

Best Execution-Policy

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1 Purpose of this Policy

- 1.1 This Best Execution Policy (the “**Policy**”) sets out information relating to how Lazard Asset Management (Deutschland) GmbH (“**LAMD**”) seeks to provide best execution as required by the relevant German implementing measures (e.g. § 168 Abs. 7 KAGB combined with article 27, 28, 29 AIFM-VO) and the Markets in Financial Instruments Directive 2014/65/EU (“**MiFID II**”), when executing orders on behalf of clients. Furthermore LAMD has obliged itself to the “**BVI-Wohlverhaltensregeln**”.
- 1.2 “**Best execution**” is the term used to denote the duty LAMD has to take all sufficient steps to obtain the best possible result under the relevant circumstances when executing transactions on clients’ behalf. LAMD owes its clients a duty to seek best execution when LAMD executes trades on clients’ behalf in the types of financial instruments set out in this Policy.

2 Scope of this Policy

- 2.1 This Policy covers trading by LAMD in the following financial instruments:
- 2.1.1 Equities: including shares and depositary receipts;
 - 2.1.2 Debt instruments: in particular including index linked bonds, government bonds, agency bonds, money market instruments, corporate bonds, covered bonds, hybrid bonds and asset-backed securities;
 - 2.1.3 Derivatives: including interest rate derivatives, credit derivatives, currency derivatives, equity derivatives, and commodities derivatives;
 - 2.1.4 Units or shares in collective investment schemes;
 - 2.1.5 Exchange traded products (including exchange traded funds and exchange traded notes); and
 - 2.1.6 Contracts for difference.
- 2.2 Trading in certain financial instruments requires written agreements with counterparties / trading venues. Based on the readiness of such documentation and client instruction, the number of trading venues available for trading financial instruments may be limited.
- 2.3 Please note, the best execution requirements under MiFID II do not apply to spot foreign exchange (FX). Therefore, LAMD does not have best execution obligations to the extent that LAMD carries out spot FX transactions. However, LAMD undertakes to always treat clients

fairly, to achieve economically reasonable results and to manage any conflicts of interest that may arise in respect of such transactions.

3 Application of Execution Factors

3.1 In seeking to achieve best execution with respect to a particular order, LAMD will take into account all relevant factors including the following:

- 3.1.1 **price:** this is the price a financial instrument is traded at;
- 3.1.2 **costs:** this includes all fees and costs related to order execution, including implicit costs such as possible market impact, and explicit costs such as broker fees;
- 3.1.3 **speed:** this is the time it takes to execute a transaction;
- 3.1.4 **likelihood of execution and settlement:** this is the likelihood that LAMD will be able to complete the transaction and that the transaction will settle;
- 3.1.5 **size:** this is the size of the transaction; and
- 3.1.6 **nature of the transaction or any other consideration relevant to the execution of the transaction:** this is how the particular characteristics of a transaction can affect best execution.

3.2 LAMD will determine the relative importance of each of these execution factors by using its commercial judgment and experience in light of market information reasonably available and taking into account a number of criteria, namely:

- 3.2.1 The investment intent of the portfolio manager who created the order;
- 3.2.2 The characteristics of financial instruments that are subject to that order, e.g. equity or debt instrument;
- 3.2.3 The types of venues through which dealing can be carried out;
- 3.2.4 Market conditions, such as the degree of liquidity and volatility in the market.

3.3 For most transactions, the key execution factors (which shall not be the exclusive factors) on which LAMD will place priority will be as follows:

- 3.3.1 **Likelihood of execution/size** – given the size of some of its trades, LAMD may prioritise the likelihood of execution, which will mean that LAMD may favour execution venues which will allow LAMD to fill either the whole order, or at least a material part of it. This may especially be the case where an order is particularly large, or where a particular instrument is not very liquid;

- 3.3.2 **Price** – this means the price of the instrument (i.e. not including costs applied by the broker or execution venue); and
- 3.3.3 **Speed** – for certain of LAMD’s transactions, speed may be an essential factor. For example, if the Portfolio Manager believes that the market may move in the short term, he/she may instruct the dealing team to prioritise speed as an execution factor in order to try and ensure that LAMD takes advantage of any market movements.
- 3.4 LAMD does not generally prioritise costs as an execution factor, given that for the majority of its trades, the third party costs that LAMD has agreed with its execution venues will be fairly standardised. This may differ in certain markets, such as emerging markets, where market practices may be less developed. Where this is the case, LAMD will apply more emphasis to costs as an execution factor. Note that LAMD does not apply any execution costs of its own, although we do pass on execution costs applied by third parties, such as external brokers.
- 3.5 In addition, LAMD does not tend to prioritise likelihood of settlement, given that in most developed markets, that does not tend to be a factor. However, in less developed markets, again, the emphasis may shift as LAMD deems necessary to protect clients’ interests.
- 3.6 When placing an order with a broker for execution, LAMD will consider not only these factors and criteria but also the broker’s ability to fulfil the obligations to seek best execution (see section 5 below).
- 3.7 The application of the execution factors will by necessity differ in respect of trading in certain markets, for example markets where pre-trade information is extremely limited and markets where pre-trade information is widely available and highly transparent, or for highly illiquid instruments as compared to trading in instruments where there is a high level of liquidity.
- 3.8 During the trading process when applying consideration to each execution factor, LAMD will use its expertise and experience to achieve the best balance across the full range of factors; including where they may conflict with each other. Overall, this may mean that LAMD and the execution venues it selects may not always achieve best execution (taking into account the characteristics of each trade) for every transaction, despite its good faith efforts to seek best execution.

4 Order aggregation

- 4.1** When LAMD deems the purchase or sale of the same security to be in the best interest of two or more of its portfolios, it may, but shall be under no obligation to aggregate to the extent permitted by applicable law and regulations, the securities to be purchased or sold in order to seek more favourable prices, or more efficient execution, or to take steps to ensure fairness across LAMD clients. In relation to particular orders, the effect of aggregation may work to clients' disadvantage, although all reasonable steps are taken to protect the interests of all clients. In particular, LAMD only aggregates orders where LAMD considers that such aggregation should work overall to the benefit of all clients whose orders are to be aggregated.
- 4.2** On rare occasions, LAMD may decide it is in the best interests for client accounts under its discretion to transact in a financial instrument with one another, which is also called a "cross transaction." Cross transactions between accounts may be possible depending upon clients' guidelines. Such transactions normally will be executed by an external broker and will, generally, be executed at mid-price between the best bid and offer price, or volume weighted average price (VWAP) for a predetermined period of time. The liquidity of the security and market volatility levels are some of the factors considered when deciding whether to cross and the basis of the price.
- 4.3** "Programme" trades may be used by LAMD to execute orders relating to client cash flows, i.e. to either invest or raise cash in individual accounts by executing a "vertical slice" of the portfolio so model weightings are not affected. These trades are transmitted electronically to the programme trading desks of brokers with whom Lazard Asset Management Group ("LAM") has established a connection. Traders may also aggregate smaller groups of unrelated trades into programmes to take advantage of the lower commission rates and efficiencies of programme trading.

5 Venue Selection

- 5.1** Orders for all transactions will be executed through one of the Lazard Asset Management booking centres: Lazard Asset Management Limited located in London; LAMD located in Frankfurt; Lazard Asset Management LLC located in New York; Lazard Korea Asset Management Co. Ltd in Seoul; or Lazard Asset Management Pacific located in Sydney. Please note, Lazard may add to or change this list of booking centres from time to time, based on business need. Trading is organised geographically so that traders closest to the markets where a security trades will usually execute the order using their unique knowledge of their local market. On each desk, traders may further specialise in certain areas such as sector,

investment type, or country. These booking centres in turn will usually then pass the trades to external brokers or other venues for execution.

- 5.2** When placing orders with (or transmitting orders to) other entities (including affiliates) to execute, LAMD will take all sufficient steps to obtain on a consistent basis the best possible result for its clients. For each transaction, LAMD considers the importance of the execution factors (see above) when choosing an execution venue and method of trading. In meeting its obligation to take all sufficient steps to obtain on a consistent basis the best possible result for the execution of orders, LAMD may use a wide variety of trading venues.
- 5.3** Its trading systems permit trading only with trading venues approved by LAMD. Trading venues may be selected on a global or local basis, by way of a survey which covers a variety of factors, including the following:
- 5.3.1 Execution Performance – how well each broker has performed in the execution of trades based on post trade transaction analysis;
 - 5.3.2 Ability to Find Liquidity – how successful is this broker at finding available liquidity?
 - 5.3.3 Ease of Use/Breadth of Services – how good is this broker’s service offering, and how easy and convenient is it to use?
 - 5.3.4 Overall Communication – quality of communication and responsiveness;
 - 5.3.5 Program Trading – how efficient is this broker in terms of processing program trades efficiently and effectively?
 - 5.3.6 Capital and risk – Scope for efficient access to a broker’s balance sheet in order to facilitate risk trades.
- 5.4** In the absence of specific instructions, LAMD trading staff have discretion in selecting any venue on LAM’s global Approved Broker List that they believe will provide best execution.
- 5.5** New venues may be added to the panel subject to a formal review process. A formal process must be followed to make an addition to the Broker List even temporarily. This process includes a review of the broker’s financial strength and standing in the financial community. All such requests are submitted to the Global Chief Operating Officer and Chief Compliance Officer (or their designees) for final review.
- 5.6** In addition to monitoring the financial stability of its counterparties, LAM has a daily report, used to monitor the gross value of unsettled securities trades by counterparty. This report is distributed to the Head of Equity Trading, the Head of Fixed Income, the Global Chief Operations Officer, and other staff. LAM also generates daily reports which are used to monitor the gross value of unsettled trades and derivative mark to market exposure. This

report is distributed to all relevant parties, including the trading teams, Risk Management, and the Chief Operations Officer.

- 5.7** The list of the execution venues in respect of each class of financial instruments with which LAMD places significant reliance is attached in the Schedule hereto. LAMD reserves the right to use other execution venues where LAMD deems appropriate, in accordance with this Policy.

6 Trading obligations in listed securities and derivatives

- 6.1** MiFID II obliges LAMD to execute transactions in securities admitted to trading on a Regulated Market or traded on a Trading Venue on a Regulated Market, MTF or Systematic Internaliser, or Equivalent Third-country Trading Venue, as appropriate, unless those securities are out of scope for such obligation pursuant to Article 23 of MiFIR. This requirement may mean that in a very small number of cases, LAMD would have to trade on an EU venue even where a better price or more liquidity may be available on a non-EU venue.
- 6.2** LAMD will also be subject to the mandatory derivative trading obligation as set out in EMIR, which obliges LAMD to execute certain derivative transactions on Regulated Markets, MTFs, OTFs or Equivalent Third-country Trading Venues.

7 Consent to Execute away from a Regulated Market, MTF or OTF

- 7.1** LAMD may, subject to express consent, execute all or part of clients' order outside of a Regulated Market, MTF or OTF. In the absence of an explicit response from the clients to the contrary in relation to this information, if the client continue to use LAMD's services, LAMD will treat clients as having provided LAMD with consent to trade outside a Regulated Market, MTF or OTF, as LAMD believes it is in the clients' best interest to do so. On request, additional information about trading outside a Regulated Market, MTF or OTF could be provided by LAMD.
- 7.2** Trading outside of a Regulated Market, MTF or OTF may increase counterparty risk exposure for such transactions. LAMD monitors counterparty risk exposure regularly (please refer to section 5.6 above) also with the aim to manage counterparty risk exposure in case of trading outside such regulated markets.
- 7.3** In case of market disturbances or system failures LAMD has the flexibility after consultation with the Compliance department to deviate from this Policy in order to maintain clients' interest.

8 Client Specific Instructions

Given the unusual case that LAMD receives a Specific Instruction in relation to an order, LAMD will follow that instruction so far as is reasonably possible when executing the trade. By following this specific instruction, LAMD will have satisfied the obligation to provide the best execution in relation to that transaction in relation to the part or aspect of the order to which the instructions relate. However, where a Specific Instruction covers only one part or element of an order, LAMD will still owe the best execution in relation to the rest of the order (i.e. the part not covered by the Specific Instruction). Examples of such instructions may include but are not limited to requests to execute on a particular venue or type of venue. **Clients acknowledge that a Specific Instruction may prevent LAMD from taking the steps that it has designed and implemented in this Policy to obtain the best possible result for the execution of those orders in respect of the portion of the trade covered by clients' Specific Instruction.**

9 Fees, costs and Inducements

- 9.1 LAMD is prohibited by MiFID II from accepting and retaining fees, commissions or any monetary or non-monetary benefits paid or provided by any third party other than certain minor non-monetary benefits.
- 9.2 Otherwise than as explicitly agreed with the client from time to time, LAMD will not apply any additional LAMD fees and costs for order execution, but LAMD will pass on the fees, costs and charges applied by third parties such as brokers, dealers and execution venues.
- 9.3 In terms of agreeing commission rates for the execution of trades with external brokers, LAM remains aware of commission rate levels and ranges in all markets through the use of publications and transaction cost studies. LAM uses those rates as a framework to negotiate commissions with brokers based on the quantity and quality of services received. Rates on programme trades reflect the efficiencies of trading "baskets" of securities. Trades on electronic systems whether baskets or individual stocks generally reflect the lower cost of that type of execution. Trades in single securities require more attention and services from the broker that may include capital commitment and use of the sales trading staff in locating or negotiating with the contra side of the trade. These trades are executed at rates that reflect the services provided.

10 Reporting

In accordance with its regulatory obligations, as an investment firm that executes orders, LAMD will summarise and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where it has executed orders.

11 Monitoring and Review

11.1 LAMD has adopted a number of procedures to ensure compliance with this Best Execution Policy:

11.1.1 LAMD has implemented a governance framework and control process through which it monitors the effectiveness of its order execution arrangements (including this Policy), to identify and, where appropriate, correct any deficiencies. Through this governance framework and controls process LAMD (with the assistance of certain global committees and senior personnel in other LAM affiliates) will assess whether the execution venues included in this Policy and related arrangements provide the best possible result or whether LAMD needs to make changes to its execution arrangements.

11.1.2 LAMD's trading systems only permit trading with venues approved by Lazard Asset Management. Venues are added to the approved list subject to a formal review process (see section 5 above).

11.1.3 Once approved, venues are assessed on an ongoing basis in terms of their ability to deliver the best possible result, their effectiveness in settlement and the relative level of risk presented by the execution venues to ensure that they will consistently offer the best results for clients.

11.1.4 LAMD's Investment Operations Department works with Internal Audit to monitor compliance with LAMD's policies and procedures relating to its dealing activities. This monitoring includes assessing compliance with best execution and its internal order execution process. Monitoring includes reviewing a sample of trades to check that the price achieved appears reasonable given other trades in the market around the time of execution.

11.2 LAMD will review its order execution arrangements and Policy at least annually or whenever a material change occurs that affects its ability to obtain the best result for the execution of clients' orders on a consistent basis. LAMD will notify of any material changes on LAMD's webpage from time to time. A change is to be considered material where its disclosure is necessary to enable the client to make a properly informed decision in relation to this Best Execution Policy as it applies to that client's trades. In these cases, LAMD will reissue the

policy to clients and seek one-way deemed consent to those changes. A copy of LAMD's up to date Best Execution Policy is available on LAMD's webpage.

- 11.3** If the clients make a reasonable and proportionate request for information this Policy or related procedures, LAMD shall answer clearly and within a reasonable timeframe.

12 Records

All communications which relate to reception, transmission and execution of orders, and/or which will or may result in orders shall be recorded in accordance with LAMD's terms and conditions.

13 Definitions

- 13.1** "**BVI Wohlverhaltensregeln**" means the rules of conduct of German Investment Funds Association, which can be found on following link:
<https://www.bvi.de/regulierung/selbstregulierung/wohlverhaltensregeln/>
- 13.2** "**EEA**" means the European Economic Area;
- 13.3** "**EMIR**" means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories;
- 13.4** "**Equivalent Third-country Trading Venue**" means a non-EEA venue assessed as equivalent to a Trading Venue in accordance with Article 25(4)(a) MiFID II;
- 13.5** "**Execution Venue**" means a Regulated Market, an MTF, and OTF, a Systematic Internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing;
- 13.6** "**Multilateral Trading Facility**" or "**MTF**" means a multi-lateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments in a way that results in a contract in accordance with the provisions of Title II of MiFID II;
- 13.7** "**MiFIR**" means Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;
- 13.8** "**MiFID II**" means the European Parliament and Council Directive on Markets and Financial Instruments (No. 2014/65/EU) and any implementing directives and regulations;
- 13.9** "**Organised Trading Facility**" or "**OTF**" means a multi-lateral system which is not a Regulated Market or an MTF and in which multiple third-party buying and selling interests in bonds,

structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of MiFID II;

- 13.10 Professional Client** means a client which LAMD has categorised as being a “Professional Client” in accordance with the applicable rules;
- 13.11 “Regulated Market”** means a multi-lateral system operated and/or managed by a market operator, which facilitates the bringing together of multiple third-party buying and selling interests in financial instruments in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of MiFID II;
- 13.12 “Specific Instruction”** means instructions provided to LAMD by a client when making an investment or divestment decision, examples of such instructions may contain, but are not limited to, the selection of a limit price, a period of time the order may remain valid or request to execute the order on a specific venue;
- 13.13 “Systematic Internaliser”** means an investment firm which, on an organised, frequent and systematic basis, deals on own account by executing client transactions outside a Regulated Market or an MTF; and
- 13.14 “Trading Venue”** means a Regulated Market, an MTF or an OTF.

SCHEDULE – LAMD EXECUTION VENUES

LAMD uses the execution venues listed below when seeking to obtain best execution in accordance with this Policy. The list below is not exhaustive, and will be subject to change as LAMD considers necessary to ensure that the venues LAMD uses are appropriate for its business needs, and in order to ensure that LAMD takes all sufficient steps to achieve best execution. In particular, other venues may be added from time to time, including temporary additions.

Instrument Type	Execution venues on which Lazard Asset Management places significant reliance by instrument type
Equities	<p>LAMD delegates execution of all equity trades to other Lazard Asset Management entities around the world. LAMD does this to ensure that assets are being traded by teams with the greatest local and sectoral expertise, and also to ensure that (so far as practicable) its trading is not slowed down by time zone differences. See section 5 of this Policy for further details.</p> <p>The list below shows the top ten equities execution venues for LAM on a consolidated global basis (i.e. consolidated across all Lazard Asset Management entities globally).</p> <p>Bank of America/Merrill Lynch</p> <p>JP Morgan</p> <p>Morgan Stanley</p> <p>UBS</p> <p>Barclays</p> <p>Goldman Sachs</p> <p>Citigroup</p> <p>Jefferies Group</p> <p>BNP Paribas</p> <p>HSBC</p>

<p>Debt Instruments (Bonds, money market instruments)</p>	<p>In line with the large spectrum of debt instruments, LAMD intends to use a large number of different execution venues to achieve best execution throughout the whole spectrum. Based on recent data, LAMD expects that a majority of transactions will be placed on the following venues:</p> <p>Danske Bank</p> <p>Nordea Bank</p> <p>JP Morgan AG Frankfurt</p> <p>DZ Bank AG</p> <p>HSBC Trinkaus & Burkhardt</p> <p>BNP Paribas S.A. Paris</p> <p>Deutsche Bank</p> <p>SEB AG</p> <p>Goldman Sachs Europe SE</p> <p>Citigroup Global Markets Europe AG</p>
<p>Derivatives</p>	<p>The majority of derivatives trading for LAMD clients is still based on client instructions regarding the use of certain counterparties / execution venues. Usually, LAMD executes FX Spots and Forwards with the Custodian Bank of the client account. Other OTC derivatives are traded with selected counterparties / execution venues. Exchange traded derivatives are traded via the relevant market combined with the interaction of a broker or a broker's platform.</p>
<p>Contracts for difference ("CfDs")</p>	<p>According to LAMD's positive list of eligible assets CfDs are not permitted.</p>
<p>Exchange traded products (exchange traded funds etc)</p>	<p>LAMD intends to trade in exchange traded funds with brokers or the fund trading desk or fund trading unit of the Custodian Bank of the client.</p>
<p>Fund units</p>	<p>LAMD intends to trade fund units with the fund trading desk or fund trading unit of the Custodian Bank of the client.</p>

As of 30.12.2024