



## Best Execution Policy

Union Investment Privatfonds GmbH  
Union Investment Institutional GmbH  
Union Investment Luxembourg S. A.  
Union Investment Real Estate GmbH  
Union Investment Institutional Property GmbH

# Best Execution Policy

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**Union Investment Real Estate GmbH**  
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hereinafter referred to as “the company”

## I. Objective

This Best Execution Policy establishes principles and procedures to achieve in the context of transactions in financial instruments for the collective portfolio management and the financial portfolio management the best possible result for the investment fund or the client portfolio. It also applies to all investors under the collective portfolio management and customers of financial portfolio management.

## II. Underlying principle of the Best Execution Policy

Trading decisions of the portfolio manager shall in principle not be directly transferred to trading exchanges, but rather shall be forwarded to intermediaries such as brokers, banks etc. The companies work towards the best possible execution of transactions through careful selection and supervision of the intermediaries. The company also checks whether the intermediaries have appropriate policies in place that enable them to pursue a Best Execution Policy for the orders.

## III. Best Execution procedures and issue of orders

Issue of trading orders shall comply with the following procedures:

1. Trading orders on financial instruments shall be based on all information and the best available terms and conditions prevailing when issuing the order. With regard to selection of counterparties and their execution of the orders, the company shall take into account certain factors that are relevant for optimizing results, notably the following:

- Price of the financial instrument
- Transaction costs
- Speed of order execution
- Probability of execution and settlement
- Volume and type of order

These criteria shall be individually weighted regardless of the order and type of financial instrument, in order to select and engage the intermediaries.

The weighting of these factors shall be determined by reference to the following criteria:

- the objectives, investment policy and risks specific to the investment fund, as indicated in the sales prospectus or, as the case may be, in the fund rules,
- characteristics of the orders,
- characteristics of the assets and
- characteristics of the execution venues to which the order can be directed.

2. Trading orders shall be placed under the assumption that clients seek to optimize the results including all costs arising from execution of the order. Consequently, the decision to issue an order shall take into account the financial instrument's customary price fluctuations principally with the intermediary, to ensure that the transaction is executed promptly, completely and at low cost. In certain cases, the selection of the intermediaries may be influenced by other relevant factors (e.g. impact of the order on the market, security on settlement, quality of the investment research).
3. Based on the foregoing the company shall prepare a register of intermediaries to whom the company forwards trading orders as part of its fund management. Attached to this Policy as an appendix is a summary of the most important global intermediaries. Should the register leave a choice between several intermediaries in view of the details of the respective order the company shall select the intermediary on an individual assessment basis.
4. The company shall regularly verify the order execution by the engaged intermediaries. For this purpose it shall review the settled transactions for compliance with said Best Execution Policy on a sample basis. Any errors shall be reported.

#### **IV. Priority of client instructions**

As part of the individual financial portfolio management for professional clients, the client may issue instructions for the execution terms in respect of single transaction or all transactions. Client instructions always take priority over this policy and shall be followed by the company when placing the order.

#### **V. Review of the policy**

The company shall regularly and at least once a year review the Best Execution Policy. It shall also review the policy in the event of a material change in the market environment, which may affect reaching optimum results under this policy.

#### **VI. Exceptions to order placement rules in individual cases**

In case of system breakdowns or extraordinary market conditions it may exceptionally be necessary to place an order not in compliance with this Best Execution Policy. In these circumstances, the company shall also make every effort to achieve the optimum results for the client.

# Broker and counterparty list for issue of trading orders

## Key intermediaries (broker and counterparties) for executing orders

<b>Equities &amp; Fixed Income</b>	<ul style="list-style-type: none"> <li>• ABN Amro Bank N.V.</li> <li>• Banco Bilbao Vizcaya Argentaria S.A.</li> <li>• Banco Santander S.A.</li> <li>• Bank of America N.A.</li> <li>• Barclays Bank PLC</li> <li>• BNP Paribas S.A.</li> <li>• Citigroup Global Markets Ltd.</li> <li>• Commerzbank AG</li> <li>• Credit Suisse AG</li> <li>• Deutsche Bank AG</li> <li>• DZ BANK AG</li> <li>• DZ PRIVATBANK S.A.</li> <li>• Goldman Sachs International</li> <li>• J.P. Morgan Chase Bank N.A.</li> <li>• Merrill Lynch International</li> <li>• Morgan Stanley &amp; Co. International PLC</li> <li>• Natixis S.A.</li> <li>• SEB AG</li> <li>• Société Générale S.A.</li> <li>• UBS AG</li> </ul>	<b>OTC Derivatives</b>	<ul style="list-style-type: none"> <li>• Barclays Bank PLC</li> <li>• BNP Paribas S.A.</li> <li>• Credit Suisse International</li> <li>• Deutsche Bank AG</li> <li>• DZ BANK AG</li> <li>• Goldman Sachs International</li> <li>• Merrill Lynch International</li> <li>• Morgan Stanley &amp; Co. International PLC</li> <li>• SEB AG</li> <li>• Société Générale S.A.</li> <li>• UBS AG</li> </ul>
<b>Listed Derivatives</b>	<ul style="list-style-type: none"> <li>• Bank of America N.A.</li> <li>• Barclays Bank PLC</li> <li>• BNP Paribas S.A.</li> <li>• Commerzbank AG</li> <li>• Deutsche Bank AG</li> <li>• DZ BANK AG</li> <li>• DZ PRIVATBANK S.A.</li> <li>• J.P. Morgan Securities plc</li> <li>• Merrill Lynch International</li> <li>• Morgan Stanley &amp; Co. International PLC</li> <li>• SEB AG</li> <li>• Société Générale S.A.</li> <li>• UBS AG</li> </ul>	<b>Other Assets</b>	<ul style="list-style-type: none"> <li>• BNP Paribas S.A.</li> <li>• Citigroup Global Markets Ltd.</li> <li>• Commerzbank AG</li> <li>• Deutsche Bank AG</li> <li>• DZ BANK AG</li> <li>• Merrill Lynch International</li> <li>• Morgan Stanley &amp; Co. International PLC</li> <li>• UBS AG</li> </ul>

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## Disclaimer

This brochure contains an English version of the original "best execution policy" in German language. In case of misgivings the German version shall prevail. It was prepared and issued with the utmost care, liability is nevertheless limited to gross negligence.

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