

## Evli's client order execution policy

This policy sets out the procedures and principles that Evli Plc ("Evli") complies with when executing and transmitting orders related to financial instruments of non-professional and professional clients. With the help of these procedures and principles, Evli strives to ensure that orders are executed in the best possible way from the perspective of its clients. The financial instruments covered by this policy are listed at the end of the policy.

### 1. Best execution – summary for non-professional clients

In accordance with the best execution provisions (known as the MiFID II provisions), Evli shall provide non-professional clients with a summary of this policy:

When executing its clients' orders related to financial instruments, Evli shall take all sufficient measures to obtain the best possible result for the clients. This is also referred to as the investment service provider's obligation to ensure the best execution.

This policy explains the different criteria that Evli takes into account when offering its clients the best execution.

For non-professional clients the best possible result is determined in terms of the total consideration, i.e. as the total price when they buy or sell financial instruments. The total consideration is the price of the financial instrument and the costs relating to execution of the order.

The total consideration includes all expenses incurred by the client which are directly relating to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

If the client issues express instructions regarding his/her order, these may affect Evli's obligation and opportunities to offer the best execution and prevent Evli from taking action that Evli would otherwise take in accordance with this policy.

When Evli executes a client's order, Evli may act as the client's counterparty, in which case the client will carry out the trade related to the financial instrument directly with Evli. Evli may also decide to execute the client's order at the execution venue or outside it or to transmit the order to another broker who will then execute the order. The choice made by Evli between the different ways of executing the order is based on the attempt to ensure the best total consideration for the client.

When Evli transmits the order, it shall be executed in accordance with the order execution policy of the partner in question at the given time. Evli may, in certain cases, determine how the order transmitted by it shall be executed. In these cases, the order shall be executed in accordance with this policy.

Information on which trading venues Evli uses to execute orders and the partners to which Evli transmits orders for execution can be found at the address [www.evli.com/en/client-information](http://www.evli.com/en/client-information).

In order to ensure that execution is always the best possible, Evli continuously monitors its own performance and the performance of the execution venues and brokers that Evli uses in the execution of client orders.

Evli regularly publishes reports that indicate how the obligation to provide the best execution has been implemented. The reports are available at [www.evli.com/en/client-information](http://www.evli.com/en/client-information).

Evli may, upon request, demonstrate to the client that it has executed the order in accordance with this policy. The best possible result for the client may not have been achieved in an individual case, but Evli will be able to demonstrate that this policy has been followed in the execution of the order.

The following provides a more detailed description of how Evli provides the best execution.

## 2. Scope – non-professional and professional clients

Evli classifies its clients in three categories:

- eligible counterparties (banks, pension funds, insurance companies, etc.)
- professional clients (typically very large corporate clients)
- non-professional clients (all other clients)

This policy applies to non-professional and professional clients.

This policy does not apply to clients classified as eligible counterparties. Evli does, however, act honestly, fairly and professionally when executing the orders of clients classified as eligible counterparties.

## 3. Best execution

Evli offers investment services to its clients in two business areas to which best execution obligations are applied.

These two business areas are:

- a) Execution of orders on behalf of clients and reception and transmission of client orders. This means that Evli executes the orders that are issued by the client. The service begins when the client has decided to buy or sell a financial instrument.
- b) Asset management. This means that the client has given Evli a mandate to buy or sell financial instruments on his/her behalf in accordance with the asset management agreement. Evli shall make decisions related to trading in the best interests of the client and executes the decisions in accordance with the best execution requirements.

The best execution associated with asset management is described in an addendum to this policy.

### 3.1. Exceptions

The requirement to provide best execution is subject to certain exceptions. These are situations in which the client does not legitimately rely on Evli to provide best execution. This may be the case particularly in quote-driven markets.

- If a professional client trades on the basis of a quote provided by Evli, the initial assumption is that the client does not legitimately rely on Evli to provide best execution. This assumption is checked against the “four-fold cumulative test,” which has been published by the European Commission to establish whether the client may legitimately rely on us to provide best execution. The four-fold cumulative test contains the following criteria:
  - which party initiates the transaction. If the client initiates a transaction, it is less likely that the client will be relying on Evli to provide best execution.
  - questions of market practice and the existence of a convention to “shop around.” In some markets, it is common practice for a client to ask for quotes from various sources and then to base its trading decisions on these quotes. Under these circumstances, the client would not be able to expect the broker chosen to provide best execution.
  - the relative levels of price transparency on a market. In markets where Evli has easy access to the prices of the relevant markets, but the client does not have knowledge of these prices, the client is more likely to rely on Evli to provide best execution.

- The information provided by Evli and any agreement reached between the client and Evli may have an impact on whether Evli is obligated to provide best execution.

For non-professional clients, the result of the four-fold cumulative test is usually that the client is entitled to expect best execution even when the client trades on the basis of a quote provided by Evli.

## 4. Factors affecting best execution

### 4.1. Factors

When Evli chooses how to ensure best execution it takes into account the following factors regarding the order:

- price
- costs
- speed
- likelihood and costs of execution and settlement of the order
- type and nature of the order
- any other factors that are considered relevant for the execution of an order

In general, Evli prioritizes the factors on the basis of the following:

- client's situation and objective of the order
- prevailing market conditions
- the underlying financial instrument and its characteristics
- relevant execution venues

By default, Evli considers the following factors to be the most significant:

Price and costs: In most cases, the price of a financial instrument and the costs, including commissions and fees, related to execution are the essential factors for ensuring best execution.

For non-professional clients, the best possible result shall be determined in terms of the total consideration. The total consideration means the price of the financial instrument together with the costs related to execution, including all expenses incurred by the client that are directly related to the execution of the order, such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

It will not always be possible to execute the client's order at the best price, but Evli always strives to execute the orders in accordance with this policy.

Evli strives to execute purchase orders at the lowest sales price offered and to execute sales orders at the highest purchase price offered.

Certain financial instruments (OTC financial instruments) do not have what could be defined as an observable market price, either because they have not been admitted to trading on any trading venue or because they are not actually traded at any trading venue. In the case of such financial instruments, Evli must check the fairness of the price by using relevant market data and also, where possible, by making comparisons with similar or comparable financial instruments.

Speed and likelihood of execution: After price and costs, Evli considers, by default, speed and likelihood of execution to be the most important factors when ensuring best execution.

Speed is the rate at which Evli takes care of the execution of the client's order. If the client does not provide any instructions regarding the speed at which the order should be executed, Evli will execute the order at a rate that it believes represents a balance between creating a market impact and executing the client's order in a timely fashion. The aim of this is to reduce execution risk.

Evli will strive to execute the entire order quickly if Evli does not believe that prompt execution of the entire order will have a negative impact on the quality of the execution.

If Evli considers that the size or type of the client's order may affect the price level, Evli may postpone the execution of the entire order or parts of it. On the other hand, Evli may, depending on the circumstances, prioritize rapid execution if this is deemed to be the most advantageous for the client.

Likelihood of execution is the likelihood that Evli will be able to execute the order in full or at least a substantial part of it. This factor will be of particular relevance if, for instance, the financial instrument in question is illiquid or if the client limits the price of the order to a level that does not correspond to the prevailing market price.

Due to the market conditions of the financial instrument that is the subject of the order, Evli may have to prioritize the likelihood of execution. Therefore, Evli may decide to execute the client's order at an execution venue or venues that have the sufficient liquidity and willingness to trade to ensure that execution takes place quickly and the effects on the price level are minimized.

Likelihood of settlement: Evli settles the orders that it executes on behalf of its clients in a timely fashion. If Evli becomes aware that a particular execution strategy may endanger the likelihood of settlement, Evli may reject the strategy even if it would result in a better price.

Other relevant factors: Although Evli considers the above-mentioned factors to be the primary ones, there may be situations where other factors may influence the measures to achieve best execution.

## 4.2. Client instructions

If the client provides Evli with instructions regarding an order or part of an order, Evli will execute the order as accurately as possible in accordance with the instructions.

However, it should be noted that the instructions may prevent Evli or the executor used from taking the steps that Evli or the executor used would otherwise take to comply with this policy or the executor's policy. Therefore, Evli or the executor used may not necessarily be able to ensure best execution of the order in respect of the parts of the order where the client's instructions must be followed.

If the client's instructions only apply to a certain part of the order, Evli will endeavor to ensure best execution of the order in all other respects in accordance with this policy.

If the client does not provide Evli with any instructions, Evli shall exercise its own discretion in executing the order in accordance with this policy.

## 5. Order execution

### 5.1. Own account, execution venues and brokers

When executing a client's order, Evli will select the execution venue that, in Evli's opinion, provides the best result for the client. If Evli transmits the order to a third party for execution, Evli will select a broker who, in Evli's opinion, provides the best result for the client in the execution.

An order executed by Evli or transmitted to another broker for execution may be executed on an execution venue or outside execution venues. An order or parts of it can be executed, for example, directly against a party or another client's order if Evli or the broker used by Evli deems this to be in the best interests of the client. Executing an order outside an execution venue requires that the client give Evli express consent.

When executing orders outside execution venues, Evli may act as the client's counterparty and trade on its own account, in which case the client will trade the financial instrument directly with Evli. At the

client's request, Evli will provide additional information on the consequences of trading outside trading venues.

Evli or the broker used may execute orders by aggregating clients' buy and sell orders. Evli or the broker used by it may aggregate orders also outside trading venues if the client has expressly agreed to this or by trading in accordance with the rules of a trading venue.

Evli executes orders promptly, fairly and efficiently and in the order in which they are received.

### **5.1.1. Execution venues**

Execution venues are regulated markets, multilateral trading facilities (MTF), organized trading facilities (OTF), systematic internalizers, market makers and liquidity providers.

If Evli decides to execute a client's order at an execution venue, Evli will choose the execution venue that is most likely to offer the best possibilities of ensuring best execution. For all classes of financial instruments, the main criterion for selecting the execution venue is effective pricing, such as the bid-ask spread and access to price information. In its assessment, Evli will include the liquidity and the costs of executing orders at each execution venue.

To ensure that the choice of execution venue does not negatively affect the clients' total consideration, any external costs are also considered. These costs could be related to settlement, for example.

### **5.1.2. Brokers**

In this context, a broker refers to another investment service provider that receives an order from Evli and decides how to execute it. If Evli decides to execute the client's order through a broker, Evli will select a broker that, in Evli's opinion, offers the best possibilities of ensuring best execution. Evli only transmits clients' orders to brokers that Evli believes can deliver a result that meets the best execution requirements.

### **5.1.3. List of execution venues and brokers**

A list of the main execution venues and brokers can be found at the address [www.evli.com/en/client-information](http://www.evli.com/en/client-information). Information on the execution venues and brokers that Evli uses in each class of financial instruments when executing the orders of non-professional and professional clients can also be found in the same location.

Evli continuously monitors the quality of the execution that clients receive in accordance with section 8 of this policy. This also includes monitoring the performance of the execution venues and brokers used.

## **6. Aggregation of orders and operating in exceptional circumstances**

Evli may aggregate orders and transmit them to be executed or execute them itself in one or more tranches if, due to demand, it believes that these orders can then be executed in this way at an average price that it considers generally favorable. Consequently, aggregation may have a negative impact on an individual order.

Evli executes the orders at a weighted average price when aggregating orders and executing them in several tranches. When aggregated orders have been executed, they are, as far as possible, allocated to clients on the trading day at the calculated average price. If aggregated orders can be executed only in part, Evli will allocate the executed part to the participating clients either on a pro rata basis according to the size of the orders or by allocating the same share to all participating clients (one-for-one basis). When Evli makes the choice between these two methods, the relevant factors are taken into account,

which include the relative size of the orders, the order in which orders have been received and the prevailing liquidity situation in the market of the financial instrument in question.

If clients' orders are aggregated with transactions made on Evli's own account, Evli will only receive a share of the allocation if all participating clients receive a full share. If it would not have been possible to execute the client order on equally favorable terms without aggregation, Evli may distribute the transaction on a pro rata basis.

In exceptional circumstances, such as disruptions at execution venues or in trading systems, the operating principles of this policy may be deviated from if deemed necessary.

## **7. Classes of financial instruments**

### **7.1. Annexes**

Annexes 1–6 to this policy explain how Evli ensures best execution in the various classes of financial instruments by focusing on the most relevant execution factors. The purpose of the annexes is to provide an overview of different trading scenarios at Evli, not to provide an exhaustive description of all trading scenarios or of all steps taken when Evli executes orders. The annexes supplement the general description of the factors contributing to best execution in section 4.1. Depending on the situation, all the different factors are included in the trading scenarios even if they are not explained or mentioned in the annexes.

Each annex should be read together with the other parts of this policy.

Annex 1: Equities and equity-like financial instruments

Annex 2: Exchange-traded derivatives

Annex 3: Bonds

Annex 4: Structured notes

Annex 5: Interest rate derivatives

Annex 6: Currency derivatives

## **8. Monitoring, evaluation and changes**

Evli monitors and evaluates the effectiveness of this policy and the measures taken to comply with it.

The monitoring of the effectiveness of this policy is carried out continuously by the trading units that are directly responsible for delivering best execution and Evli's internal control functions that operate independently from the functions executing client orders.

Evli's internal control functions ensure that information on the quality of the execution of orders is collected and reviewed centrally. If it is observed that Evli does not fulfill its best execution obligations, the policy and the related procedures will be changed. Evli also continuously assesses whether the selected execution venues and brokers continue to fulfill the requirements of the best execution policy. If this is not the case, Evli will make the necessary changes.

## **9. Reporting**

### **9.1. Top five execution venues and brokers**

Once a year Evli publishes, for each class of financial instrument, information on the orders of non-professional and professional clients at the top five execution venues in terms of trading volume. This

also includes information on the most frequently used brokers. The information is published annually at the address [www.evli.com/client-information](http://www.evli.com/client-information).

As part of this report, Evli publishes, for each class of financial instrument, a summary of the analyses and conclusions that have been made based on the monitoring of the quality of execution at the execution venues where all client orders have been executed during the previous year.

## **10. Changes to the policy**

All changes to the order execution policy will be announced on Evli's website. Evli will notify all clients with whom it has a continuous client relationship of material changes to the order execution arrangements or to this order execution policy.

## **11. Additional information**

For more information on the execution of your orders, please contact Evli Plc.

The financial instruments covered by this policy under the MiFID II rules are:

- Transferable securities
- Money market instruments
- Units of collective investment undertakings
- Derivatives (such as options and futures)
- Financial contracts for differences

## Annex 1: Equities and equity-like financial instruments

This annex explains how Evli's best execution principles and procedures are applied to the following equities and equity-like financial instruments:

- equities
- depositary receipts
- securitized derivatives (warrants and certificate derivatives)
- ETFs (exchange traded funds) and ETNs (exchange traded notes)
- units in exchange traded collective investment funds

### Issuing an order

Orders can be issued to Evli in the following ways:

- manually: the client issued the order by contacting Evli directly, for example at a meeting or by telephone.
- electronically: the client sends an order, for example by email, the chat function of various electronic services, or using Evli Trader, Evli's electronic trading service.

### How the client's order is handled

The financial instruments referred to in this annex are all subject to trading. The majority of orders related to financial instruments are transmitted for execution through the selected broker. In this way Evli strives to ensure best execution. Evli may execute certain orders itself, such as block trades in equities or orders which include specific execution instructions.

The entire order or parts of it may be executed directly against another counterparty on the market or against an order of another client if it is deemed to be in the best interests of the client and if the client has expressly consented to the execution of the order outside a regulated market.

### Best execution criteria

The main factors for ensuring best execution are the price of the financial instrument and costs, including commissions and fees, associated with execution.

Section 4.1 of the order execution policy describes how Evli prioritizes the various factors, other than the price and costs, that influence execution. These factors are applied when Evli executes or transmits the client's orders with the financial instruments specified in this annex. If Evli transmits the order, the broker will execute the order in accordance with its own policy regarding the execution of orders.

A list of the trading venues that Evli uses to execute client orders concerning equities and equity-like financial instruments and a list of investment service providers to which it can transmit orders can be found at [www.evli.com/client-information](http://www.evli.com/client-information).



## Annex 2: Structured notes

This annex explains how Evli's best execution principles and procedures are applied to the following structured notes.

### Issuing an order

Orders can be issued to Evli in the following ways:

- manually: the client issues an order by contacting Evli directly, for example by filling in a subscription form or by submitting an order at a meeting or by telephone.
- electronically: the client sends the order by email, for example.

### How the client's order is handled

#### Subscription - primary market

When trading with the above-mentioned financial instruments in the primary market, the client subscribes for a structured note during its subscription period. The subscription is based on preliminary terms and conditions, which describe the special characteristics of the structured note in question. Evli acts as the issuer of structured notes and offers issued structured notes to be subscribed for by clients.

#### Trading - secondary market

The client's trading in the secondary market is based on a quote provided or an order placed by the client. If the client issues an order, Evli will select the execution method in accordance with the order execution policy.

If the structured note in question is subject to trading on an execution venue, Evli will decide on an order-by-order basis whether the order will be transmitted to a trading venue or whether it will be executed outside the trading venue based on which method provides the best result for the client. The entire order or parts of it may be executed directly (OTC) against a systematic internalizer, another counterparty, another client's order or Evli if Evli deems this to be in the interests of the client and if the client has expressly consented to the fact that Evli may execute the order in question outside a trading venue.

If a client's order concerning a structured note is executed directly (OTC) against another counterparty outside a trading venue, the order will be executed in such a way that the price (bid/ask quote) is requested, as far as possible, from several counterparties. After this, the counterparty will primarily be selected whose price quote leads to the best result for the client, taking all costs into account. However, it is often possible that the price of a product that is not subject to public trading at any execution venue can only be obtained from the party offering investment services that issued the product or an entity that is a related party of the party that issued the product. If an order is executed against another client's order or against Evli, the order will be executed at a price corresponding to the market price. In addition, Evli's expenses and a market-based profit margin are taken into account in the pricing.

### Best execution criteria

The most important factor for ensuring best execution in relation to structured notes is the price.

The price of a structured note is based on the underlying asset, which can be, for example, a specific financial instrument or index, which tracks the performance of the financial instruments. The key factors in the pricing of a structured note, on primary or secondary markets, are:

- observable prices on trading venues for identical or similar financial instruments (if any)
- spot values of underlying financial instruments and foreign currencies
- yield and credit curves, volatility, yield and price spreads, co-variation
- market liquidity
- size and type of the order
- regulatory issues affecting pricing

Section 4.1 of the order execution policy describes how Evli prioritizes the various factors, other than the price, that influence execution. These factors are applied when the client's orders are executed with the financial instruments specified in this annex.

A list of the execution venues that Evli uses to execute client orders concerning structured notes and a list of investment service providers to which it can transmit orders can be found at [www.evli.com/client-information](http://www.evli.com/client-information).

## Asset management addendum to Evli's order execution policy

### 1. Purpose of this asset management addendum

This addendum specifies the best execution principles that Evli Plc ("Evli") complies with when offering asset management services. Evli's asset management unit is part of Evli Plc, but it carries out its asset management duties independently of Evli's other functions. The addendum describes the principles and procedures that are followed with the aim of obtaining the best possible result for clients when Evli makes trading decisions when offering asset management and when executing or transmitting individual orders issued by the client.

When Evli offers asset management as an investment service, they are responsible for managing the client's asset management portfolio in accordance with a mandate agreed separately with the client. This type of "discretionary asset management" means that Evli makes decisions on behalf of the client on which financial instrument to buy or sell and when to execute these actions. Evli also offers "advisory asset management." In advisory asset management, the company offering investment services provides investment advice, but the client independently makes the decisions on which financial instrument he/she will buy or sell and when. Evli is obliged to act in the client's best interests when making trading decisions and when executing or transmitting individual orders. This means, for example, that in discretionary portfolio management both companies will strive to make investment decisions on buying or selling financial instruments in a way that is timely and beneficial for the client.

With respect to trading decisions, the obligation to obtain the best possible result begins when Evli has made the decision to buy or sell a particular financial instrument.

References are made in this addendum to Evli's order execution policy when it is applied to the asset management service offered by Evli and to the execution or transmission of individual orders.

### 2. Best execution obligation

"Best execution" means that Evli must take all sufficient steps to obtain the best possible result for the client. The principle applies to all situations in which Evli makes trading decisions or execute or transmit an individual order issued by a client. They are required to take into account several factors affecting execution, which are described in greater detail in sections 4 and 5 of Evli's order execution policy. They must also assess the relative impact of these factors overall, for example in accordance with the terms and objectives of the asset management mandate issued by the client. It should be noted that the best execution of trading decisions does not mean that Evli is required to obtain the best possible result for the client in every order. However, Evli regularly monitors that the trading decisions and individual orders related to asset management are being executed carefully on behalf of the client in accordance with this addendum.

### 3. Scope

Evli complies with the best execution principles for all clients (non-professional and professional) in asset management and in the clients' individual orders. However, if Evli has agreed with the client on specific terms and conditions regarding asset management or otherwise receive specific instructions from the client, Evli will execute the orders primarily in accordance with the terms and instructions in question. These terms and instructions are referred to here as "special conditions."

The special conditions always have precedence over what is stated in this addendum. This means that special conditions may prevent Evli from taking the steps that they would otherwise take to comply with the principles specified in this addendum. Evli's obligation to comply primarily with the special conditions issued by the client may lead to Evli not necessarily being able to ensure the best possible execution of the trading decision or individual orders issued by the client in all situations. However, Evli always strives to ensure the best possible result for the client within the framework of any special conditions.

#### 4. Selection and monitoring of trading venues and brokers

##### Selection process

Evli's primary goal when selecting brokers, trading venues and counterparties, hereinafter collectively referred to as "brokers" is to select the service providers that enable us to make trading decisions according to the rules and to execute individual orders in the best possible way for the client, taking into account the execution factors described in sections 4 and 5 of Evli's order execution policy. When Evli selects the best possible broker for an order, they will comply with the criteria described in Evli's order execution policy (sections 5.1.1 and 5.1.2).

Evli will execute the trading decisions and individual orders issued by the client, usually in their own name but on behalf of the client. This means that Evli executes the trading decisions and individual orders issued by the client without realizing any profit or loss from the transaction. When executing trading decisions, Evli does not act as the counterparty that trades on its own account.

Evli has chosen to use primarily as brokers the brokerage service of Evli Plc's Execution unit, for those financial instruments which this unit provides brokerage service for and to use other service providers regarding the financial instruments that are not covered by its services. When they use this brokerage service, the unit functioning as counterparty may trade on its own account. All activities and relationships between Evli Group's various business units and subsidiaries are conducted in accordance with the Group's internal conflict of interest policy. A list of trading venues and brokers used for each class of financial instrument can be found at the address [www.evli.com/client-information](http://www.evli.com/client-information).

When Evli chooses the best possible broker for the client, they assess its ability to execute orders for the client in the client's best interests.

##### Monitoring of execution venues and brokers

Evli does regularly (at least once a year) assess the selected brokers on the basis of their ability to meet the criteria set for brokers and to offer execution of trading decisions on a continuous basis in accordance with this addendum. The assessment includes an evaluation and comparison of the brokers' execution quality reports to ensure that the selected service providers meet their best execution obligations.

#### 5. Executing trading decisions

##### Execution of orders

When Evli decides to make a trading decision on behalf of the client or the client issues an individual order, Evli has various options for executing the transaction:

1. Evli can execute a trading decision at a trading venue, i.e. on a regulated market, a multilateral trading facility (MTF) or an organized trading facility (OTF). Evli's asset management unit does not have direct access to the regulated market, but they may transmit an order to a selected broker that will execute the order at a trading venue that they consider the best.
2. Evli may make trading decisions that, within the framework of an asset management mandate, result in buying a financial instrument into one client portfolio, but selling the same financial instrument from another client portfolio. Evli usually executes such orders by using a broker. Evli executes such simultaneous cross trades only when they are considered to be in the best interests of the client.

##### Factors affecting execution

When Evli makes trading decisions or execute the individual orders of a client, both use reasonable judgement, weighing the factors that affect execution at the time of executing the order while also taking into account the client's asset management mandate and any special conditions, the type of order and financial instrument and the prevailing market conditions.

The factors affecting execution are the price at which Evli can execute the trading decision or individual order, the cost and speed of executing the order, the likelihood of execution and settlement of the order, the characteristics of the financial instrument, the size and nature of the order to be placed on the market and any other factors essential to executing the order, such as the market impact.

In order to secure clients' interests, Evli strives to assess the value of the financial instrument using all available means. However, it may be difficult to estimate the price in the following situations, for example:

- the financial instrument's liquidity is inadequate,
- due to the special nature of a financial instrument class, only one appropriate broker is available, or
- contacting several brokers to obtain competing quotes could most likely have a negative effect on the transaction price.

In situations such as those described above, Evli may not necessarily be able to obtain the same amount of information to support the assessment as it would be able to obtain if the financial instrument in question had been available through several brokers or if it were otherwise widely traded.

The likelihood of execution often depends on liquidity in the market or on whether a specific broker can or wants to provide sufficient liquidity to execute an order. In order to obtain the best possible result for the client, Evli applies various execution criteria that depend on the class of financial instrument or type of order executed on behalf of the client.

The criteria may include, but are not limited to:

- whether or not the financial instrument is traded on a trading venue or OTC
- the size of the transaction in relation to other transactions in the same class of financial instrument
- liquidity
- minimizing the possible market impact
- the client's portfolio management mandate and any special terms and conditions set by the client
- commissions and other costs
- special characteristics of brokers capable of executing the order

A summary of the key execution factors can be found on the last page of this addendum.

### **Aggregation and allocation of orders**

Evli can aggregate the orders of different clients when they make a trading decision concerning the same financial instrument for several clients at the same time. The aggregated orders can be distributed among the client portfolios according to the traded price of the executed aggregated order. If aggregated orders are executed in several tranches over the day, the financial instruments in question are allocated using a calculated average price. If the aggregated orders can be executed only partially, they are allocated on a pro rata basis. This means that clients will receive their proportion of the partially executed order considering both the best possible financial result for the client and the equal treatment of all clients. Evli can deviate from the pro rata allocation only if it is justifiably found that the expected benefits of the executed aggregated order cannot be realized by receiving a pro rate allocation.

## **6. Monitoring and reporting**

### **Monitoring**

For information on the monitoring and evaluation of the effectiveness of this addendum, see section 8 of Evli's order execution policy (Monitoring, evaluation and changes).

### **Top five trading venues and brokers**

For information on the top five trading venues and brokers used by Evli see section 9 (Reporting) of Evli's order execution policy.

## **7. Changes to the addendum**

Any changes to this addendum will be published on the website of Evli. All clients with whom Evli has a continuous client relationship will be notified of any material changes to the execution arrangements of this addendum

## **8. Additional information**

For additional information, please contact your client account manager at Evli.

## Asset management - Summary of generally applied execution criteria

Class of financial instrument	Execution venues	Description	Key factors affecting execution
Equities, exchange-traded funds (ETFs), depository receipts	Regulated markets, MTF, SI	Executed through a broker on a regulated market or MTF or by a broker acting as a systematic internalizer (SI)	<ol style="list-style-type: none"> <li>1. Price and cost</li> <li>2. Likelihood of execution</li> <li>3. Speed</li> </ol>
Bonds	OTC, MTF, SI	Request for quote from several counterparties, either bilaterally or through a MTF	<ol style="list-style-type: none"> <li>1. Price and cost</li> <li>2. Likelihood of execution</li> </ol>
Money market instruments	OTC, MTF, SI	Request for quote from several counterparties, either bilaterally or through a MTF	
Units in collective investment schemes	Transfer agent or another appointed distributor	Normally executed via a transfer agent appointed by the fund management company in accordance with the fund prospectus or another similar document. A transfer agent or other authorized distributor is normally the only execution venue to which the orders are directed for subscriptions or redemptions.	The timeliness of the placement of the order according to the rules set by the fund management company.
Structured notes	OTC	Request for quote from the issuer and/or Evli.	<ol style="list-style-type: none"> <li>1. Price and cost</li> <li>2. Likelihood of execution</li> <li>3. Speed</li> </ol>