best Execution Policy describes the various criteria for how Best Execution is achieved for the Company's clients. As a rule, for retail clients the best possible result is determined from the price of the securities and the costs directly associated with the execution of the order (**the total remuneration**).

Specific instructions from the client may affect the Company's options for best execution of orders. Taking into account the specific instructions, the Company will prepare all the necessary documents to obtain the best possible result.

Details of how Formuepleje A/S ensures Best Execution are stated below.

3 Field of application – retail and professional clients

The Company divides its clients into three categories:

- Approved counterparties (banks, pension funds, insurance companies, etc.)
- Professional clients (typically very large corporate clients)
- Retail clients (all other clients).

Retail and professional clients are covered by the Best Execution Policy unless otherwise specified ("**Client**").

Approved counterparties are not included in the Best Execution Policy, but the Company is required to act honestly, fairly and professionally when we are transmitting or executing orders for approved counterparties.

3.1 General information on trading in securities

The Company only transmits orders from a trading venue or a trading counterparty, meaning that the Company does not execute orders with the Company as a counterparty to the Client.

The Company shall take all reasonable steps to obtain the, for the Client, best possible result according to the circumstances of the execution of an order on behalf of the Client.

The Best Execution Policy is relevant when transmitting orders for clients when the Company provides investment advice and transmits orders according to the Client's instructions, discretionary portfolio management or transmitting the Client's orders without prior investment advice.

4 Best Execution factors

The Company takes into account a number of factors affecting a total settlement amount that covers the price of the security and all costs directly associated with the execution of the order.

Factors that are taken into account are:

- Price
- Costs
- Speed
- Execution and settlement probability
- Scope
- Type
- Settlement
- Other factors that may be relevant to the order

The importance of the factors is determined based on the following criteria:

- The client's goal, investment strategy and risk profile
- Trade order characteristics
- Characteristics of the traded instruments and the trading systems used.

As a rule, the price and costs are weighted higher. However, it is not always possible to execute an order at the best price, but the Company will always try to execute an order in accordance with the policy.

For retail clients, there is generally most weight on the price of the securities and the costs directly associated with the execution of the order, including fees in connection with the trading venue, settlement and other fees paid to third parties involved in the execution of the order ("the total remuneration"). The other factors can only take precedence over considerations of price and costs if they are essential for the best possible result in relation to the total remuneration.

For professional clients, the weighting of the factors can vary, but the price and costs will normally have a high weight. Depending on the client's needs, other factors can also affect the best result. Based on a reasonable assessment, the Company will weight factors to achieve the best result for the client.

Certain financial instruments ("OTC instruments") do not have an observable market price, for example, because they are not registered to trade on a market. When trading in these, the Company is likely controlled by the price both based on the data available to the Company and if possibly, on comparison of similar or comparable products.

For further specification of processing orders and prioritisation of factors on different financial instruments see Annex 1-6.

4.1 Specific instructions from the Client

The Company will, as far as possible, execute orders in accordance with instructions from the Client regarding an order or part of an order.

The Client's instruction takes precedence in relation to the Best Execution Policy and, depending on the character of the instructions, it can partially or wholly prevent the Company from ensuring Best Execution in accordance with the Best Execution Policy.

If the instruction only concerns parts of the order, the Company will attempt to execute the rest of the order in the best way.

4.2 Issue and redemption on behalf of retail costumers - costs

The Company has no transaction earnings from securities trading for the Company's clients. Any transaction costs are borne by the custodian bank, which executes the order.

On behalf of retail customers, the Company can distribute the issue and redemption of certificates in the associations under the management of Formuepleje A/S against a note fee to the Company's collaborator, Nordea Denmark.

5 Aggregation and allocation of client orders

The Company may merge trades (aggregation) before an order is put on the market. This is done for the purpose of ensuring Best Execution and only when it on average is to the benefit of the affected clients.

The distribution of the total order (allocation) is at an average price of the total order. In the event that the total order is only executed in part, the allocation will be made by a proportional settlement of the average price.

There may be cases where it will not be possible to make a proportional allocation, for example, due to the minimum size of the security. The Company will approximate a proportional allocation in good faith.

The Company makes no aggregation of retail clients' trading orders.

6 Trading venues & securities traders

It is possible that your order is executed outside of a market. Market is understood as regulated markets, multilateral trading facilities ("MTFs"), organised trading facilities ("OTF").

Trading venues also include systematic internalisers, quoters and liquidity providers.

Securities traders are another investment company to which an order is transmitted, and that decides how the order must be executed according to the instructions of the Company. The securities trader may choose to execute the order outside a market (regulated markets, MTFs and OTFs).

As a rule, the Company transmits orders with a securities trader, possibly through an MTF.

A retail client's trade orders in associations under management by the Company are, as rule, transmitted by Nordea Bank Denmark. Other trading orders are transmitted by the client's own bank, which will execute and ensure Best Execution for the Client.

The choice of trading venues and securities traders is essential to achieve Best Execution, and the Company only uses trading venues and securities traders that the Company believes can deliver Best Execution.

In the selection of trading venues and securities traders, weight is put on the trading venues or securities trader's ability to ensure the Company's compliance with the Best Execution Policy. Approved trading venues and securities traders are listed in the Annex 7 to the Best Execution Policy. The direction of the company may ongoingly update Annex 7. The latest version of Annex 7 may at any time be found on the company's website.

7 Control, registration, and documentation

The Company monitors and assesses regularly that the Best Execution Policy is followed and works effectively.

The monitoring is carried out by the Company's trading functions, which are directly responsible for Best Execution, and by internal control functions, that are independent from the trading functions.

Upon request, the Company will document to clients that orders are executed in accordance with the Best Execution Policy.

The Company will inform the associations under administration of any changes to the Best Execution Policy at least annually.

Annex 1 - Order execution of shares, etc

Annex 2 – Order Execution of Bonds

Annex 3 – Order execution of securities financing transactions and raising loans

Annex 4 – Order Execution for Share Derivatives

Annex 5 – Order executions of foreign exchange products

Annex 6 – Order Execution for Interest Derivatives

Annex 7 – Trading venues and securities traders

This policy enters into effect on March 24, 2022.

Annex 1 – Order execution of shares, etc.

This Annex describes the following instruments as well as our procedures for trading therein.

- Shares,
- Depositary receipts,
- Securitised derivatives (warrants, certificates)
- Exchange Traded Funds (ETFs) and Exchange Traded Notes
- Shares in exchange traded mutual funds and capital funds.

Processing orders

Formuepleje A/S may receive orders for the purchase or sale of shares, etc., from clients through multiple channels, including by telephone or electronic communication. The orders are transmitted for trading via a market or securities trader.

A retail client's trade orders in associations under management by the Company are, as rule, transmitted by Nordea Bank Denmark. Other trading orders are transmitted by the client's own custodian bank, which will execute and ensure Best Execution for the client.

The orders are transmitted at an approved venue or securities trader, cf. Annex 7 – Trading venues and securities traders.

Prioritisation of factors - retail clients

For retail clients, the total remuneration (price and costs) are the major factors of trading in bonds, etc. The other factors can only take precedence over considerations of price and costs if they are essential for the best possible result in relation to the total remuneration.

Prioritisation of factors - professional clients

For professional clients, the total remuneration is also weighted high. However, because these client's orders are typically larger and/or more complex, the other factors are usually also considered. This means that the factors can be prioritised as below if other considerations do not affect the order execution.

1. Price
2. Costs
3. Scope
4. Speed
5. Other factors that may be relevant to the order

Annex 2 – Order Execution of Bonds

This Annex describes the following instruments as well as our procedures for trading therein.

- Government bonds,
- Mortgage bonds,
- Corporate bonds.

Processing orders

Formuepleje A/S may receive orders for the purchase or sale of bonds, etc., from clients through multiple channels, including by telephone or electronic communication. The orders are transmitted for trading via a market or securities trader.

The orders are transmitted at an approved venue or securities traders, cf. Annex 7 – Trading venues and securities traders.

Prioritisation of factors - retail clients

For retail clients, the total remuneration (price and costs) are the major factors of trading in bonds, etc. The other factors can only take precedence over considerations of price and costs if they are essential for the best possible result in relation to the total remuneration.

Prioritisation of factors - professional clients

For professional clients, the total remuneration is also weighted high. However, because these client's orders are typically larger and/or more complex, the other factors are usually also considered. This means that the factors can be prioritised as below if other considerations do not affect the order execution.

1. Price
2. Costs
3. Scope
4. Speed
5. The bond's liquidity
6. Diversification of the portfolio (issuances, ISIN codes, etc.)
7. Other factors that may be relevant to the order

Annex 3 – Order execution of securities financing transactions

This Annex describes the following instruments as well as our procedures for trading therein.

- Securities Financing Transactions (SFTs), including
 - Repo,
 - Securities lending,
 - Margin loans,
- Raising a loan.

Processing orders

Formuepleje A/S may receive orders for securities financing transactions, etc., from clients through multiple channels, including by telephone or electronic communication. The orders are transmitted by an authorised securities trader, cf. Annex 7 – Trading venues and securities traders.

Prioritisation of factors - professional clients

The price is a vital factor for delivering the Best Execution of securities financing transactions and loans.

Other determining factors for Best Execution can be:

- The interest rate, which may include currency swap overlay - takes consideration of the asset classes and bond classes that borrow against security
- Strategic considerations - long-term relationship
- Stability in funding levels for the counterparty
- Haircut
- The spreading of raising a loan, as well as the length of raising a loan.

Annex 4 – Order Execution for Share Derivatives

This Annex describes the following instruments as well as our procedures for trading therein.

- Share options and futures.

It concerns both derivatives traded in a market or as over-the-counter (OTC), wherein the OTC derivative has the characteristics/properties of the derivatives traded directly on a market (commonly referred to as "look-alike derivatives").

When trading in look-alike derivatives, there may be less flexibility than the listed derivatives, because look-alike derivatives are linked to a given counterparty. The direct costs may be higher than the listed derivatives. The costs for the use of look-alike derivatives are generally assessed as being lower than is the case when using the listed derivatives. Costs, etc., are continuously monitored with the use of look-alike derivatives.

Processing orders

Formuepleje A/S may receive orders for the purchase or sale of derivatives from clients through multiple channels, including by telephone or electronic communication. The orders are transmitted by an approved venue or securities trader, cf. Annex 7 – Trading venues and securities traders.

Prioritisation of factors - professional clients

For professional clients, the total remuneration is usually most important for Best Execution. For look-alike derivatives, the trade reflects the current conditions on the relevant markets.

Annex 5 – Order execution of foreign exchange products (currency derivatives)

This Annex describes the following instruments as well as our procedures for trading therein.

- Forward exchange contracts
- Currency swaps
- Forward exchange contracts without delivery (NDF)
- Currency options

Currency derivatives traded over-the-counter (OTC).

Processing orders

Formuepleje A/S may receive orders for the purchase or sale of derivatives from clients through multiple channels, including by telephone or electronic communication. The orders are transmitted by a securities trader, cf. Annex 7 - Trading venues and securities traders.

Prioritisation of factors - professional clients

The price is a vital factor for delivering Best Execution when trading in foreign exchange products. The settlement options must also be taken into account with a given counterparty. Other determining factors for Best Execution can be:

- Risk premium at maturity,
- Procedure for closing the derivative before time,
- Additional capital requirements,
- Yield curves.

Annex 6 – Order Execution for Interest Derivatives

This Annex describes the following instruments as well as our procedures for trading therein.

- Interest rate swaps
- Interest rate futures
- Interest rate options
- Cross-currency swaps
- Inflation swaps
- Future interest rate agreements

Interest rate derivatives traded over-the-counter (OTC).

Processing orders

Formuepleje A/S may receive orders for the purchase or sale of derivatives from clients through multiple channels, including by telephone or electronic communication. The orders are transmitted by a securities trader, cf. Annex 7 – Trading venues and securities traders

Prioritisation of factors - professional clients

The market for interest rate derivatives is characterised by different levels of liquidity, as some derivatives are highly liquid, while others are less liquid.

The price is a major factor in delivering Best Execution when trading in interest rate derivatives. The settlement options must also be taken into account with a given counterparty. Other determining factors for Best Execution can be:

- Procedure for closing the derivative before time,
- Additional capital requirements,
- Yield curves.

Annex 7 – Trading venues and securities traders

Trading venue/Securities traders	Town	Country	Type	Shares etc.	Bonds (mortgage, government)	Corporate bonds	Securities Financing Transactions	Share derivatives	Currency products (exchange derivatives)	Interest rate derivatives	Credit derivatives (CDS)
ABG Sundal Collier ASA	Oslo	Norway	Broker			X					
Arctic Securities AS	Oslo	Norway	Broker			X					
Barclays Bank Ireland PLC	Dublin	Ireland	Broker			X					
BCP Securities LLC	Madrid	Spain	Broker			X					
BNP Paribas SA	Paris	France	Broker			X					
BofA Securities Europe SA	Paris	France	Broker	X		X					
Brown Brothers Harriman	London	United Kingdom	Broker			X			X		
BTIG LLC (US)	San Francisco	United States	Broker	X		X					
Carnegie Investment Bank AB	Stockholm	Sweden	Broker	X		X					
Credit Suisse Securities de Valores S.A.	Madrid	Spain	Broker	X		X					
Danske Bank AS	Copenhagen	Denmark	Broker	X	X	X	X	X	X	X	
Deutsche Bank	Frankfurt	Germany	Broker			X					
DNB Markets (part of DNB Bank ASA)	Oslo	Norway	Broker			X					
Fondsmæglerselskabet Marselis AS	Aarhus	Denmark	Broker		X						
Goldman Sachs International	London	United Kingdom	Broker	X		X					X
HSBC Continental Europe	Paris	France	Broker			X					
Illiquidx Ltd	London	United Kingdom	Broker			X					
Imperial Capital (International) LLP	London	United Kingdom	Broker			X					
J.P. Morgan AG	Frankfurt Am Main	Germany	Broker			X					X
Jefferies GmbH	Frankfurt Am Main	Germany	Broker			X					
Jyske Bank AS	Silkeborg	Denmark	Broker	X	X	X	X		X	X	
London Clearing House	London	United Kingdom	OHF							X	

Trading venue/Securities traders	Town	Country	Type	Shares etc.	Bonds (mortgage, government)	Corporate bonds	Securities Financing Transactions	Share derivatives	Currency products (exchange derivatives)	Interest rate derivatives	Credit derivatives (CDS)
MarketAxess Europe Limited	London	United Kingdom	MTF			X					
Morgan Stanley Europe SE	Frankfurt Am Main	Germany	Broker			X					
Nomura International PLC	London	United Kingdom	Broker			X					
Nordea Bank Finland Adp	Helsinki	Finland	Broker	X	X	X	X	X	X	X	X
Nykredit Bank AS	Copenhagen	Denmark	Broker		X	X	X			X	
Oddo BHF SCA	Paris	France	Broker			X					
Oppenheimer Europe Ltd.	London	United Kingdom	Broker			X					
Pareto Securities AS	Oslo	Norway	Broker			X					
SC Lowy Financial (HK) Limited	Hong Kong	Hong Kong	Broker			X					
Seaport Group Europe LLP	London	United Kingdom	Broker			X					
Skandinaviska Enskilda Banken AB (SEB)	Stockholm	Sweden	Broker	X	X	X	X	X	X	X	
Société Générale SA	Paris	France	Broker			X					
Spar Nord Bank AS	Aalborg	Denmark	Broker		X		X			X	
Stifel Nicolaus Europe Limited	London	United Kingdom	Broker			X					
SToneX Financials Inc	New York	United States	Broker			X					
Sydbank AS	Aabenraa	Denmark	Broker		X		X			X	
TP ICAP (Europe) SA (Liquidnet Paris)	Paris	France	Broker	X							
Unicredit Bank AG	London/Milan	United Kingdom/Italy	Broker			X					
Wells Fargo Securities Europe SA	Paris	France	Broker			X					

The overview in annex 7 is updated ongoingly but at least once per year.

Latest update: July 21, 2023