

Order Execution Policy

October 2009



1. Introduction

Jyske Global Asset Management (JGAM) will take all reasonable steps to achieve best execution, when placing orders on your behalf. As a result of the EU's "Markets in Financial Instruments Directive (MIFID)", Danish legislation provides that JGAM must have an order execution policy for trading financial instruments, including securities on your behalf (exchange-rate spot transactions are not covered by this policy). JGAM's Order Execution Policy is described below.

JGAM place orders with brokers that execute orders. Orders are not placed with brokers in the name of the clients. See item 4 for a list of brokers and execution venues.

Note that only clients having signed an Advisory Service Agreement may place orders with JGAM.

2. Order handling at JGAM

When executing an order on your behalf, JGAM will take all reasonable steps to achieve the best possible result for you under the circumstances. JGAM will consider price, costs, the speed of order execution, the likelihood of execution or settlement, the size and nature of the order and other consideration relevant to the efficient execution of your order (Best Execution).

As described in the General Business Conditions, JGAM will treat all its clients as retail clients and thus provide the clients with a high level of protection. For retail clients, Best Execution primarily is determined on the basis of the total payment (price plus costs).

When placing orders on your behalf, JGAM will take the following factors into account:

- Your characteristics as a customer
- The characteristics of your order
- The characteristics of the financial instruments that are the subject of the order
- The characteristics of the execution venues to which the order can be directed

In principle, JGAM can place orders on all Danish banking days. The opening hours of the local exchanges and the brokers determine when the orders can be placed.

JGAM have laid down procedures to prevent us from executing JGAM's own orders simultaneously with your orders in a way which is detrimental to you.

Together with the Order Execution Policy, our business procedures and systems ensure that JGAM will execute your orders at all times in the best possible way.

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3. Specific instructions

Where you provide JGAM with specific instructions in relation to the execution of your order, including selecting to execute on a particular stock exchange or at a particular price, it may prevent us from following some or all of the steps in our Order Execution Policy that are designed to achieve the best possible execution of your orders.

JGAM will still attempt to execute your order in the best possible way subject to and taking into account any special instructions from you.

3.1. Cancellation of trades made at OMX

Under the member rules (Norex Member Rules), the stock exchange NASDAQ OMX is entitled to cancel trades. Trades may for instance be cancelled if they were occasioned by technical or manual errors committed either by the stock exchange or by individual members or their customers.

The rules about cancellation are described in detail at the homepage of the stock exchange under section 5.7.3 of the Norex Members Rules. The broker may cancel trades cancelled by the stock exchange under these rules, and JGAM and/or the broker assume no liability for cancellations made by the stock exchange.

4. Execution venues/brokers

When selecting the execution venue/broker, JGAM take into account the factors mentioned under 2 above.

JGAM reserve the right to use other execution venues if the purpose is to obtain the best possible result for you, and if it is otherwise in line with our Order Execution Policy.

JGAM assess the individual execution venues on a regular basis to achieve the best possible execution of your order.

Orders regarding all instrument categories including fixed income (e.g. bonds), equities and mutual funds may be placed with the brokers mentioned in the below list of primary execution venues.

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Equities, mutual funds, funds and certificates
Jyske Bank A/S
Morgan Stanley
Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation
Emerging Markets, structured bonds, corporate and other bonds
Jyske Bank A/S
Morgan Stanley
Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation
Non-listed financial instruments
Jyske Bank A/S
Morgan Stanley
Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation
Equity/equity index futures and options
Jyske Bank A/S
Morgan Stanley
Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation
Fixed-income futures and options
Jyske Bank A/S
Morgan Stanley
Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation
Commodity futures and options
Jyske Bank A/S
Morgan Stanley
Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation

The list is not exhaustive, but it includes the execution venues which will in our view enable us to achieve, on a consistent basis, the best possible execution of your orders.

5. Order types

When you place your order, you must determine the order type with an adviser over the counter or by telephone. List of order types:

- “Spot orders”: the order is executed immediately and at a price which is known in advance.
- “At best”: JGAM attempts to place the order based on the current market price.
- “Limit orders”: An “at best” order to which you have added a maximum purchase price or minimum sales price.

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The list of order types may not be exhaustive. The available order types may vary from broker to broker depending on the security, the market situation, the time of placing the order etc.

5.1 Spot orders

In case of spot transactions the price is known before the order is executed and the settlement time is also known in advance. In addition, you are certain that the order will be fully executed.

Please note that you are not allowed to influence spot trading prices by entering offsetting orders in the market where you intend to buy or sell securities. Such behavior is regarded as an attempt to manipulate prices and thus constitutes violation of the Danish Securities Trading Act. Violation is punishable by a fine or imprisonment.

5.1.1 Special conditions for securities traded on OMX in Denmark or Sweden

The price will be at or within the best bid or offer price on OMX from time to time or within the volume-weighted spread in the order book of the execution venue. The volumes available for spot transactions are determined by the broker.

Outside the opening hours of OMX, prices are quoted on the basis of the best closing bid or offer price, as the case may be.

For orders for securities which are not subject to continuous trade on OMX or if no bid/offer price is quoted, the broker may fix a price. The price will be fixed under consideration of:

- Supply and demand
- The latest traded level
- Price-affecting events
- The price of similar securities and/or financial instruments
- Any information available about the securities

5.1.2 Special conditions for securities NOT traded on OMX in Denmark or Sweden

The price of these securities is fixed on the basis of the prices at which the relevant securities are trading at the primary stock exchange at the time of the transaction or based on the criteria of item 5.1.1 if the securities are not quoted on a regulated market or if the securities are primarily traded outside a regulated market (OTC).

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5.2 “At best”

JGAM will as quickly as possible after receipt of an order for an “at best” transaction attempt to place the order on the securities/the financial instruments on the basis of the current market conditions. “At best” transactions are often a good solution in the absence of a tradable price in the market or when no spot price is quoted.

JGAM may choose to execute your order at or within the volume-weighted spread in the order book of the execution venue. It may not be possible to execute an “at best” order fully, and JGAM reserve the right to make partial settlement of any “at best” order.

5.2.1. Special conditions for securities traded on OMX in Denmark or Sweden

“At best” transactions may be filled from the broker’s own securities portfolio or the broker may choose to execute it on the relevant stock exchange. If the order is executed on the relevant stock exchange, the broker may choose to place a matching order on the particular stock exchange, acting on its own behalf or on behalf of another customer. In that case and where the transaction is filled from the broker’s own securities portfolio, the broker will be your counterparty.

If there are no takers in the market, the broker is not under an obligation to execute the order. This may happen in case of very illiquid securities. For such securities, JGAM recommend placing a limit order instead of an “at best” order.

5.2.2. Special conditions for securities NOT traded on OMX in Denmark or Sweden

If there are no takers in the market, and the broker does not wish to fill the order from its own securities portfolio, or is unable to do so, the order may not be executed. This may happen in case of very illiquid securities. For such securities, JGAM recommend to place a limit order instead of an “at best” order.

Due to time differences, special conditions apply for orders relating to equities which are traded on regulated markets in the Far East (Asian time zone):

- If JGAM receive the order before 05.00 p.m. (Danish time), JGAM will attempt to place the order on the first succeeding business day.
- If JGAM receive the order after 05.00 p.m. (Danish time), JGAM will not be able to attempt to place the order until the business day after the first succeeding business day.

For bonds which are traded on the US or Asian market, the following applies:

- JGAM place the order between 09.00 a.m. and 05.00 p.m. (Danish time).

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- If JGAM receive the order after 05.00 p.m., the order will not be attempted executed until the business day after the first succeeding business day (local time zone).

5.3 Limit orders

“At best” orders may be placed as limit orders with price stipulation. Limited “at best” orders can be executed for securities which are quoted on a stock exchange. The order must be at least the minimum lot applying to the particular securities.

For a limit order, a maximum/minimum price, as the case may be, is agreed at the time when the order is placed, and it is agreed when a limit order is to expire (maximum: 7 days) if unexecuted and whether partial execution of the order is acceptable. The transaction will be settled when it is executed at the desired price or at a better price. The execution of the order will, among other things, depend on the time zone of the relevant execution venues (including regulated markets).

5.3.1 Special conditions for securities traded on OMX in Denmark or Sweden

If you place a limit order for equities, you also accept partial execution. This means that an order may be executed in several partial transactions, which may involve higher costs. It also means that the order may be filled at different prices at different times (perhaps over several days) or that it may only be filled partially. In case of large limit orders the broker may “display” only part of the order in the market if the broker assess that this will promote the execution of the order.

For bond transactions, it must be determined, when the order is placed, whether the order may be partially executed or only in its entirety (“all or nothing”). Partial execution will typically be in multiples of DKK 100,000. The broker may choose to place a matching order in the OMX trading system, acting on its own behalf or on behalf of another customer. In that case, the broker will be your counterparty.

5.3.2 Special conditions for securities NOT traded on OMX in Denmark or Sweden

The same principles as described above shall apply.

Due to time differences, special conditions apply to orders relating to securities which are traded on regulated markets in the Far East (Asian time zone):

- If JGAM receive the order before 05.00 p.m. (Danish time), JGAM will attempt to place the order on the first succeeding business day.
- If JGAM receive the order after 05.00 p.m. (Danish time), JGAM will not be able to attempt to place the order until the business day after the first succeeding business day.

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- JGAM place the order between 09.00 a.m. and 05.00 p.m. (Danish time).
- If JGAM receive the order after 05.00 p.m., the order will not be attempted placed until the business day after the first succeeding business day (local time zone).

6. Review of and changes to the Order Execution Policy

At our homepage www.jgam.com/terms you will find the latest version of the Order Execution Policy

JGAM will regularly and at least annually review the Order Execution Policy and adjust and amend it to achieve the best possible execution of your orders, on a consistent basis.

You will not receive any separate information about changes to the Order Execution Policy. Therefore, JGAM recommend that you consult JGAM's homepage at regular intervals.