



Best Execution Policy

BlueBay Funds Management Company S.A.
October 2024

Overview

1. Key terms and concepts

RBCGAMUK/Delegate: refers to RBC Global Asset Management (UK) Limited having its registered office and principal place of business 100 Bishopsgate, London EC2N 4AA England. Authorised and regulated by the Financial Conduct Authority. RBC GAM UK is the delegate Investment Manager for all fixed income and equity portfolios, whether funds, segregated mandates or advisory services. **Conducting Officers:** refers to the conducting officer(s) of the BlueBay Funds Management Company S.A. appointed and approved by the CSSF and the Board of Directors

Fund or Funds: means all AIFs or UCITS for which the Company is responsible

Policy: means the Best Execution Policy of the Company

the Company or BFMC: refers to the BlueBay Funds Management Company S.A. a société anonyme incorporated under Luxembourg law on 1 August 2002 for an unlimited period of time with registered office at 4, Boulevard Royal, L-2449 Luxembourg and registered with the Registre du Commerce et des Sociétés under number B. 88. 445 and its branches.

2. Summary

An investment fund manager must act in the best interests of the investment funds which it manages when executing decisions to deal on behalf of the said funds; similarly, an investment fund manager must act in the best interests of the investment funds which it manages when placing orders to deal on behalf of these funds.

3. Legal references

- Commission Delegated Regulation (EU) No 231/2013 of December 19th, 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision;

- Law of December 17th, 2010 on undertakings for collective investment, as amended (hereinafter referred to as the "UCI Law");

- Law of July 12th, 2013 on relating on alternative investment fund managers, as amended (hereinafter referred to as the "AIFM Law");

- The Law of 30 May 2018 on markets in financial instruments

- CSSF Regulation Nr 10-04 of December 24th, 2010 transposing Commission Directive 2010/43/EU of July 1st, 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company;

- CSSF Circular 18/698 of August 23rd, 2018 on the authorisation and organisation of investment fund managers incorporated under Luxembourg law, and on specific provisions on the fight against money laundering and terrorist

financing applicable to investment fund managers and entities carrying out the activity of registrar agent (hereinafter referred to as the “CSSF Circular 18/698”).

Purpose and Scope

The Company is required under the laws, rules and regulations of the Grand-Duchy of Luxembourg to take all sufficient steps to obtain the best possible result - known as ‘best execution’- when executing decisions and placing orders on behalf of the portfolios under management, on a consistent basis.

Accordingly, the Company has established this Policy to meet its aforementioned obligations.

The Company has delegated all portfolio management activities to RBCGAMUK so that BFMC does not in principle transmit orders for execution nor execute directly the orders on behalf of the portfolios it manages. It should be ensured that this Policy is considered when performing investment oversight.

The delegate RBCGAMUK has established a best execution policy, titled Order Execution Policy (hereinafter referred to as RBCGAMUK Order Execution Policy”) that had been reviewed by the Company. RBCGAMUK delegate primarily provides portfolio management services to clients, which involves the exercise of its discretion to execute decisions and place orders resulting from decisions it has made to deal on behalf of clients. When it has made such a decision to deal, the main objective is to provide the highest quality execution that is reasonably applicable under the circumstances taking into account prevailing market conditions, thus sometimes balancing factors that may conflict at the time. Examples of such order execution conflicts include block trade allocation and cross trades amongst funds. Through this process RBCGAMUK is committed to providing clients with the best possible result on a consistent basis.

In light of the foregoing, the Company has reviewed the following policies and procedures to ensure they are consistent with the Best Execution Policy of the Company:

- the RBCGAMUK Order Execution Policy (see Appendix 1)
- the RBCGAMUK Trading Policy (see Appendix 2)
- the RBCGAMUK Conflicts of Interest Policy (see Appendix 3)

This Policy is applicable to all UCITS and AIF for which the Company acts respectively as the Management Company or the AIFM as well as to all segregated mandates managed by the Company.

Scope of the Best Execution Policy

1. General overview

BFMC's Policy applies to the execution of decisions and placement of orders initiated by its delegate on behalf of its clients in respect of various types of financial instruments, first and foremost the following asset class considerations:

- Fixed Income
- Exchange traded Derivatives (ETD)
- OTC Derivatives
- Currencies
- Equities
- Securities Financing Transactions (SFTs)
- Structured Finance products

BFMC or its delegate only execute decisions or place orders as an agent on behalf of its clients.

BFMC or its delegate may execute their decisions to deal on behalf of clients directly with, or on, an execution venue (i.e. direct responsibility for best execution); it may also choose to place client orders with one of its approved counterparties, which is then tasked with executing the orders on behalf of clients (i.e. indirect responsibility for best execution).

1.1 Direct responsibility for best execution

Responsibility for best execution applies to BFMC or its delegate when it is deemed to be executing client orders. This will generally be the case when BFMC (or its delegate) deal:

- in equity markets, where it requests a broker or another liquidity provider to use their own capital in providing liquidity for a client order by dealing as principal;
- in dealer markets, where it requests a price quotation from a broker or other counterparty (this includes for instance bond orders, OTC derivatives and some types of foreign exchange transactions); and
- directly in the market as a participant in a multi-lateral trading facility or organized trading facility.

1.2 Indirect responsibility for best execution

When BFMC or its delegate place or transmits orders for its clients, BFMC or its delegate place reliance on its brokers to execute orders on behalf of clients on an agency basis. The broker is then responsible for achieving best execution. This includes orders placed via algorithmic trading. In this instance, BFMC is responsible for the oversight and monitoring of the execution quality achieved by BBAM and the brokers.

In light of the foregoing, BFMC or its delegate determine the capacity in which it executes client orders on an order by order basis, taking into account the best interests of all clients, the characteristics of the orders and the prevailing market conditions at the time.

2. Responsibilities

BFMC or its delegate require to provide Best Execution for Clients and in so doing will take into account the Execution Factors relevant to transactions it undertakes for Clients. In general, BFMC or its delegate will seek to execute orders in such a manner that the total consideration, representing the price of the financial instrument and the costs related to execution is most favourable to the Client.

However, qualitative factors are generally as important as quantitative factors when assessing Best Execution for clients. Other Execution Factors may be given precedence over the immediate price and cost consideration where determined they are instrumental in delivering Best Execution. In determining the relative importance of Execution Factors, BFMC and its delegate will take into account any relevant Execution Criteria.

2.1 Execution Factors

The execution factors to be taken into account to obtain the best possible result for clients include:

- price
- costs (implicit and explicit);
- speed of execution;
- likelihood of execution and settlement;
- size of the order;
- nature of the order;
- the ability to remain anonymous in the market;
- the prevention of information leaking; and
- any other consideration relevant to the execution of the order.

Each client order which is transacted by BFMC or its delegates' traders is inherently unique in its characteristics; also, market conditions are never constant.

Consequently, the relative importance of the execution factors may vary depending of the specific characteristics of a given client order.

2.2 Execution criteria

The execution criteria which BFMC uses in determining the relative importance of the execution factors listed here above include the following:

- the characteristics of the client (including its categorization);
- the objectives, investment policy and risks specific to the Fund, as indicated in the prospectus or the characteristics of the seg account client (including the mandate and restrictions)
- the characteristics of the client order (including the size of the order relative to other orders in the same financial instrument), and the need to minimize possible market impact;
- the characteristics of the financial instrument(s) which is/are the subject of the client order;
- the characteristics of the execution venue(s) to which the client order can be directed.

2.3 Execution venues, Brokers and Counterparties

When BFMC or its delegate executes orders, it will seek to achieve Best Execution by selecting approved brokers or counterparties and execution venues that allow them consistently to obtain the best possible result. Execution venues may include:

- EEA Regulated Markets (RMs)
- Multilateral Trading Facilities (MTFs) or Organized Trading Facilities (OTFs)
- Systematic Internalisers (SIs)
- Other liquidity providers (for example non-EEA Regulated Markets and exchanges)

Where a broker is located outside the EEA orders will be required to be executed in accordance with the relevant local rules and regulations. For example US brokers used by RBC BlueBay UK are subject to the best execution rules of the Securities and Exchange Commission, rather than those of the Financial Conduct Authority or other EEA regulators. BFMC and RBCGAMUK nonetheless hold such brokers to the same standards as EEA brokers pursuant to this policy and will continue to act in the best interests of its Clients.

Some financial instruments may only have one possible execution venue. In such circumstances BFMC or its delegate will be deemed to achieved Best Execution when executing on that venue.

The list of execution venues, brokers and counterparties on which/with which BFMC or its delegate may execute a decision/place a client order is available at BFMC's premises.

BFMC reserves the right to use other execution venues/counterparties where it deems it appropriate; accordingly, it may add or remove any execution venue from this list.

BFMC regularly assesses the execution venues brokers and counterparties available in respect of the financial instruments that it trades in order to identify those that will enable it, on a consistent basis, to obtain the best possible result when executing decisions or placing client orders. The list of execution venues, brokers and counterparties is then updated, where necessary, following such assessment.

BFMC is required to notify clients of any material change which may affect its ability to continue to obtain the best possible result for clients - this includes a significant change to the execution venues and counterparties which BFMC or its delegates use.

Therefore, BFMC notifies clients if and when necessary of any material change to its execution arrangements in a timely manner by posting this Policy on its Website ([Corporate Governance | RBC BlueBay Asset Management](#))

BFMC reserves the right to execute a client order using a method or venue other than the methods or venues which are detailed in its Policies, where it considers this to be in the best interests of clients. In such cases, BFMC or its delegates endeavor to execute a decision or place a client order based on the same best execution principles as summarized in this Policy.

3. Best Execution

3.1 BlueBay Platform

This section applies solely to trading related to the BlueBay Platform

Portfolio Managers work closely with Execution Traders and may provide specific instructions as to the manner in which an order should be executed. Alternatively, a Portfolio Manager may identify a specific execution factor, such as price or size, which should be prioritised in a given order. In such circumstances, the trader will, to the best of their ability, execute the order in accordance with the Portfolio Manager's instructions/intent. In the absence of such instruction, the Execution Trader will determine the relative importance of the execution factors, using their commercial judgement and experience in line with market information.

Once the Portfolio Manager has decided to deal, the Execution Traders will use their professional judgement, skill, and experience to decide the most appropriate execution strategy.

There are several methods of giving effect to such decisions, including:

- Execution on a trading venue, which includes:
 - Placing an order on a regulated market via a broker;
 - Trading on a Multilateral Trading Facility (MTF); or
 - Trading on an Organised Trading Facility (OTF).
 - Execution outside of trading venue, which includes:
- Executing an order bilaterally with third-party counterparties acting as market makers or liquidity providers (including affiliates, where permitted by regulation and client mandates;
 - Placing or transmitting an order to a third-party broker on the Approved Broker list; or
 - An entity that performs a similar function in a non-EEA country to functions performed by any of the foregoing.

Direct and Indirect Execution

BFMC and RBCGAMUK do not have direct access to any regulated markets and thus place or transmit orders in such securities to a broker for execution. When trading on an indirect basis, BFMC and RBCGAMUK are generally not responsible for controlling or influencing the arrangements made by the broker relating to the execution of that order. BFMC and RBCGAMUK are thus not required to duplicate the efforts of the broker in ensuring the best possible result. BFMC or RBCGAMUK obligation is, therefore, to ensure that the brokers to whom such orders are placed or transmitted enable it to comply with its best execution obligation to its clients. In order to achieve this, BFMC or RBCGAMUK regularly review the order execution policies and fees charged by its brokers. Where available, BFMC or RBCGAMUK request and review transaction cost analysis, or any other reporting, which evidences that its brokers have executed its order in accordance with their order execution policy.

When trading directly with a counterparty on a Request for Quote (RFQ) basis, the transaction will always be affected by way of direct execution with a broker or venue. In the case of an over-the-counter (OTC) derivatives transaction, it is necessary to determine whether there is an ISDA Master Agreement in place between the counterparty and the client to facilitate such trading, and this must be confirmed by the trader ahead of trade execution. This may reduce the number of counterparties available for executing the order.

Certain assets that BFMC or RBCGAMUK trades may be considered to be OTC, or bespoke, instruments. This includes securities which are not admitted to trading on a trading venue. For these assets, where there is often a lack of market data available, BFMC or RBCGAMUK will carry out a pre-trade analysis to ensure that the price proposed is fair. This

may entail gathering market data to estimate the price of the products or, where possible, by comparing it with similar or comparable products.

Asset Class Consideration

At all times BFMC or its delegated Traders must use their professional judgement to obtain the best possible result in the prevailing circumstances. Typically, Traders will approach several brokers or venues to obtain the best price available for a security. This “request for quote” (or RFQ) process takes place either by direct contact or over a platform, such as an MTF. When trading via an RFQ process, BFMC or its delegated Traders will typically request two or more competing quotes prior to trading. Depending on the order, the trader may request a greater or fewer number of quotes, if this is determined to be in the best interests of the client. For example, if RBCGAMUK is trading a large position, or if a security has limited liquidity and a small number of market makers, it may not be advantageous to seek multiple quotes. In such circumstances, requesting multiple quotes may lead to a price movement that is unfavourable to clients as a result of informing the market of RBCGAMUK trading intentions. Where receiving multiple quotes for an order may be disadvantageous to the client, BFMC or its delegate may select a single broker or execution venue to carry out the full order.

BFMC and its delegate seek to obtain best execution by the following measures:

- Traders can only execute trades with brokers on the Approved Broker/Counterparty List;
- Traders should aggregate orders where possible;
- Traders have established strong relationships with counterparties
- Portfolio Manager remuneration is based on performance;
- Trader remuneration is based on internal reviews of execution performance;
- RBC BlueBay UK frequently reviews new trading technology and platforms, where this may enhance its execution arrangements; and
- RBC BlueBay UK does not receive any form of remuneration, discount or non-monetary benefit for directing orders to a particular venue or broker for execution.

a) Fixed Income

When executing fixed income orders, prices will ordinarily merit a high level of importance. For large orders, the ability to trade large volumes of that security may be given preference over price. In these circumstances, a single broker may be selected to trade the entire block. Where a security is highly illiquid or markets are moving quickly, likelihood of execution and speed may be given highest priority.

New issuance takes place either through a broker or market maker or from lead manager in the issuing syndicate. Therefore, there is often little or no choice to select a specific counterparty for such transactions. Prior to the purchase of a new issue, the Portfolio Manager will determine the maximum price for which they are willing to buy the securities. The lead manager will then confirm the final allocation for the trade

b) Exchange-Traded Derivatives (ETDs)

BFMC and its delegate are not a member of any regulated markets and, as such, will place or transmit orders in such securities to a third-party broker for execution on a regulated market. If an order is above a minimum threshold, BFMC or RBCGAMUK may execute the order directly with the broker at a “risk price”.

For ETD orders, BFMC and its delegate have agreed non-discretionary, standardized commission models with several key counterparties. Brokers are selected by the trader based on factors including the availability of electronic trading connections with the broker and the broker’s expertise in that market. Generally, orders in ETDs will be traded on a regulated market when price, cost or speed is determined to be the most important execution factor.

c) Over-The-Counter Derivatives (OTC)

OTC derivatives must be traded only with those counterparties with whom legal documentation is in place to enable trading. Price will ordinarily merit a high level of importance. Size, likelihood of execution and speed may be given a higher level of importance depending on the order, the instrument in question and the available execution venues. A quote from a single counterparty may be requested if this is to the benefit of the client, or if not, competing quotes prior to trading from several counterparties may be requested.

d) Currency

When currency-related securities are traded, the execution strategy will be determined by a range of factors, including the characteristics of the currency pair, the size of the order and the availability of execution venues for that order. Prior to trading, BFMC or its delegate must consider the eligibility of the counterparties for each client on the order.

For common currency pairs which are below market size, the trader will generally trade on a trading venue after requesting multiple simultaneous quotes. For less liquid or larger trades which cannot be traded (or are unsuitable for trading) on a trading venue, the trader may directly approach one or more counterparties known to be active in the respective currency pairing. The trader will then select the best competing quote for that order.

Certain currencies are subject to trading restrictions and BFMC or RBCGAMUK may only be able to trade with a single counterparty or the client's custodian. In such circumstances, BFMC or its delegate will consider that best execution has been achieved.

e) Equities

As BFMC and its delegate are not a member of any regulated markets, equity orders will generally be placed or transmitted with a broker who will directly access the market on BFMC or RBCGAMUK's behalf or will trade the security outside of a trading venue. Prior to placing or transmitting the order, the trader will use their professional judgement, in light of the prevailing market conditions, to select a broker. The selection of a broker is highly dependent on the characteristics of that security and the order itself. As price will generally be the most important factor when executing equity trades, the trader may make use of a single broker who has a proven track record in executing orders of that nature. Where speed or execution certainty is determined to be the most important factor, the trader may use the broker which has historically proven to be reliable in that area.

f) Securities Financing Transactions

BFMC or its delegate execute securities financing transactions ("SFTs") for its clients, specifically. For both repo and reverse repo transactions, BFMC or its delegate generally achieves best execution by communicating its SFT trading requirements to numerous counterparties, prior to executing at the most competitive rate. However, other factors are also considered as part of the trade execution process, including counterparty credit risk and the diversification of counterparty exposure.

g) Structured Products

Structured Products is taken to include Collateralised Loan Obligations ("CLO"), irrespective of the form (rated notes or bonds, or equity tranches). The methods of execution will be dependent upon the nature of the transaction in question, and upon the professional judgement of the trader executing the order. BFMC or its delegate may seek to hold competitive auctions which allow interested parties to bid in competition, whereupon the best bid will be chosen (however, BFMC or the delegate reserve the right not to sell the security). Alternatively, BFMC or RBCGAMUK may opt to bilaterally negotiate transactions with individual counterparties where discretion may be required. When buying, traders may receive daily Bids Wanted in Competition ("BWIC") from trading counterparties, through which BFMC or the delegate will assess for securities it wishes to purchase and submit its competitive bid. Alternatively, BFMC or RBCGAMUK receives offering lists from its trading counterparties, through which it may negotiate execution bilaterally.

For orders in Structured Products, price will generally be given the highest relative importance when determining the method of execution. However, other factors may take precedence depending on the nature of the transaction. In certain circumstances, the ability to trade quickly or to maintain anonymity while trading so as to reduce market impact, may take precedence over price.

3.2 RBC Platform

BFMC or RBCGAMUK executes Client transactions only with approved brokers. The choice of broker and method of trading is dictated by BFMC or RBCGAMUK's view of which broker will best be able to fulfil the trade in the most timely and efficient manner within an established price range.

Programme trades are often used when investing money for new Clients or if there is a material inflow or outflow on a Client's account. A programme trade is frequently more efficient and cost effective way of transacting. When executing large program trades, generally a minimum of two brokers will be asked to provide a quote.

Broker Selection and Review

BFMC or its delegate maintains relationships with a number of approved brokers that are reviewed on a regular basis by the TMOC. These reviews take into consideration the quality of service provided by each broker including execution capability, access to capital and ability to provide natural flow and market intelligence.

In order for a broker to be approved, the New Broker Committee must be satisfied that the broker can provide a suitable level of service. The broker's ability to trade effectively for Clients, provide access to different markets, share local knowledge and generate good quality ideas are all areas which are considered when adding a broker to the approved list. In addition, the broker's financial situation and legal terms are verified before any broker relationship is established.

Investment Policy reviews all trades which fall outside set tolerance levels for the price relative to Implementation Shortfall and request explanations from relevant dealer. As a practical matter this enables a close watch to be kept on trading efficiency.

RBCGAMUK also utilises the services of third party providers. A venue analysis vendor provides quarterly reports to RBCGAMUK of broker routing practices and quality of execution across different venues. These reports provide valuable information on possible brokers' conflict of interest, their routing practices and execution quality.

Depending on the findings in quarterly reports, BFMC or RBCGAMUK may decide to reduce trading with particular brokers or venues or to completely exclude certain brokers or venues from trading.

Additional trading quality analysis is performed using a third party vendor's trade cost analysis tool. The primary benchmark for analysing trading quality is Implementation Shortfall, i.e., the price at the time the original order was placed compared to the price at which the trade was actually executed. Third party analytics provides post-trade adjusted arrival prices based on the volume of trading, market conditions and other parameters.

The aim of the traders is to achieve best execution whilst beating the Third party adjusted implementation shortfall benchmark over an extended period. As an additional check, other benchmarks are used, such as the VWAP (volume weighted average price) benchmark. Under some circumstances, such as when macro or stock specific news had affected the stock price immediately before trading is done, using VWAP is a more objective measure of trading success than the Implementation Shortfall.

Price is only one of the elements of best execution. BFMC or RBCGAMUK will not evaluate the success of a single trade based solely on the TCA. Other Execution Factors are considered as required. TCA represents a good measure of a broker's ability to provide Best Execution over the longer term. Sub-par TCA numbers are reviewed in the TMOC and where required further analysis on specific trades is conducted. If needed, an explanation from the relevant broker is requested.

Types of Orders

Orders sent to brokers are divided into two categories:

- Working orders, which cannot by virtue of their nature or size, be sent immediately by brokers to one or more execution venues (those trades are typically a result of portfolio rebalancing, large cash inflows or fund launches); and
- Small (routing) orders, orders that can be sent immediately by brokers to one or more execution venues.

For small (routing) orders, priority is given to price, then likelihood of execution. Those orders are typically executed using one of the broker algorithms. In general, there are two kinds of algorithms used at RBCGAMUK: implementation shortfall and scheduled algorithms. The success and quality of execution of algorithms is measured using a broker scorecard reporting. Traders chose an algorithm based on the data inputs such as trading volume, market trends, etc.

In general, for working orders, the priority is speed of execution, likelihood of execution, and then the price. These orders offer the opportunity to receive a better price at the expense of taking some risk that the order will not be executed. Our goal is to maximize access to liquidity.

In general, an order is considered a small order or a working order based on the percentage it represents of the average daily volume (ADV). Typically trades representing less than 10% of ADV are considered to be small orders and the rest are treated as working orders.

Large Block Trading

For trades that are deemed (by the trading desk) to be of a large notional size or multiple days of ADV, the trader might, in rare situations, seek a price from a broker to trade the whole (or a substantial portion) of the trade significantly outside the bid/offer spread at the time. In these instances the traders will:

- Run at least two pre trade cost estimates and send to the Investment Policy team,
- Consult with the Investment team.

RBCGAMUK regularly reviews industry surveys (e.g., Greenwich, ITG, etc.) to check the commission rates paid, adjusting both down for electronic or programme trades and up for quality liquidity.

RBCGAMUK monitors the execution quality that the selected brokers deliver to ensure that they continue to deliver Best Execution (see Monitoring).

4. Client instructions

Where a client gives a specific instruction regarding an order or an aspect of an order for example where the client instructs BFMC or its delegates to direct an order to a particular counterparty, then the order is executed in accordance with the client's specific instructions. BFMC and RBCGAMUK will continue to apply its order execution policy for any aspects of the instruction which the client does not specify.

In such circumstances, the ability of BFMC or its delegates to take the steps described above and to achieve the best possible result, and hence its obligation to do so, may be limited to the extent that RBCGAMUK is following a specific instruction from the client when executing a decision or placing an order with another broker for execution.

In such circumstances, BFMC or its delegates are considered as having satisfied their best execution obligation in respect of such order or aspect thereof.

5. Order handling

BFMC or its delegates are required to execute all portfolio transactions or place client orders in a prompt, expeditious and fair manner for all clients.

BFMC or its delegates must ensure that orders executed on behalf of the Funds are promptly and accurately recorded and allocated.

The orders must be executed sequentially and promptly unless this is not possible given the characteristics of the order or prevailing market conditions that make this impracticable, or the interests of the Funds require otherwise.

Where BFMC or its delegate makes portfolio management decisions or receives Client orders relating to the same security, but for different Client accounts, those orders will typically be aggregate, subject to Best Execution requirements. Such aggregation may reduce commission costs or market impact costs on a per-share or per-dollar basis or may help ensure that no Client benefits relative to another through the sequence of Client orders.

When BFMC or its delegate does not aggregate Client orders, it must ensure all Client account orders are treated fairly and equitably over time and must not intentionally favour or disfavour any Client or class of Client in the allocation of investment opportunities. Any decision not to aggregate equity orders which might otherwise have been aggregated will be recorded by the Trading Desk and reported at the next Trade Management Oversight Committee.

A client order may be aggregated with other client orders if:

the characteristics of the client order make it suitable for aggregation; and
in BFMC's opinion it is unlikely that the aggregation of client orders works overall to the disadvantage of any client whose order is to be aggregated; and
BFMC or its delegates comply with the provisions of its Order Handling Policies.

Partial Fills (Equities)

On occasion, an aggregated order may not receive sufficient securities to fill all of the accounts. In such circumstances, the executed portion of any equity order will typically be allocated to the participating accounts *pro rata* on the basis of their order size. This procedure also applies to subscription orders for a primary or secondary equity offering.

An exception to this might occur in the rare circumstances where to do so would not be in the interests of all impacted Clients. Examples where it would not be in the best interests of all Clients to receive a pro-rata share could be availability of stock to build a meaningful position size, trading and settlements costs are deemed excessive or pro rata allocation is not possible. In these exceptional circumstance allocations will be made to one participating account randomly. In certain circumstances the portfolio manager may propose to exclude accounts from the random draw where the allocation would be de minimus given the size of the fund and the Client would not be disadvantaged from being excluded. All non pro-rata allocations must be approved by Compliance and reported at the next meeting of the Trade Management Oversight Committee.

6. Monitoring

BFMC reviews its Best Execution Policy and the policy of RBCGAMUK, the delegated Portfolio Manager, as well as the approved list of brokers at least annually, and whenever a material change occurs that affects its ability to continue to obtain the best result for clients on a consistent basis.

BFMC monitors on an on-going basis the effectiveness of its Best Execution Policy and execution arrangements in order to identify and, where appropriate, correct any deficiencies. This includes an assessment of whether execution venues included in the Best Execution Policy continue to provide the best possible result for the clients of BFMC. BFMC also monitors the quality of execution to be in a position to demonstrate to clients, at their request, that their orders have been executed in accordance with this Policy.

BFMC has delegated the portfolio management function to RBCGAMUK, an FCA regulated entity subject to equivalent regulation as BFMC.

7. Prohibited practices

With respect to the selection of a counterparty, the following practices are prohibited within BFMC or its delegate:

- client orders may not be directed to a particular counterparty in return for gifts and entertainment or the provision of broker proprietary research;
- client orders may not be directed to a particular counterparty in return for error correction by the counterparty;
- client orders may not be directed to a particular counterparty in return for suggested preferential treatment in initial public offerings or placements;
- client orders may not be directed to a particular counterparty in return for the provision of investment ideas of which the implementation by RBCGAMUK would result in its inability to meet its best execution obligations;

BFMC or its delegate's traders must not be influenced by personal conflicts of interests, such as a family relationship with an employee or owner of a counterparty.

Appendices

Appendix 1: the RBCGAMUK Order Execution Policy

Appendix 2: the RBCGAMUK Trading Policy

Appendix 3: the RBCGAMUK Conflicts of Interest Policy

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