

Order Execution Policy

Robeco Institutional Asset Management B.V.

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1. General information

1.1 Introduction and scope

This document sets forth information relating to how Robeco Institutional Asset Management B.V. (hereinafter referred to as Robeco) seeks to provide best execution when executing orders on behalf of clients.

Robeco performs asset management on behalf of its clients and within its capacity as manager of investment funds. In carrying out these activities, Robeco invests in various asset classes including equities, bonds, foreign exchange, futures, swaps and other derivative instruments on behalf of its clients. Robeco is committed to take all sufficient steps to obtain, when executing orders, the best possible results for its clients. The order execution policy is a guideline, deviations are possible in the interest of the clients.

This policy has been formulated in accordance with the specifications of the Dutch Financial Supervision Act (Wet op het financieel toezicht, Wft), the Markets for Financial Instruments Directive (MIFID II), the Undertakings for Collective Investment in Transferable Securities Directive (UCITS Directive) and the Alternative Investment Fund Managers Directive (AIFMD).

The order execution policy applies to clients of Robeco who have been categorized as professional clients. The financial instruments in scope of this policy are any financial instruments which are covered by MiFID II, including transferable securities, units in collective investment undertakings, financial derivatives and contracts for difference.

2. Order execution

2.1 Execution of orders and transmission or placement of orders

Robeco's asset management duties include the execution of orders and the transmission or placement of orders for clients with other entities for execution.

When executing orders, the responsibility for obtaining best execution fully applies to Robeco. This will generally be the case when Robeco requests a price quotation from a broker or another counterparty. This includes for example bond trades, over-the-counter derivatives and certain types of foreign exchange transactions. It will also be the case when Robeco deals directly in the market as a participant in a multi-lateral trading facility (MTF).

When Robeco does not execute orders for clients itself, but places or transmits orders to brokers, Robeco relies on the broker that is selected to execute orders on an agency basis. In this case, the responsibility for best execution does not only apply to Robeco, but also to the selected broker. Robeco will then be responsible for oversight and monitoring of the execution quality of the broker.

2.2 Best execution obligation and relevant factors

When placing orders with brokers or using trading venues for the execution of trades which result from Robeco's investment decisions for clients, Robeco takes all sufficient steps to obtain the best possible result for its clients. The factors which are taken into account may include:

- Trade price or spread;
- Commission charged and other costs;
- Quality, speed and likelihood of execution and settlement;
- Order size;
- Nature of the order; and
- Any other consideration relevant to the execution of the order.

The relative importance of these factors will be determined by considering matters including the characteristics of the portfolio manager's order, the characteristics of the financial instruments that are subject to that order and the characteristics of counterparties and execution venues to which that order can be directed. Price and costs are generally of primary importance in obtaining best execution. However, other factors may gain importance, for example, when the size of a trade is large compared to the liquidity of the instrument, or where speed of execution becomes important for investment due to nature and size of the order or client cash flow requirements. In other words well-informed trade execution decisions are made with the intention of maximizing the value of client portfolios.

2.3 Exceptions to the obligation to obtain best execution

Robeco's ability to achieve the best possible result, and therefore its obligation to do so, will be limited to the extent that Robeco is following a specific instruction from its clients when placing an order with another entity for execution. Whenever, for example, Robeco is instructed by a client to use a particular broker, Robeco will execute the order as instructed. In all other cases, RIAM will make a best execution assessment of its own, as described in this policy. Where any instruction applies to only part of an order, Robeco will apply its order execution policy to those aspects of the order not covered by the instruction of the client.

2.4 Order allocation policy

Robeco will generally execute transactions on an aggregated basis in order to treat all clients in a fair and equal manner. The following principles will apply to all aggregated transactions:

- Orders will be aggregated unless aggregation is not consistent with Robeco's duty to obtain best execution
- Trade allocation is set and fixed before execution
- In trade allocation, no client will be favored over any other client. However, in certain cases, a client will not participate in a transaction, for example due to a client's request to direct an order to a specific broker, their investment objectives and strategies, position weightings, cash availability, risk tolerance, and size of portfolio.
- Fair treatment of clients: transaction costs are shared pro rata based on each client's participation in the transaction and/or a fixed amount is charged per portfolio.
- In the case of partial execution, the executed portion of the transaction will be allocated on a pro-rata basis, except when this is not possible because of a lower execution than expected. In that case the trader or portfolio manager has the authority to determine an appropriate allocation methodology or to prioritize.

Notwithstanding any of the foregoing, an aggregated order may be allocated on a basis different from the one noted above, provided that all clients receive fair and equal treatment over time. Any considerable deviation is substantiated and documented.

3. Trading venues and brokers

3.1 General

It is Robeco's policy to maintain a choice of trading venues and brokers that offer the potential for Robeco to obtain the best possible result for the execution of orders on behalf of its clients on a consistent basis. A list of each of the trading venues and brokers that are used by Robeco is attached in the Annex.

Robeco is not affiliated with any broker or trading venue, which allows for full flexibility to select trading partners on the basis of best execution.

3.2 Trading venue and broker selection

Robeco makes heavy demands on the business conduct, integrity and trustworthiness of the third parties it uses to create an environment in which best execution can be ensured.

Selection of (additional) trading venues includes consideration of factors such as liquidity and price offered, credit and settlement risk, realized performance (e.g. liquidity, price improvements, fill rates), commercial positioning, resilience and reliability.

In some markets, price volatility may mean that timeliness of execution is a priority. In markets that have low liquidity, the fact of execution may itself constitute best execution. In other cases, the choice of venue may be limited because of the nature of the order. For example, when financial instruments are more illiquid, there may be little or no choice of venue.

Brokers are selected with care and Robeco ensures that their order execution policy complies with Robeco's best execution criteria, as outlined above. Brokers will be assessed regularly on criteria such as their reputation, execution price, liquidity, quality of execution (e.g. accurate and timely execution, potential to improve on price), superior services but also on the market conformity of their commission charges plus any other relevant criteria.

The selection of a broker or trading venue for the execution of a particular trade is a decision based on the facts and circumstances. Robeco considers many factors for each investment decision and does not adhere to any rigid formulas when selecting a particular broker for order execution. In general, Robeco considers some or all of the following criteria in choosing the most appropriate counterparty or venue to seek to obtain best execution, depending on the order:

- The size of the trade relative to other trades in the same financial instrument;
- The need to minimize the possible market impact;
- Access to liquidity;
- Whether or not the security is traded on an exchange or OTC;
- Commission rates and other costs;
- Client mandate/restrictions;
- Any other relevant factor.

If Robeco believes it is in the best interest for the client to execute all or part of its orders outside a regulated market or MTF, Robeco will request its client's prior consent to execute such orders in this manner.

3.3 Best execution monitoring

Robeco has designed a set of robust systems and controls according to which it ensures that potential deficiencies in respect to the order execution policy are identified and corrected.

This policy is formally reviewed (and subsequently amended where appropriate) at least on an annual basis. Such a review shall also be carried out whenever a material change occurs that affects Robeco's ability to continue to obtain the best possible result for its clients.

In addition, Robeco has a monitoring program in place to test the effectiveness of its overall execution arrangements and to have oversight of its regulatory obligations on best execution. This monitoring program includes the ongoing monitoring of the quality of the price of execution of orders, fair allocation of aggregated orders and monitoring of the prices for the execution of cross transactions. In addition, Robeco monitors and reviews the execution quality of the brokers and trading venues used to ensure continued compliance with its order execution arrangements and policy. Robeco also monitors and reviews its own procedures for ensuring the selection of appropriate venues to enable the achievement of best execution for the trading it undertakes. The observations and findings of the above mentioned monitoring activities are analyzed and discussed at least on an annual basis. Where appropriate, improvements in respect of the order execution process are identified.

3.4 Information to clients

This order execution policy is designed to highlight the key aspects of its order execution policy. This policy is initially provided to a new client as part of the investment management agreement, in order that Robeco can evidence the provision of appropriate information.

Throughout the life of the investment management agreement, Robeco will notify its clients of a material change in its dealing arrangements or a material change in Robeco's underlying regulatory obligations. A material change means a significant event of an internal or external nature that could materially impact factors of best execution such as cost, price, speed, likelihood of execution, likelihood of settlement or any other consideration relevant to the execution of the order. Moreover, we will update the lists of trading venues and brokers periodically and when necessary. Clients will not be notified separately of any changes unless this constitutes a material change. The addition or removal of a broker from our approved list would not typically be deemed a material change.

Robeco will always publish the latest version of its policy on its website www.robeco.com/riam.

On this website Robeco also published reports about the execution of orders to enable the public and clients to evaluate the quality of Robeco's execution practices. The report contains for each asset class the top five trading venues/brokers in terms of trading volume where Robeco transmitted or placed orders for execution in the preceding year. Also for each asset class a summary of the analysis and conclusions from its execution monitoring is published.

4. Additional considerations per instrument type

4.1 Equity

Equity orders are transmitted via brokers. The liquidity of the share and the size of the order determine how the order is handled.

4.1.1 Liquid equities: low touch orders

For market equity orders in very liquid developed markets, Robeco can automatically select a broker's algo or the selected broker can use smart order routers for optimization of order execution and determining the trading venue where the order should be submitted, without meaningful market impact. In such cases it is not Robeco that engages in algorithmic trading, but the selected broker is. Groups of orders in liquid markets are executed via broker-dealers using program trading (program orders). For liquid equities, price and trading impact are the most important factors to consider, seeking to obtain best execution.

4.1.2 Illiquid equities or large orders: high touch orders

Probability of execution and execution speed become more important in case of illiquid equities or large orders. If an order is illiquid or has high nominal value, or has high ADV, it requires knowledge of the market and personal attention. The size of the trade is sometimes large compared to the average daily volume so it can have an impact on the market. Such trades may be executed through High Touch execution. Also a (buy-side to buy-side) crossing network like for example Liquidnet, ITG Posit Alert or BIDS may be used. Factors like the characteristics of the stock and its market-cap can also play a role when selecting a broker.

Robeco exerts every effort to find liquidity at prices in the best interest of the client not limited to any order type. Doing so, Robeco may give the order to a broker as a working order, or decide to make use of the broker's algo directly. High Touch trades can also be executed via a broker-dealer's Direct Market Access (DMA) system, according to which Robeco has access to a trading venue or regulated market through the use of the trading code of the broker, using the IT infrastructure of the broker.

4.2 Fixed income (Bonds, IR Swaps, Forwards and other IR derivatives except futures)

The fixed income instrument category is executed on platforms, except futures, which are transmitted to brokers. For Fixed Income transactions, liquidity and price are basically the main determining factors given the nature of the securities, as well as the speed of market and size of the transaction.

Best execution generally focuses on two dimensions:

1. Execution against a price as close as possible to the prevailing mid-market level;
2. Execution of a transaction with the least amount of market impact.

In general fixed income orders are executed in competition. This means that an order is executed by simultaneously requesting a price (RFQ) on a platform from an average of three counterparties. Sometimes, the nature of a fixed income order might justify the selection of just one counterparty (e.g. in case of illiquidity, bigger sizes, most High Yield bonds, ILS, CDS).

4.2.1 Trades with limited size (not complex)

If liquidity is sufficient, orders will be executed in competition, whereby brokers will be requested for a quote (RFQ) on a platform. Prevailing execution dimension here is to obtain a price as close as possible to the mid-market level.

4.2.2 Complex trades of limited size

Complex trades of limited size usually include a component which makes valuation not available via broker screens and where pricing can vary more broadly amongst counterparties. These trades for example have an option component making the instrument itself complex or a bond CSA impacting the valuation of an otherwise more standard instrument like a swap. For these types of trades Robeco periodically receives information of its counterparties on how they price these more complex trades. This information is used for initial counterparty selection of which brokers should be put in competition for the trade. Execution is generally done via Bloomberg chat or on a taped line.

4.2.3 Large transactions

Large (complex) transactions, which have a high likelihood of impacting the market due to their size, will generally not be put in 'live' competition. Based on the information received by brokers (e.g. Bloomberg chat, on a taped line) and historic execution capabilities the best broker will be selected to execute the order.

4.3 Futures

Orders in futures are transmitted to brokers. Interest futures tend to be traded on an electronic platform or via an algo. If future contracts are rolled, the order is executed with the clearing brokers as this reduces costs (compared to executing with another broker and clearing with clearing broker).

4.4 Currency derivatives including spots

In general foreign exchange orders (FX spots, FX forwards, NDF and FX swaps) are executed in competition. The order is executed by simultaneously requesting a price (RFQ) from several counterparties through the electronic platform FXALL. Sometimes, the nature of a forex order might justify the selection of just one counterparty – for example, in the case of currencies that are not traded on an electronic platform, for large orders that might have market impact when communicated to multiple counterparties, and for orders to be executed on a market fixing price.

Execution of 'restricted currencies' is done by the custodian. Robeco monitors that the custodian meets Robeco's standards.

4.5 Collective investment undertakings

Where Robeco wishes to deal in a collective investment undertaking on behalf of clients, our policy is to use the available venue for buying or selling units or shares in that undertaking, which is generally the operator of the undertaking itself.

5. Force Majeure

Exceptional circumstances with regards to a financial instrument may require specific measures when executing or placing orders. These exceptional circumstances could include, issuers subject to downgrade or bankruptcy, suspensions or temporary suspension of trading, etc.

In order to obtain the best possible result for its clients under such exceptional circumstances, Robeco may follow execution or placing procedures other than those described in this policy. In such an eventuality, Robeco shall not be in breach of this Policy.

The obligation of Robeco to perform best execution under the terms and conditions of this policy may be delayed or excused by an event that is beyond the control of Robeco.

6. Appendix: Trading venues and approved brokers

Arrangements may vary depending on contractual arrangements with clients.

6.1 Approved broker list

The approved broker list as at the date of this policy is set out below.

Equities

ABN AMRO BANK
African Alliance Securities Trading
Autonomous Research
Axis Capital Ltd
Banco BTG Pactual S.A.
Banco Santander
Bank Degroof Petercam
Bank of America Merrill Lynch International
Banque Pictet
Barclays Capital
Berenberg Bank (Joh. Berenberg, Gossler & Co)
Bloomberg Tradebook
BNP Paribas
Brasil Plural Securities
BTIG
Canaccord Genuity Ltd
Cantor Fitzgerald
China Construction Bank International
China International Capital Corporation
China Merchants Securities Co., Ltd
CIMB Securities (Singapore) Ltd
Citigroup Global Markets Limited
Cowen & Company
Credit Agricole
Credit Lyonnais Securities
Credit Suisse Securities Europe Ltd
Daiwa Capital Markets Europe Ltd.
Danske Bank A/S
Davy (J & E Davy)
DBS Vickers Securities UK Ltd
Deutsche Bank
Edelweiss Securities
EFG-HERMES / Financial Brokerage Group
Exane
Flow Traders
Gao Hua Securities Company (Sub. Of GS)

Global Menkul Degerler (Eczacibasi)
GMP Securities Europe LLP
Goldman Sachs International Limited
Goodbody Stockbrokers
HSBC Bank plc
ICISecurities
ING Bank N.V.
Instinet Europe Ltd. NOMURA
Itau BBA UK Securities Limited
ITG Europe
Jefferies International
John Keells Stock Brokers
JP Morgan Securities Ltd.
Kempen & Co N.V
Kepler Capital Markets
KGI Securities Co. Ltd
Korea Investment & Securities Co., Ltd.
Liquidnet Europe Limited
LOOP Capital
MACQUARIE Capital Europe LTD
Morgan Stanley & Co International
Motilal Oswal Securities
NIBC Markets N.V.
NewEdge Group
Northland Securities
Religare Capital Markets(Europe) Ltd
Renaissance Securities
Robert W. Baird Ltd
Royal Bank of Canada / RBC Dominion Securities
Saigon Securities
Samsung Securities
Sanford C. Bernstein & Co.
Sberbank SIB (Cyprus) Limited
Scotia Capital
SEB Enskilda ASA
Securities Africa Ltd
Societe Generale SA
Standard Bank
Standard Chartered
Stifel Financial Corporation
Stuart Frankel
Svenska Handelsbanken AB
U.B.S. London
UNLU Securities
Yuanta Securities

Fixed Income

ABN AMRO
AFS
Amherst Pierpont Securities LLC
AUREL BGC
AUTONOMOUS
BANK OF AMERICA
Bank of China
BARCLAYS
BB&T Capital Markets
BNP
BRED BANQUE POPULAIRE
CANTOR
CITI
COMMERZBANK
Common Wealth Bank of Australia
CREDIT AGRICOLE
CREDIT SUISSE
DANSKE BANK
DBS Bank Ltd
DEUTSCHE BANK
GOLDMAN SACHS
Hongkong & Shanghai Banking Corp Ltd
HSBC
HVB/UNICREDITO
IMPERIAL CAPITAL
ING
JEFFERIES
JP MORGAN
KBC Group NV
Larrain Vial SA
LLOYDS
Market Axess Capital Ltd.
Millennium Advisors LLC
MITSUBISHI
MIZUHO
Morgan Stanley Smith Barney LLC
MORGAN STANLEY
NATIXIS
Nat west ROYAL BANK OF SCOTLAND
NIBC Markets N.V.
NOMURA
NORDEA
Octo finances
ODDO
RABOBANK

ROYAL BANK OF CANADA
RW PRESSPRICH
Santander
Seaport Group Europe LLP
SEB ENSKILDA
SOCIETE GENERALE
Standard Chartered PLC
Statestreet
STIFEL
TORONTO DOMINION
UBS
Wallich en Matthes
WELLS FARGO SECURITIES
ZURCHER KANTONALBANK

6.2 Trading venues

For trading of government bonds, investment grade credits and high yield credits, the following electronic trading platforms provide an access mechanism to the market:

Tradeweb
MarketAxess
Bloomberg MTF

For trading of interest rate swaps, inflation linked swaps, credit default swaps and credit default swaps index, the following electronic trading platforms provide an access mechanism to the market:

Tradeweb
Bloomberg MTF

For trading of foreign exchange (FX spot, FX forward, FX swaps and non deliverable forwards), the following electronic trading platform is used:

FXAll

For trading of exchange traded funds (ETFs), the following electronic trading platform is used:

Bloomberg MTF

For trading of other instrument types, orders are placed with other entities (brokers) for execution.