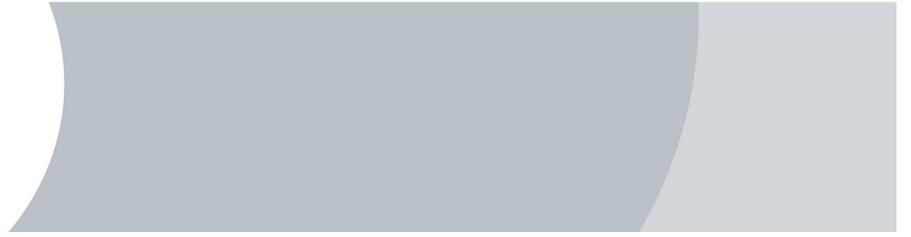


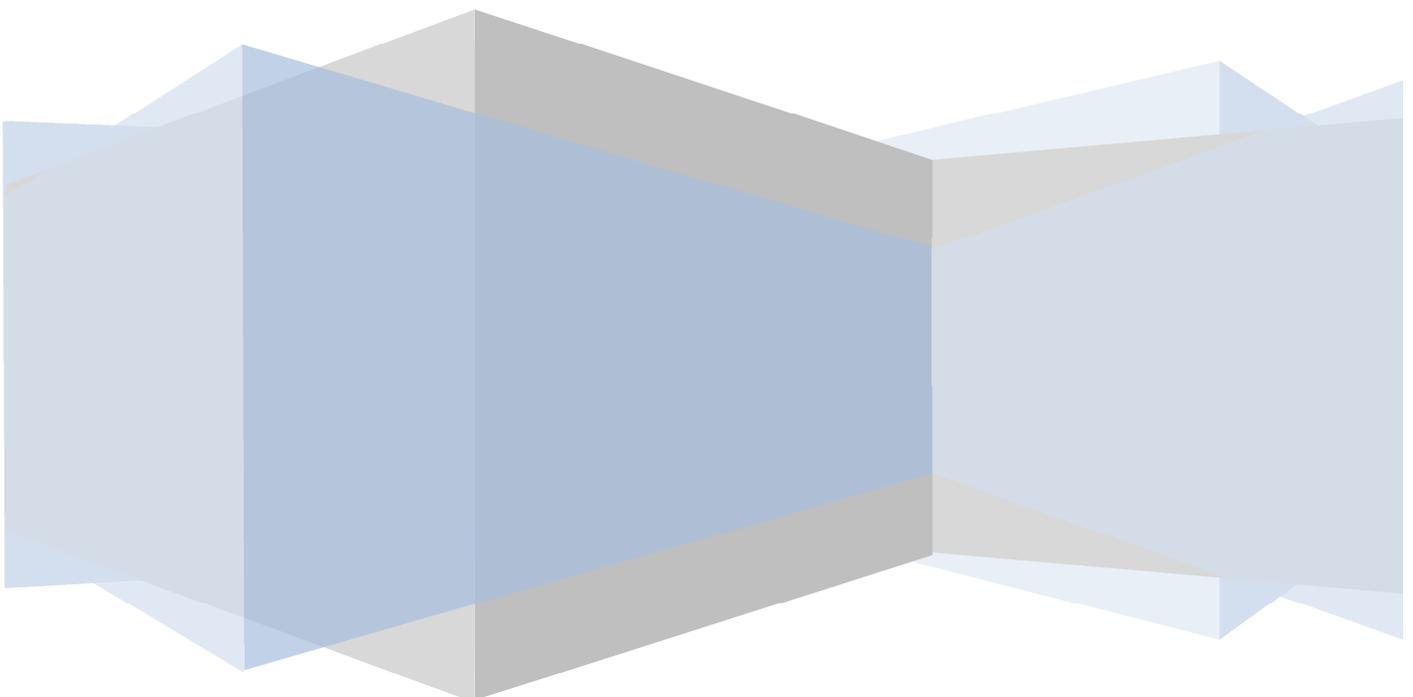


caceis
INVESTOR SERVICES



Execution policy

CACEIS BANK FRANCE





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When a customer entrusts the execution of its orders to an investment services provider (or PSI), the PSI must take all reasonable measure to obtain the best execution of the order for that customer. In that context, CACEIS Bank France implements its “order execution policy” (hereinafter called “the Policy”).

The customer is informed of the Policy, particularly through the CACEIS website. In accordance with article 314-74 RGAMF, this Policy is re-examined annually but, in the light of any substantial alteration which could affect the capacity to obtain the best possible result, CACEIS Bank France may amend the Policy more often ¹.

CACEIS Bank France is qualified to provide the following services to its customers:

- receipt and transmission of orders,
- execution of orders on behalf of third parties ².

For CACEIS Bank France, the “order receipt and transmission” service (or RTO) consists of receiving orders from its customers concerning financial instruments and transmitting them to another investment services provider (or PSI) for execution. For CACEIS Bank France, the “execution of orders on behalf of third parties” service consists of acting on a customer’s behalf in order to complete financial instruments transactions according to the orders received from the customer. Acting in the customer’s name, CACEIS Bank France will itself conduct the market operation process to its completion (negotiation and conclusion).

It should be noted that CACEIS Bank France does not provide any investment advice service and does not make or disseminate investment recommendations.

1. PRINCIPLES OF THE EXECUTION POLICY

1.1. BEST SELECTION AND BEST EXECUTION OBLIGATIONS

In the exercise of its services, CACEIS Bank France fulfils “best selection” and “best execution” obligations. These are best endeavours obligations which consist of taking all the measures required to enable an order issued by a customer to be executed quickly and precisely.

When CACEIS Bank France executes orders on the markets directly, it is under a “best execution” obligation.

¹ The following particular points will be taken into consideration:

- the existence of significant market incidents;
- a substantial change in the level of costs arising from connection to a platform;
- a change in the perimeter of the financial instruments processed on a platform;
- the development of new terms and conditions of execution or a change in the market model of an existing platform;
- a major change in the existing mechanisms, such as a significant change in the human or technical resources the company uses so as to be able to provide the best execution.

² CACEIS Bank France is deemed to execute an order on behalf of its customer when CACEIS Bank France:

- executes an order as an intermediary,
- executes an order as a counterpart.



When orders are executed by intermediaries (PSI-Traders), CACEIS Bank France is under an obligation to make the “best selection” of the intermediaries to whom the orders are to be transmitted for execution.

1.2. CRITERIA APPLICABLE TO BEST SELECTION AND BEST EXECUTION

In accordance with article 314-69 RGAMF and in order to obtain the best possible result for the customer, when orders are being executed the criteria applicable to best execution will be assessed. Those criteria concern the characteristics:

- of the customer;
- of the order concerned;
- of the financial instruments which are the subject of that order;
- of the venues of execution to which that order may be forwarded.

Article 314-69 specifies that a “venue of execution” means a regulated market, a Multilateral Trading Facility (MTF), a systematic internalising mechanism, a market maker, another liquidity supplier or an entity which undertakes similar tasks in a country which is not a party to the Agreement on the European Economic Area.

2. PERIMETER OF THE EXECUTION POLICY

2.1. CUSTOMER PERIMETER

CACEIS Bank France applies the present Policy and particularly the best execution criteria referred to in point 1 above when it implements the resources necessary for the execution of an order on behalf of its customers.

2.2. PRODUCT PERIMETER

The present Policy applies:

- to all financial instruments traded on the Regulated Markets (RM) or the Multilateral Trading Facility (MTF) ;
- to orders to subscribe/buy back units in unlisted UCITs;
- to the forward exchange business.



2.3. APPLICATION LIMIT

This policy does not apply to transactions and orders of Eligible Counterparties as per MIF definition.

Besides, this policy does not apply:

- to specific instructions given by the Client to execute his order, partially or in total. In accordance with article 314-70 RGAMF, the PSI is deemed to have fulfilled his/her obligation to take all the measures necessary to obtain the best result for the customer when he/she executes an order in accordance with the customer's specific instructions concerning that order.
- In that event, the instruction given by the client supersedes any provision of this policy.
- To Requests for quotes made by the Client, either on a regular basis or occasionally are considered as specific instructions .
- To block trades, that are executed according to the relevant market rules.

2.4. DEMONSTRATING THAT THE EXECUTION POLICY HAS BEEN ADHERED TO

On request, the Bank will send the customer the information necessary to demonstrate that this Policy has been adhered to.

3. IMPLEMENTING THE EXECUTION POLICY

3.1. GENERAL PRINCIPLES

After the order has been recorded or the instruction has been received from the customer, CACEIS Bank France executes it³ or forwards it to the PSI-Trader in the case of an order concerning financial instruments traded on MR or MTF, to the Centralising Agent in the case of a subscription or redemption order on UCITs shares and to CACEIS Bank Luxembourg in the case of a forward exchange instruction.

All orders must include the characteristics necessary for the proper transmission/execution of the order: nature, direction and type of the order, the Financial Instruments concerned, quantity wanted, price, maturity date, venue of execution, validity of the order over time and, more generally, any information necessary for the transmission and completion of the operation in accordance with any applicable regulations.

³ When CACEIS Bank France is a direct participant in the market.



So as to be accepted by CACEIS Bank France, any order or instruction must be complete and in accordance with the practices and regulations in force on the markets concerned.

CACEIS Bank France stamps the order/instruction with the time and date as soon as it takes charge of it.

CACEIS Bank France considers any order or instruction from a customer which includes indications about the venue, price or type of execution to be a specific instruction. If CACEIS Bank France agrees to handle such an order or instruction, it executes it in accordance with the customer's specific instruction(s).

3.2. ORDERS CONCERNING FINANCIAL INSTRUMENTS TRADED ON REGULATED MARKETS OR MULTILATERAL TRADING FACILITIES

CACEIS Bank France executes the order directly on the market or uses the services of PSI-Traders which enable it to fulfil the best execution obligations.

The quality of execution by those PSI-Traders is reassessed periodically to ensure that they permanently continue to provide the expected level of service, that level being assessed according to the following particular criteria, classified in order of importance from the most important (A) to the least important (D):

- A – Overall pertinence of the execution policy and especially the commitment of the PSI-Traders to seek the best total price, particularly through their capacity to gain access to varied venues of execution;
- B – Quality of forwarding of orders to venues of execution;
- C – Reliability: assurance of continuity of service and presence of a specific customer support system in the CACEIS Group's networks;
- D – Price of the service and associated facilities.

When CACEIS is not a direct member of the market, the orders transmitted by customers are routed (RTO) to other PSI-Traders whom CACEIS has selected according to the criteria set out above, which criteria caused CACEIS Bank France to retain a list of PSI-Traders ⁴.

3.2.1. Selection of venues of execution by the PSI-Traders retained by CACEIS Bank France

In its process for selecting PSI-Traders, CACEIS Bank France makes sure that the venues of execution those Traders retain are compatible with its own Policy.

⁴ This list is sent to any customer who requests it.



3.2.2. Execution outside a Regulated Market or a Multilateral Trading Facility

In the context of its Execution Policy, CACEIS Bank France asks the PSI-Traders it retains not to execute orders outside a Regulated Market or a Multilateral Trading Facility. The use of a Systematic Internalising Mechanism or a Simple Internalising Mechanism is possible according to applicable rules. For some types of orders and according to applicable rules, CACEIS Bank France may execute or have the order executed by an ISP-Trader outside a regulated market or a MTF.

3.2.3 Limit orders

Any limit order in respect of a financial instrument admitted to trading on an EEA regulated market which is not immediately executed under prevailing market conditions will not immediately be made public by CACEIS or the IPS-trader, unless the Client expressly instructs CACEIS Bank France to do so.

3.2.4. Specific case of orders concerning the processing of OSTs [securities operations]

CACEIS Bank France may receive orders from its customers concerning the processing of Corporate Events (such orders concern in particular rights, odd lots, etc.).

In that case, CACEIS Bank France calls on its network of sub-custodians and the criterion of “capacity to perform the settlement in the best possible way” is also retained for their selection.

3.3. SUBSCRIPTION/REDEMPTION ORDERS IN UNLISTED UCITs

Provided that the customer complies with the terms and conditions for transmitting orders as defined in the agreement, CACEIS Bank France undertakes to comply with the centralisation time limits and the application of the right Net Asset Value (NAV), as those terms are defined in the fund’s prospectus.

3.4. FORWARD EXCHANGE

Specific instructions are excluded from the sphere of application of the present Policy. That is the case when, considering market practices, CACEIS Bank France, through its subsidiary CACEIS Bank Luxembourg, negotiates the conditions of forward and exchange contracts concerning currencies as a counterparty with its customer.

As a general rule, the price offered for a transaction by CACEIS Bank France takes account of the costs linked to its economic model, particularly the costs of setting up sales and monitoring processes, but also the costs linked to covering that transaction or of using its capital for it, including the credit risk.



3.5. ORDER ROUTING PRINCIPLES

3.5.1. Special terms applied to the receipt/transmission of orders (RTOs) on listed financial instruments

CACEIS Bank France forwards orders to the PSI-Traders it or its network of foreign sub-custodians has chosen.

Each customer order is stamped with the time and date when it is accepted by CACEIS Bank France, and then by the venue of execution, when it is recorded in the order book. The precise execution time is similarly recorded.

Orders are forwarded wholly electronically to the venue of execution retained by the PSI-Traders in accordance with the Execution Policy, except in certain circumstances. The circumstances which justify the rejection of orders or their manual processing are as follows:

- the customer's interest: filtering orders for a sum greater than a fixed threshold,
- compliance with the rules on protecting the integrity of the Market, especially those required by the supervisory authorities.

3.5.2. Aggregation of orders

Unless the regulations do not authorise the aggregation of orders, CACEIS Bank France aggregates orders only if such aggregation is unlikely to have a generally adverse effect on any customer whose order is to be aggregated. However, the effect of the aggregation of a given order might possibly be damaging to a customer.

3.5.3. Specific features per channel

The customer may transmit its orders to CACEIS Bank France from a computer workstation, a terminal, a software program supplied to him by CACEIS Bank France, an instant messaging software program, by SWIFT, via the OLIS website, by telephone or by fax, provided that CACEIS Bank France has previously expressly accepted it.

The customer is informed that when he/she is authorised to issue orders from a computer workstation, a terminal made available to him/her, by an instant messaging service or by telephone, his/her conversations and emails, and those of his/her authorised representatives, are recorded and kept by CACEIS Bank France.

3.5.3.1. SWIFT platform

CACEIS Bank France offers its customers the possibility of receiving any order or instruction via the SWIFT platform, on the conditions defined by the SWIFT company.

3.5.3.2. Telephone

It is not the policy of CACEIS Bank France to accept orders or instructions by telephone. However, depending on the financial instruments being processed (for example, forward exchange), orders may be transmitted by telephone only if CACEIS



Bank France and the customer have formally accepted that method of transmission and the customer (the telephone conversation is then recorded according to the current procedure).

3.5.3.3. Fax

Orders transmitted by fax must reproduce the handwritten signature of an Authorised Person at the customer's office, such faxes being valid as originals, regardless of the nature and amount of the operation and without CACEIS Bank France's having to demand written confirmation of the order.

3.5.3.4. OLIS website

Only instructions concerning subscriptions and redemptions of UCITs shares may be transmitted via the OLIS website, no stock-market order being accepted by that channel at present.

The customer's use of the OLIS website presupposes that a specific agreement has previously been signed between him/her and CACEIS Bank France.

The specific agreement specifies the terms and conditions governing the proof of reception of the orders issued by the customer.

Any financial information that may be displayed on the website is of indicative value only and should not be used to measure best execution.

4. GENERAL PROVISIONS

4.1. BEST ENDEAVOURS OBLIGATION

The legal nature of the obligation incumbent on CACEIS Bank France according to the present Policy is that of a best endeavours obligation.

CACEIS Bank France executes/transmits the orders issued by the customer only:

- if market conditions permit;
- if they fulfil all the conditions imposed by the applicable regulations.

Application of the Execution Policy could be suspended or changed in the case of severe disruptions to the operation of the financial markets or if the systems giving access to venues of execution or to the transmission of orders fail or become unavailable.

4.2. CUSTOMER'S CONSENT

4.2.1. Principle

The agreement given by the customer is a general agreement covering all the provisions of the Policy and is therefore valid as his/her agreement to all the transactions carried out with CACEIS Bank France.



4.2.2. Form of consent

The customer is deemed to have agreed to the provisions of the present Policy as from the first request for the execution of an order sent by the customer to CACEIS Bank France.

For orders concerning financial instruments listed on a Regulated Market or a Multilateral Trading Facility, the customer's express agreement is requested every time the transmitted order has to be executed outside a Regulated Market or a Multilateral Trading Facility (see § 3.2.2 above).

5. DEFINITIONS

Centralising Agent : establishment in charge of centralising subscription or redemption orders on UCITs shares.

Investment Advice: The investment advice service supplies personalised recommendations to a third party, either at his request or on the initiative of the company which supplies the advice, concerning one or more transactions involving financial instruments.

MTF: see Multilateral Trading Facility.

Multilateral Trading Facility: market for the listing and execution of financial instruments.

Production and dissemination of investment recommendation: financial analyses produced or disseminated by a provider of investment services.

PSI-Trader: A provider of investment services supplying the service of negotiating stock market orders.

Regulated Market: Historic stock market such as Euronext.

RM: see Regulated Market.

RTO: Order Receiver / Transmitter: an entity which receives orders from customers and transmits them to a PSI-Trader for execution.

Simple Internalisation: Automatic matching of simultaneous purchase and sale orders concerning the same security at the reference price prevailing on the regulated market of reference at the time of the matching.

Venue of execution: the venue to which stock market orders can be brought for execution (Regulated Market, Multinational Trading Facility, Systematic Internaliser, etc.).