

ORDER EXECUTION POLICY



<p style="text-align: center;">Neuberger Berman Europe Limited & Subsidiaries</p> <p style="text-align: center;">Order Execution Policy</p>

Version No	1.0
NBEL Board Approval Date	14 December 2017
Effective Date	3 January 2018

ORDER EXECUTION POLICY

TABLE OF CONTENTS

1. INTRODUCTION	3
2. PURPOSE.....	3
3. ORDER EXECUTION	3
4. EXECUTION FACTORS.....	4
5. EXECUTION CRITERIA.....	4
6. EXECUTION VENUES AND BROKERS	4
6.1 Introduction	4
6.2 Selection of Execution Venues	5
6.3 Selection of Brokers	5
6.4 Executing/Placing Orders with Execution Venues/Brokers that are not Pre-Approved	6
6.5 OTC Instruments and/or Products	6
6.6 Cross Trades	6
7. DETAILED REQUIREMENTS FOR EACH FINANCIAL INSTRUMENT TRADED	7
7.1 Introduction	7
7.2 Financial Instruments Traded.....	7
(a) Equity Instruments.....	7
(b) Fixed Income, Currency and Derivative Instruments.....	9
8. SPECIFIC INSTRUCTIONS	14
9. RELATED POLICIES	14
10. MONITORING.....	15
10.1 Introduction	15
10.2 Responsibility for Best Execution Monitoring.....	15
10.3 Monitoring Processes.....	15
10.3.1 Execution Venue Published Data.....	15
10.3.2 Front-office Monitoring.....	16
10.3.3 Transaction Cost Analysis	16
10.3.4 Venue Monitoring	16
10.3.5 Third Party Broker Selection.....	16
10.3.6 Use of Benchmarks, Tolerances and Exception Reporting	16
10.4 Senior Management and Escalation	16
11. POLICY REVIEW	17
12. CLIENT DISCLOSURE AND CONSENT	17
APPENDIX A.....	19
Execution Venues	19
Brokers.....	19

ORDER EXECUTION POLICY

1. INTRODUCTION

Neuberger Berman Europe Limited (“**NBEL**” or “**the Firm**”) is authorised and regulated by the Financial Conduct Authority (“**FCA**”) and is a Registered Investment Adviser (“**RIA**”) with the Securities Exchange Commission (“**SEC**”). The FCA is NBEL’s primary regulator as UK domiciled entity. NBEL and its subsidiaries, branches and representative offices within the Europe, Middle East and Latin America region are therefore required to adhere to all relevant regulatory provisions set out by both the FCA and the SEC.

Neuberger Berman AIFM Limited (“**NBAIFM**”) is a wholly owned subsidiary of NBEL and is an alternative investment fund manager providing investment management services through alternative investment funds to institutional and professional clients.

Neuberger Berman (Switzerland) GmbH (“**NB Switzerland**”) is a wholly owned subsidiary of NBEL operating as a distributor in Switzerland and regulated by FINMA (Swiss Regulator).

2. PURPOSE

NBEL is required to take all sufficient steps to obtain the best possible results (“**Best Execution**”) on a consistent basis on behalf of its clients when executing orders, taking into account the execution factors (“**Direct Execution**”).

NBEL is required to act in accordance with the best interests of its clients when transmitting or placing orders with other entities for execution that result from decisions to deal, and to take all sufficient steps to obtain the best possible result for the client taking into account the execution factors (“**Indirect Execution**”).

This document constitutes the NBEL’s order execution policy and procedures (the “**Policy**”). It sets out the policy and procedures of the Firm that have been established and implemented to ensure sound, transparent and comprehensive execution processes are followed and specifies the controls and safeguards that are in place.

The Firm conducts its business in accordance with all applicable laws and regulations, including the requirements of Conduct of Business Rules (“**COBS**”) 11.2A “Best Execution” of the FCA Handbook.

The Firm must act in the best interests of its clients when executing decisions to deal, taking into account a number of execution factors and criteria which are discussed in detail below.

The Firm’s senior management is responsible for ensuring that robust business practices are operating in all its trading activities to deliver Best Execution on a consistent basis and for promoting a culture that proactively identifies and manages conflicts of interest. The Firm’s senior management are also responsible for the on-going review and monitoring of this Policy, to ensure that it remains robust and fit for purpose, taking into account, amongst other things, changes to market structures and execution practices and development of new products.

3. ORDER EXECUTION

The Firm executes orders for its clients in the following ways:

First NBEL can place an order with a third party (e.g. stockbroker or investment bank) for that third party to execute on behalf of the client. Such third parties are referred to in this policy as “**Brokers**”.

ORDER EXECUTION POLICY

Secondly, NBEL can execute the relevant transaction on behalf of the client directly with a counterparty, on an exchange/venue or via another trading system (for example by dealing directly with a market maker on a “request for quote” basis or by accessing an exchange/venue directly). The counterparty, exchange or trading venue with whom NBEL chooses to execute such a transaction with, is referred to in this policy as an “**Execution Venue**”.

NBEL manages portfolios of investments on a discretionary basis for investment funds and external segregated portfolio clients. However, there will also be instances where NBEL delegates investment management and/or trading activities to other entities within the Neuberger Berman Group – for example, to Neuberger Berman Investment Advisers (“NBIA”) in the United States (“US”), etc. Where such delegation takes place, the requirement to achieve best execution forms part of that delegation, so NBEL will ensure the delegate has appropriate execution processes in place.

4. EXECUTION FACTORS

When executing orders, the Firm will take all sufficient steps to achieve Best Execution, subject to and taking into account, any specific instructions from the client, the nature of such orders, the priorities its clients’ place upon it in filling those orders and the nature of the markets and products in question.

In order to deliver Best Execution, the Firm will use its knowledge, experience and judgement to execute trades on behalf of its clients taking into consideration a number of execution factors including:

- The price that the order can be executed at;
- The costs of execution of the transaction to the client;
- The speed of execution of the transaction;
- The likelihood of achieving execution and settlement;
- The size and nature of the order; and
- Any other consideration relevant to the execution of the specific order (the “**Execution Factors**”).

5. EXECUTION CRITERIA

The Firm is required to determine the relative importance of the Execution Factors for its clients by taking into account the following criteria:

- The characteristics of the client, including the categorisation of the client;
- The characteristics and nature of the client order;
- The characteristics of the financial instruments that are the subject of that order; and
- The characteristics of the execution venues/brokers to which that order can be directed (the “**Execution Criteria**”).

In considering the Execution Criteria and the importance of the Execution Factors, the Firm also takes into account the client’s understanding and experience of the market in question, the client’s dealing profile, the nature of the dealing service the client requires and the specific and general instructions given to the Firm by the client which may prioritise how the Firm fills client orders.

6. EXECUTION VENUES AND BROKERS

6.1 Introduction

The Firm will primarily select the execution venue or broker that in the Firm’s judgment is the most appropriate, taking into account the Execution Factors and Execution Criteria. The Firm will

ORDER EXECUTION POLICY

also consider the market coverage and market intelligence that the execution venue or broker can provide.

When determining the approach to achieve Best Execution the trader must determine which broker or execution venue to use (where more than one is available for a particular financial instrument). The Firm will consider the cost and commission implications of each method where there are competing options.

6.2 Selection of Execution Venues

The Firm's selection of execution venues depends on the strategy and classes of instruments to be traded. The Firm conducts due diligence and takes into account qualitative factors for selecting venues. Such factors may include:

- Clearing schemes;
- Circuit breakers;
- Scheduled auctions;
- Liquidity analysis;
- Toxicity analysis;
- Ability to integrate with existing platform;
- Operational risks;
- Reversion analysis;
- Market share;
- Breadth of market coverage; and
- Any credit limits.

The Firm has identified in Appendix A those venues on which it most regularly seeks to execute and which the Firm believes offer the best prospects for affording its clients Best Execution.

In selecting the most appropriate venues for the purpose of executing client orders, the Firm will take into full account the Execution Factors and Execution Criteria relevant to the order, and the following:

- what the Firm reasonably assesses to be its clients best interests in terms of executing the orders; and
- such other factors as may be appropriate, including the ability of the venue to manage complex orders, the speed of execution, the creditworthiness of the venue and the quality of any related clearing and settlement facilities.

The diversity in the markets and instruments in which the Firm trades, mean that different factors will have to be taken into account when the Firm assesses the nature of its Policy in the context of different instruments and different markets. In some markets, price volatility may mean that the timeliness of execution is a priority, whereas, in other markets that have low liquidity, the fact of execution may itself constitute Best Execution. In other cases, the Firm's choice of venue may be limited (even to the fact that there may only be one platform/market upon which the Firm can execute client orders) because of the nature of the client order or of specific client requirements.

6.3 Selection of Brokers

The Firm has a thorough selection process with respect to the brokers that it transacts with, which is designed to identify those brokers which consistently provide a high quality execution

ORDER EXECUTION POLICY

service, taking account of the relevant Execution Factors and Execution Criteria. Orders may only be placed with brokers who have been approved by the Firm following its selection and credit approval process.

The following areas are considered as part of the broker approval process and will continue to feature in ongoing assessments carried out by the various investment and trading teams:

- Regulatory status/checks;
- Financial status/checks/any minimum capitalisation thresholds;
- Ability to maintain the confidentiality of trading intentions;
- Accuracy and timeliness and certainty of execution, settlement, clearance and error/dispute resolution processes;
- Liquidity of the securities traded;
- Block trading and block positioning capabilities;
- Ability to place trades in difficult market environments;
- Expertise as it relates to specific securities;
- Market intelligence;
- On-going individual assessment of whether best execution achieved with a specific broker – e.g. retrospective trade review against comparable market trades;
- Efficient execution and competence in supporting the trade execution process;
- Depth of client base;
- Access to primary market issuance;
- Understanding of the Firm’s investment process;
- Ability to manage conflicts of interest;
- Business reputation;
- Ongoing reliability; and
- Overall costs of a trade including commissions, mark-ups, markdowns or spreads.

6.4 Executing/Placing Orders with Execution Venues/Brokers that are not Pre-Approved

The Firm is not permitted to execute decisions to deal with an execution venue or place orders with a broker that is not already approved by the Firm unless there are exceptional circumstances. Exceptional circumstances might include where the Firm wishes to trade in an unusual or less liquid financial instrument that cannot be executed with or by one of the pre-approved execution venues or brokers (either at all or in a manner that would be likely to achieve the best possible result for the client). Any execution of a transaction with an execution venue or placing of an order with a broker that falls outside the list of approved execution venues and brokers must be pre-approved by the Firm’s Operational Risk area, which may make a one-off exception from the standard review process to facilitate the trade.

6.5 OTC Instruments and/or Products

When executing orders in OTC instrument and/or products, the Firm assesses whether the price quoted is “fair” by undertaking systematic checks to undertake appropriate valuation and taking into account market data on comparable products where available.

6.6 Cross Trades

The Firm generally does not enter into cross trade arrangements.

ORDER EXECUTION POLICY

7. DETAILED REQUIREMENTS FOR EACH FINANCIAL INSTRUMENT TRADED

7.1 Introduction

For each class of financial instruments, the Firm has defined the key Execution Factors that will be taken into account when placing orders for execution, in order to choose the counterparty that best suits its requirements.

The principles described in this Policy do not restrict the Firm to act otherwise where it considers that to follow the Policy may result in an order not being executed in a way that the best possible result is obtained for the client.

In case of extreme circumstances, such as disruption of the execution system, the Firm may not be able to execute an order in accordance with this Policy. In such exceptional circumstances the Firm will endeavour to execute client orders in the most advantageous way for its clients under the prevailing circumstances.

If only one, or limited places of execution exist, Best Execution is realised when executing the order in that execution venue. The Firm will be able to demonstrate that only one or limited places of execution exist.

7.2 Financial Instruments Traded

This section of the Policy specifies in detail the specific execution arrangements for each financial instrument class that the Firm transacts in, including the brokers/ execution venues that the Firm employs, as well as the Execution Factors and Execution Criteria ranked by importance, that in the Firm's judgment are relevant for each instrument:

(a) Equity Instruments

The investment class of equity instruments include the following:

- Common and preferred stocks;
- Securities convertible into stocks;
- REITs;
- Mutual funds and other investment companies;
- Exchange Traded Funds (ETFs);
- Participatory notes (P-Notes);
- Equity derivatives; and
- Depositary Receipts.

The vast majority of equity investment decisions and all equity trading decisions are delegated for relevant NBEL client accounts to other Neuberger Berman entities located in either the United States or Asia.

Equity – General matters

Equity trading will leverage a variety of methods to execute transactions, including trading on exchange or directly with full service brokers, dealers, market makers or systematic internalisers, Multilateral Trading Facilities, verbally or on Bloomberg chat and other electronic systems. Generally most equity trades are executed through broker-dealer arrangements and will follow best execution obligations which are consistent with the execution factors noted in this Policy.

Consideration of the execution factors and execution criteria is made when selecting a broker to trade with, although such assessment and the prioritisation will vary from order to order. While

ORDER EXECUTION POLICY

price, speed of execution and execution capability will often be common and key in determining broker selection, others may take priority depending on the type of order and all will be evaluated before the order is sent to the executing broker.

Below are a summary of each factor and how the evaluation of each is considered:

Price – an evaluation is made of the price at which the broker executed compared to the arrival price (midpoint between the bid and ask) at the time that the order was placed. Various internal and external tools are used to manage execution and evaluate the quality of the prices received, including both high and low touch broker arrangements.

Speed – a measure of the time from which the order is sent to the broker to the time when the Firm receives its final execution. The review will look at type of broker that receives the order, as well as order instructions, so that similar types of order are compared. Data from an external provider, plus other market information will be used as part of the evaluation. Speed is considered alongside pricing metrics noted above, such as arrival price slippage which provides an indication as to whether the broker is making good decisions on how quickly an order should be executed based on order instructions and market conditions.

Execution capability – this will vary with respect to different types of orders and securities. Some will achieve good execution in large exchange-listed equity block positions or risk capital transfer, others may have better electronic or program trading capabilities, or expertise in derivatives of certain fixed income securities. Analysis over time will identify those brokers that have lower execution capability in certain areas, and they will not be used for those types of trades.

Likelihood of execution and settlement – this is the probability that an order will be executed consistent with its terms by the broker that received the order. Likelihood could be impacted by limit prices or liquidity available to the broker to facilitate execution. The Firm will also consider trading errors made by the broker, as well as settlement and connectivity issues which may arise.

Costs – the Firm periodically reviews brokerage rates for US and non-US execution, comparing to rates received by industry peers in order to maintain proper pricing. Execution rates tend to be standardised across similar brokers, depending on the execution choice.

Ability to handle complex trades – certain brokers have a greater ability to efficiently execute transactions involving illiquid securities, or orders traded in volatile markets, or larger than normal quantities. Where the trade may be more difficult to execute, the Firm will consider whether a particular broker has the ability to execute the trade.

Responsiveness – the broker's responsiveness to requests for trade data or other financial information is considered. It will also consider the willingness and ability of the broker to take financial risks in the execution of large block orders or how accommodating the broker is to the requirements of Neuberger.

Reporting and Back Office – consideration will also be given to the broker's ability to report trades in a timely manner to reporting facilities, the accurateness of such reporting and the efficiency of back office staff in handling trading activity in times of volatility or stressed conditions. Levels of failed trades and IT connectivity will also feature in this assessment.

ORDER EXECUTION POLICY

Equity - Governance Arrangements

Locally, governance issues are managed by the Best Execution Committee which meets to consider and evaluate execution data, non-quantitative factors and any other issues and anomalies that may arise through trading and settlement activities. Such assessment may result in changes to existing execution arrangements, which in turn could mean a revision to this Policy.

Changes which are deemed material in nature will be communicated to clients through the issue of a revised NBEL Policy. Further information is contained in Section 10.

Significant equity trading venues and/or brokers

The following table provides an illustration, as of the date of this Policy, of the venues and/or brokers with which the Firm places significant reliance upon in respect of equity instrument transactions:

Execution Venue/Broker.	Factors used for selection.
JP Morgan	Price; speed of execution; ability to handle complex trades; likelihood of execution and settlement; costs.
Bank of America Merrill Lynch	Price; speed of execution; ability to handle complex trades; likelihood of execution and settlement; costs.
Credit Suisse	Price; speed of execution; ability to handle complex trades; likelihood of execution and settlement; costs.
Citigroup	Price; speed of execution; ability to handle complex trades; likelihood of execution and settlement; costs.
UBS Securities	Price; speed of execution; ability to handle complex trades; likelihood of execution and settlement; costs.

(b) Fixed Income, Currency and Derivative Instruments

The investment classes of fixed income, derivatives and currency broadly include the following:

• Corporate debt securities	• Inflation-linked securities
• Preferred securities	• Exchange-traded funds
• Asset-backed securities, including mortgage-backed securities	• Securities traded over-the-counter
• Loan assets, including distressed debt	• Futures contracts on tangibles and intangibles and options thereon
• Reg S and Rule 144A securities	• Credit-linked notes (CLNs)
• Convertible bonds	• Listed and OTC derivatives, including without limitation credit default swaps, interest rate swaps, currency swaps, total return swaps, commodity swaps, forward contracts and other synthetic exposure instruments
• Commercial paper	• Option contracts on securities, futures, commodities and foreign exchange

ORDER EXECUTION POLICY

	instruments
• Certificates of deposit	• Collateralised loan obligations (CLOs) and collateralised debt obligations (CDOs)
• Money market instruments	• Residential mortgage loans
• Municipal securities	• Trade claims
• U.S. government securities	• Currencies
• Securities of non-U.S. issuers (including ADRs, EDRs and GDRs)	• Forward currency contracts – both deliverable and non-deliverable forwards (NDFs)
• Sovereign, quasi-sovereign and sub-sovereign securities	• Investments in registered and unregistered investment companies
• Supranational securities	• Vendor financing
• Warrants	• Short sales
• GDP securities	• Contracts for differences (CFDs)
• Put and call options	• Sukuk (Islamic bonds)
• Swaptions	• Other alternative investments
• Participatory notes (P-Notes)	

Fixed income, derivative and currency investments are carried out by investment managers and traders within NBEL, as well as other investment professionals across Neuberger Berman where the investment/trading activity is delegated for certain NBEL client mandates.

Fixed Income - General matters

Fixed income investments will largely consider the same execution factors already noted in this Policy. However, the relative value of the factors will depend on the particular facts and circumstances of each trade. Price will not always be the main consideration, but a collective evaluation of other specific factors will be used. These include – size of the order; execution capability (including speed of execution and settlement); liquidity; confidentiality issues and the need to minimize market impact; contractual limitations – whether trading agreements are in place or client contractual limitations are imposed; counterparty exposures; market conditions and any other relevant factor.

Most fixed income instruments are traded OTC, and as such require traders to conduct an evaluation of these factors as well as their own judgement for each trade executed. Individual facts and circumstances can significantly alter the transparency of the market to the extent that pre-trade price discovery could be detrimental to the trade and therefore clients. Conducting enquiries among multiple venues or brokers in an attempt to achieve the optimal price may cause material market movement and result in a worse execution. Liquidity issues may also limit the attractiveness of seeking multiple pricing sources, as this could have the same affect. In such circumstances, NBEL and its delegates will utilise various sources of market knowledge, research and analytics to complete a full evaluation of the factors and seek optimal execution.

All trades must be executed with an approved broker/venue, the evaluation of which follows an initial and ongoing review process overseen by Operational Risk.

Fixed Income – Governance Arrangements

The NBIA/NBEL Best Execution Committee (the “Committee”) is responsible for reviewing this Policy and applicable execution data, which is collected internally, as well as transaction cost analysis reports provided via a third party vendor. The Committee consists of Senior Management from Portfolio, Trading, Administration, Legal and Compliance areas, meeting quarterly or more frequently if required.

ORDER EXECUTION POLICY

The Committee will consider whether any material changes are required to this Policy on the basis of the analysis completed, and if required will ensure the revised Policy is re-issued to clients. Further information is contained in Section 10.

Significant fixed income venues and/or brokers

The following table provides an illustration, as of the date of this Policy, of the venues and/or brokers with which the Firm places significant reliance upon in respect of fixed income instrument transactions:

Execution Venue/Broker.	Factors used for selection.
Barclays Capital, Inc.	Price; speed of execution; ability to handle complex trades; likelihood of execution and settlement; costs.
BMO Capital Markets Corp.	Price; speed of execution; ability to handle complex trades; likelihood of execution and settlement; costs.
BNP Paribas Securities Corp.	Price; speed of execution; ability to handle complex trades; likelihood of execution and settlement; costs.
Citigroup Global Market, Inc.	Price; speed of execution; ability to handle complex trades; likelihood of execution and settlement; costs.
Goldman Sachs & Co.	Price; speed of execution; ability to handle complex trades; likelihood of execution and settlement; costs.

Currency - General matters

The methods of trading available to the traders or portfolio managers (“currency teams”) executing currencies are dependent on the type of order to be executed. Order types may include active strategy trading, (mandated) portfolio rebalancing (for hedging purposes), passive foreign exchange funding/cash management trades for bond and/or hedging, as well as passive portfolio maintenance orders to roll foreign exchange and non-deliverable forward trades. The trading methods used by the currency teams include, but are not limited to:

- Electronic streaming of completing counterparty bids and offers from multiple banks, where available;
- Electronic messaging platforms, such as Bloomberg chat, to trade directly with a chosen counterparty;
- Electronic auction of trades where banks manually submit their best bid and offer quotes. This is different from streaming prices which do not require manual submission of prices; and
- Electronic “Portfolio Session” aggregation of multiple currencies and value dates which benefits from order netting. The batch of trades is then priced by the counterparty.

The currency team’s central focus is the best execution for the client. The considerations which the team will take account of when trading are a combination of the following:

- Price – the spread between the market’s mid-price and the executable price shown by the counterparty.

ORDER EXECUTION POLICY

- Speed of execution – the speed with which counterparties show an executable price. This will not apply in situations where electronic streaming is used, where prices are sourced from electronic systems.
- Market impact – the ability of the counterparty to absorb the trade without impacting the wider market through information leakage.
- Consistency – in respect of pricing, speed of execution, reliability (robustness of electronic systems and ability to show competitive prices during times of high market volatility) and the operational aspects of order execution – interaction with middle-office, system and settlement issues as well as connectivity.
- Credit risk and counterparty limits – the counterparty credit rating assessment and adherence to counterparty concentration limits which may be in place.

The currency teams will use pre and post trade qualitative and quantitative execution analysis to ensure best execution is achieved.

Pre-trade analysis includes using qualitative judgement during the trading process to ensure uncompetitive trades are not executed. Trades are deemed to be uncompetitive if a more favourable combination of price and speed, given market conditions, could be attained from a different counterparty.

Post-trade analysis will consider an assessment and measure of the cost of trading using internal data, together with an independent third party Transaction Cost Analysis tool. Prices of trades not exposed to competition are checked by traders in the currency team before acceptance to ensure transaction prices are in line with expected costs, given market conditions.

The efficiency of the currency team's process can be constrained by:

- Availability of counterparties due to limited legal arrangements in place via legal agreements (i.e. ISDA Master Agreements and CSA), which may impact the ability to trade efficiently in block trades on behalf of several accounts.
- Counterparty risk limits – where clients require counterparty risk exposure controls, trading could be constrained and mean less flexibility to trade. In some cases, certain trades may be split among several different counterparties in order to limit concentration risk, but this may not provide for best execution.
- Fixing trades – some trades may have to be executed at specific times in order to minimize slippage from a benchmark, or from valuation cut-off times.
- Limited venue and/or counterparty availability – certain clients may limit the ability to transact to certain venues or counterparties. In such cases, any decision to execute or place an order with a particular counterparty or venue will be made from the available set of counterparties/venues for that client.

Currency – Governance Arrangements

The NBIA/NBEL Best Execution Committee (the "Committee") is responsible for reviewing this Policy and applicable execution data which is collected internally as well as transaction cost analysis reports provided via a third party vendor. The Committee consists of Senior Management from Portfolio, Trading, Administration, Legal and Compliance areas, meeting quarterly or more frequently if required.

ORDER EXECUTION POLICY

The Committee will consider whether any material changes are required to this Policy on the basis of the analysis completed, and if required will ensure the revised Policy is re-issued to clients. Further information is contained in Section 10.

Significant currency venues and/or brokers

The following table provides an illustration, as of the date of this Policy, of the venues and/or brokers with which the Firm places significant reliance upon in respect of currency transactions:

Execution Venues/Brokers.	Factors used for selection.
Citibank NA	The relative priority of the execution factors applied to each broker will depend on the individual nature and circumstances of each trade.
Goldman Sachs International	
UBS AG	
State Street Bank	
Westpac	

Derivative Instruments - General matters

Derivative transactions are generally executed via broker-dealers on regulated markets, exchange-like trading systems, MTFs or with systematic internalisers (principal traders or market makers). Execution of transactions will aim to ensure a client's total costs are the most favourable under the circumstances, taking account of a variety of considerations. A broad array of factors, including those already referenced in this Policy form part of that assessment, as well as the ability to access liquidity, the nature of the market for the security, timing of the transaction given market prices and trends, confidentiality concerns, the reputation, experience and financial stability of the broker or dealer, quality of previous service provided to the Firm in other transactions, and the ability to accommodate any special execution or order handling requirements that pertain to the transaction.

Subject to the Firm's credit approval process, the initial broker set-up process follows a common approach across the Firm and will take into account of a combination of specific qualitative and quantitative factors as applicable. These include, by way of example, competitiveness of rates and spreads; promptness of execution; clearance and settlement capabilities; provision of delegated regulatory reporting; quality of service provided; willingness to commit capital; creditworthiness; market reputation and financial stability.

The factors noted in this Policy will be used when considering brokers for OTC derivative trades, including whether the relevant trading agreements are in place, operational experience and trader experience. Price and spread will be assessed at the time of transaction, although there may be occasions where it is not appropriate to request comparable price information from brokers due to the potential for information leakage. Therefore, traders will make use of available market data on the brokers' ability to trade the instrument in question at the most advantageous price possible.

Listed futures and options transactions may be aggregated and traded as a block. In such a situation, the size of the order may dictate the market price and therefore the Firm may use quoted exchange prices as a guide, but may use on or off exchange venues or MTFs to trade with.

All trades must be executed with an Approved Broker/Venue, the evaluation of which follows an initial and ongoing review process overseen by Legal and Operational Risk.

ORDER EXECUTION POLICY

Derivatives – Governance Arrangements

On a regular basis, the NBIA/NBEL Best Execution Committee will conduct a survey across the Firm's investment and trading desks as to the value and utility of all execution services received from applicable brokers and venues. The results of this survey will assist the Committee in evaluating execution services provide in respect of derivative transactions.

The Committee will consider whether any material changes are required to this Policy on the basis of the analysis completed, and if required will ensure the revised Policy is re-issued to clients. Further information is contained in Section 10.

Significant derivative venues and/or brokers

The following table provides an illustration, as of the date of this Policy, of the venues and/or brokers with which the Firm places significant reliance upon in respect of fixed income instrument transactions:

OTC Brokers	FCMs/Executing Venues	Factors Used for selection of OTC brokers and FCMs
Goldman Sachs International	Goldman Sachs International	The relative priority of the execution factors applied to each broker will depend on the individual nature and circumstances of each trade.
JPMorgan Chase Bank NA	Citigroup Global Markets	
Citibank NA	Societe Generale	
Westpac	Credit Suisse	
Societe Generale	Chicago Mercantile Exchange	
	Intercontinental Exchange (ICE)	
	LCH. Clearent	

8. SPECIFIC INSTRUCTIONS

To the extent that the Firm follows specific instructions from a client when placing an order with, or transmitting an order to, another entity for execution, such instructions supersede this Policy and the Firm will be deemed to have complied with its Best Execution obligations by following the clients' specific instructions. Specific client instructions may prevent the Firm from taking the steps it has implemented in this Policy to obtain Best Execution. It is likely to be only in rare circumstances that the Firm would receive such specific instructions; at the same time the amount of counterparties approved by clients are often constraining the implementation of Best Execution. Within the bounds of the mandates the Firm will make all dealing decisions itself in its capacity as discretionary portfolio manager.

9. RELATED POLICIES

In addition to this Policy, the Firm's policies and procedures encapsulate several other areas that are important to ensure robust procedures and form part of the Firm's overall best execution framework.

These include:

- Conflicts of interest management – NBEL has a separate Conflicts of Interest Policy.
- Inducements – NBEL's policy and procedures relating to inducements are set out in its Gifts and Entertainment Policy.
- Aggregation and allocation of orders – NBEL has a separate Aggregation and Allocation Policy.

ORDER EXECUTION POLICY

- Trade errors – NBEL has a separate Errors Policy which include processes around trading errors.
- The Firm’s overriding obligation to act in its clients’ best interests.
- Trading Obligations – NBEL will ensure that the trades it undertakes in shares admitted to trading on a regulated market or those traded on a trading venue are done so through a regulated market, multilateral trading facility or systematic internaliser, or a third-country trading venue assessed as equivalent. Unless trading in shares is non-systematic, ad-hoc, irregular and infrequent; or are transactions carried out between eligible and/or professional counterparties and do not contribute to the price discovery process.

10. MONITORING

10.1 Introduction

The Firm has an obligation to monitor the effectiveness of its best execution arrangements and this Policy and to demonstrate compliance with this Policy. This obligation has been incorporated into the Firm’s Best Execution Committees and their oversight arrangements, as well as being complimented by the general compliance monitoring processes. The Firm’s processes are designed to ensure that monitoring assists the Firm in delivering Best Execution for its clients on a consistent basis and that, where necessary, it identifies Best Execution failures or poor client outcomes.

10.2 Responsibility for Best Execution Monitoring

Monitoring is performed by the relevant Investment Teams and/or Traders with on-going review by the relevant Best Execution Committee(s) and oversight from the Firm’s compliance function. In addition to assessing whether internal processes and this Policy are being followed, the compliance function assesses the monitoring performed by the relevant Investment Teams and/or Traders and may challenge whether Best Execution is being achieved consistently if necessary.

In the event that the Firm’s monitoring procedures identify any deficiencies in NBEL’s Policy and determine that the best result is not being delivered to the Firm’s clients, the issue identified shall be promptly escalated to the relevant Best Execution Committee(s) with sufficient detail and any proposed corrective action to be taken, including any proposed changes to this Policy.

10.3 Monitoring Processes

The Firm’s monitoring of Best Execution has several components and addresses all Execution Factors. The Firm’s pre-trade monitoring assists it to select the best execution venues and the Firm’s post-trade monitoring enables it to evaluate the performance actually achieved for its clients.

10.3.1 Execution Venue Published Data

The Firm assesses on a regular basis whether the execution venues which it uses provide for the best possible result for the client. As part of this monitoring process the Firm takes account of the information published by each trading venue, systematic internaliser and other execution venues, relating to the quality of execution of transactions on that venue.

The results of sample monitoring are reported to the NBEL Board on a quarterly basis through Continuous Monitoring Reports and any deficiencies in this Policy are escalated to the relevant Committee with recommendations as to any changes that should be made to this Policy.

ORDER EXECUTION POLICY

10.3.2 Front-office Monitoring

The Firm's investment and trading teams will conduct trade monitoring to review compliance with this Policy. This is achieved through evaluation of market data and the various transaction cost tools available across different asset classes.

10.3.3 Transaction Cost Analysis

The Firm conducts transaction cost analysis of both implicit and explicit trading costs. Implicit costs result from how a trade is executed – e.g. immediately or worked over a period of time, aggregated with other trades, etc. Two separate external vendors have been engaged to provide TCA data for equity, fixed income and currency transactions.

10.3.4 Venue Monitoring

The Firm assesses on an on-going basis whether execution venues are continuing to enable the Firm to consistently meet its Best Execution obligations. The Firm reviews the criteria applied when originally approving an execution venue and evaluates whether changing market conditions and operational factors have impacted that choice. The monitoring might include liquidity, toxicity (order flow) and reversion analysis, as applicable to the financial instrument class traded on that execution venue.

10.3.5 Third Party Broker Selection

The Firm conducts on-going scrutiny of its approved brokers and quality checks on the trades executed by each broker to assess whether Best Execution is consistently obtained. The execution quality actually delivered by the Firm's brokers is monitored either by comparing the result received against the market generally or by obtaining and reviewing data from the broker as to its execution quality, together with independent third party TCA data.

10.3.6 Use of Benchmarks, Tolerances and Exception Reporting

The Firm also utilises monitoring based on alerts, limits or rules which are triggered when an execution falls outside a given tolerance from a pre-determined benchmark. The Firm reviews the benchmarks and limits set to ensure that they are adequate and that the parameters set for tolerances, rules and alerts remain fit for purpose.

10.4 Senior Management and Escalation

NBEL's senior management is responsible for ensuring that robust business practices are operating in all its trading activities to deliver Best Execution on a consistent basis and for promoting a culture that proactively identifies and manages conflicts of interest. The Firm's senior management are also ultimately responsible for the on-going review and monitoring of this Policy, to ensure that it remains robust and fit for purpose, taking into account, amongst other things, changes to market structures and execution practices and development of new products. This responsibility extends to other Neuberger Berman Group entities where NBEL has delegated investment management and/or trading activities.

Best Execution Committees are in place across the Neuberger Berman Group which focus on activities performed for all equity; fixed income and derivative/currency trading activities. The NBEL Board receives management information relating to Best Execution from the various Committees and the Compliance Team.

ORDER EXECUTION POLICY

Any deficiencies or issues identified by the Firm's monitoring procedures are promptly escalated to the NBEL Board for its review with sufficient detail and a proposal for corrective action to be taken, including any proposed changes to this Policy.

11. POLICY REVIEW

The Firm's various Best Execution Committees are responsible for the maintenance and annual review of this Policy and the Firm's execution procedures. The review focuses on whether the Firm would obtain better results for its clients if it was to:

- include additional or remove existing execution venues or brokers;
- assign a different relative importance to the Execution Factors applicable to each financial instrument class; or
- modify any other aspects of this Policy and/or the Firm's execution procedures.

The review takes into account a number of factors including:

- any deficiencies with this Policy and/or the Firm's execution procedures identified during the Firm's monitoring processes;
- any factors that could damage the quality of execution being achieved, such as changes in the market environment and structure (e.g. the entry or exit of market participants, changes to execution venues, services provided by counterparties, significant changes in technology, etc.);
- the availability of broker and venue execution data;
- changes to the types of investment process used;
- changes to the financial instruments used and/or introduction of new products;
- changes to the nature of orders; and
- changes in relevant legislation.

In addition this Policy and/or the Firm's execution procedures are reviewed whenever a material change occurs in the market that could affect the Firm's ability to obtain the best possible result for the execution of its clients' orders.

The Firm's review also takes into account a review of the monitoring program to ensure that monitoring processes remain fit for purpose and appropriate.

Any questions in relation to this Policy or the trading/execution arrangements carried out by NBEL or delegates within the Neuberger Berman Group should be directed, either by writing or e-mail, to the Chief Compliance Officer to the following address:

FAO – Chief Compliance Officer
Neuberger Berman Europe Limited
Lansdowne House
57 Berkeley Square
London W1J 6ER
Or – NBELCompliance@nb.com

12. CLIENT DISCLOSURE AND CONSENT

The Firm must provide appropriate information about this Policy to its clients. In order to comply with this obligation the Firm provides its clients with a copy of this Policy, which is intended to enable its clients to make a properly informed decision as to whether to utilise the Firm's services.

ORDER EXECUTION POLICY

To the extent that the Firm affects Direct Execution of transactions outside of a regulated market, regulated multilateral trading facility or organised trading facility, the Firm must obtain its clients' express consent to this. This consent is addressed in the Investment Management Agreement between the Firm and its clients.

The Policy will be subject to changes during the year as part of the ongoing review process. NBEL will notify clients of any material change(s) that occur and that affects this Policy. A material change is a significant event that could impact parameters of Best Execution. For example, this could relate to the inclusion, or removal, of a significant, or new type of, execution venue.

However, client's express consent to such changes is not required.

Upon request the Firm will demonstrate to its clients that Direct Execution orders are executed in accordance with this Policy.

Upon request the Firm will demonstrate to the FCA that Direct Execution orders are executed in accordance with this Policy.

NBEL shall summarise and publish on an annual basis, for each class of financial instrument, where applicable the top five execution venues and top five brokers in terms of trading volumes where it transmitted or placed client orders for execution in the preceding year and information on the quality of execution obtained. This information will be published on NBEL's website at <https://www.nb.com>

APPENDIX A EXECUTION VENUES AND BROKERS

A.1 EXECUTION VENUES

NBEL and relevant delegates across the Neuberger Berman Group will utilise the following execution venues where applicable:

- Regulated markets
- Multilateral Trading Facility (“MTF”) – including:
 - FX Connect
 - FXall (Thomson Reuters)
 - FX GO
 - Tradeweb
 - MarketAxess
 - Bloomberg FIT/TSOX
 - Bloomberg EMSX
 - Bloomberg SEF
- Organised Trading Facility (“OTF”)
- Alternative Trading Systems (“ATS”)
- Direct Market Access (“DMA”) – DMA refers to electronic facilities that allow the Firm to benefit generally from a better cost for financial securities the Firm may wish to buy or sell
- Systematic internalisers
- Market makers or other liquidity provider or an entity that performs a similar function in a third country
- Brokers
- Unregulated markets
- Dark pools

A.2 BROKERS

NBEL and relevant delegates across the Neuberger Berman Group will utilise a number of approved brokers for execution purposes. Those where the Firm places significant reliance in meeting its obligation to attain the best possible result for client orders are noted in Section 7 per instrument class.