

# MFML BEST EXECUTION & ORDER HANDLING POLICY

<b>Applicable to</b>	BNY Mellon Fund Management (Luxembourg) S.A.
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\* An addendum captures an approved nuance, variation, or deviation, in manner or means, of accomplishing the objectives of a stated principle, rule or practice from the established minimum requirement articulated within this document.

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# 1. Introduction/Purpose

BNY Mellon Fund Management (Luxembourg) S.A. ("BNY MFM Lux"; "the Company") is authorized by the Commission de Surveillance du Secteur Financier (CSSF) as:

- A management company under Chapter 15 of the Law of 17 December 2010 on undertakings for collective investment, as amended (UCI Law), registered under number S00000112
- An alternative investment fund manager in accordance with the law of 12 July 2013 on alternative investment fund managers, as amended (AIFM Law), registered under number A00000032
- BNY MFM-Lux may provide, discretionary portfolio management services and investment advice in accordance with article 5 (4) of the AIFM Law of 12 July 2013 and Article 109 (2) of the Law of 17th December 2010
- BNY MFM Lux has five branches in France, Germany, Italy, Netherlands, and Spain.

This Policy sets out the principles, governance, and arrangements by which BNY MFM-Lux ensures best execution and fair order handling across:

- UCITS funds under its management
- AIFs under its management
- Segregated mandates managed or overseen by the Company

Day-to-day trading and order execution activities are delegated to approved investment managers; however, BNY MFM-Lux retains full responsibility and ultimate accountability for ensuring best execution, effective order handling, and investor protection.

# 2. Applicability/Scope

This Policy applies to portfolio management activities\* and related dealing activities associated with:

- UCITS
- AIFs (including strategies that may invest in private assets, real estate, private debt, fund of funds, fixed income, derivatives, money market instruments, collectives)
- Segregated mandates under the Company's fiduciary responsibility

Note: For asset classes and strategies where transactions are negotiated, illiquid, or commitment-based (e.g., direct private assets, real estate, fund commitments), classic regulated market "best execution" concepts may be less directly applicable; in such cases, BNY MFM-Lux requires delegates to evidence fair, timely, and prudent execution consistent with the investment process, with documented rationale and adherence to fiduciary duty.

\*For the purposes of this Policy, portfolio management and related dealing activities may be carried out by MFML delegates (directly or indirectly), including Portfolio Managers and other investment delegates such as (among others) the i-hedge team, securities lending teams, authorised participants and market makers, where relevant.

# 3. Roles and Responsibilities

## 3.1 BNY MFM-Lux

BNY MFM Lux sets the Best Execution & Order Handling Policy, expectations, and minimum standards. The delegation arrangements are:

- Approved with investment managers and therefore BNY MFM Lux ensures equivalent regulatory standards apply, including evidence of robust best execution policies and procedures.
- BNY MFM Lux has access to an approved universe of execution venues, brokers, counterparties, and trading infrastructures (directly or through oversight of delegates' centralized approval processes).

- BNY MFM Lux oversees adherence through management information (MI), transaction cost analysis (TCA), exception monitoring, reviews, certifications, and governance forums.
- BNY MFM Lux retains full responsibility and ultimate accountability for best execution and fair order handling on behalf of investors.

### **3.2 Delegated Investment Managers ("Delegates") and other Investment Delegates**

The Company delegates portfolio investment management to affiliated investment managers and other investment delegates, who execute and/or place orders on behalf of the Company's funds and mandates, applying best execution and fair order handling in accordance with their own Policies which are deemed to be equivalent to this policy.

The Delegates maintain procedures and systems for prompt, fair, and expeditious execution, accurate order recording, information control, and appropriate allocation.

The Delegates can evidence how execution factors and criteria are weighed for each order and provide MI, explanations, attestations, and reporting to BNY MFM-Lux.

The Delegates implement venue/counterparty due diligence and periodic reviews, monitor execution quality and address deficiencies.

## **4. Best Execution Principles**

### **4.1 Execution Factors**

Subject to any specific instructions, when executing orders on behalf of Funds and Segregated mandates, the Delegates must take into consideration a range of different execution factors which include:

- Price and total consideration (commissions, fees, taxes, market impact)
- Costs
- Speed
- Likelihood of execution and settlement
- Order size
- Order nature and characteristics
- Market conditions (liquidity, volatility, transparency)
- Instrument characteristics

### **4.2 Execution Criteria ('Relative Importance')**

In determining the relevant importance of the above factors, Delegates, by using their professional judgment and experience and considering the market information available, must consider the following execution criteria:

- Fund or mandate objectives, investment policy, risk profile, and disclosures
- Characteristics of the order
- Characteristics of financial instruments
- Characteristics of available execution venues/entities. In liquid markets, price and total consideration often dominate; in less liquid or negotiated transactions, timing, size, settlement certainty, and counterparty suitability may prevail.

### 4.3 Specific Instructions

Where specific client instructions apply (e.g., segregated mandates or board-approved preferences for UCITS), these are honoured. Any constraints on achieving best execution arising from such instructions must be documented and communicated, as appropriate.

## 5. Execution Arrangements and Venues

### 5.1 Venue and Counterparty Approval

All execution venues and dealing counterparties are approved via the relevant venue/counterparty approval processes applied by the Delegate. This may include utilising counterparties approved by the BNY Group on a centralised basis. In some cases, due to the illiquid nature of certain financial instruments, there will be limited options available in relation to where and with whom dealing can take place.

The Delegates review the quality of execution and service provided by all the approved execution venues/counterparties on a regular basis with oversight at the relevant governance forums. Issues arising with counterparties between reviews are reported immediately to senior management, raised at the governance forums and considered in relevant counterparty consultative meetings.

BNY MFM-Lux oversees the policy and process over execution venues and selection of counterparties through receipt of relevant management information and KPIs.

### 5.2 Off-Venue/OTC Execution

Where permitted and where appropriate consents exist and offering documents/regulatory permissions allow; Delegates must document price discovery, counterparty selection, and evidential support for fair outcomes for trades executed on an OTC basis.

## 6. Order Handling

### 6.1 Prompt, Fair, and Expeditious Execution

The Delegates are required to execute Funds/Segregated mandates orders in an expeditious and fair manner. Orders of one Fund may be aggregated with other orders, if:

- Record orders promptly and accurately
- Execute sequentially unless market conditions or client interests reasonably justify otherwise
- Ensure timely delivery/receipt of instruments and cash
- Safeguard information relating to pending orders

Aggregation is permitted only where unlikely to disadvantage any fund or client.

Partial fills must be allocated using consistent methodologies; deviations must be justified and documented.

Where orders are aggregated with an investment manager's proprietary orders and only partially executed, client orders take priority.

### 6.2 Cross Trades

Cross Trades are permitted only where permitted by law and offering documents, subject to fairness checks, independent price verification (where applicable), and documented approvals. Each Delegate is subject to its own Cross Trade Policy and procedures.

## 7. Broker/Counterparty Selection and Due Diligence

Delegates must maintain robust selection processes. For negotiated or illiquid instruments, best execution must be demonstrated through transparent price discovery, multiple quotes where feasible, documented negotiation and investment process principles, and contemporaneous records.

## 8. Delegation Framework and Equivalence

Delegates must be subject to public supervision in their home jurisdiction, unless CSSF derogation applies. BNY MFM-Lux verifies that Delegates maintain best execution policies equivalent to Luxembourg standards; where not subject to Luxembourg-equivalent regulation, contractual commitments to equivalent best execution rules are required.

## 9. Monitoring, MI, and Governance

### 9.1 Post-Trade and Ongoing Monitoring

BNY MFM-Lux regularly monitors effectiveness of execution arrangements and compliance with this Best Execution Policy by the Delegates. The Delegate must maintain p TCA and other metrics (slippage, price improvement, fill rates, venue/broker performance, settlement efficiency) to demonstrate the effectiveness of its best execution arrangements, as well as exceptions and incident management processes with documented root cause analysis and remediation procedures.

### 9.2 Reporting and Oversight

The Delegates must provide periodic MI, certifications, and qualitative updates; ensure deficiencies are escalated promptly and establish governance forums to challenge outcomes, set remediation actions, and review policy effectiveness.

For UCITS, prior consent of fund boards on execution policy is obtained pursuant to CSSF Regulation 10-04 and material changes must be notified.

### 9.3 Annual and Event-Driven Review

This Policy and the Delegates' execution arrangements are reviewed on an annual basis or, upon material operational or market changes.

At a minimum, the effectiveness of the arrangements must be documented and that they remain effective for each asset class and strategy under management and/or delegation.

## 10. Reporting and Escalation

Breaches and incidents related to best execution/best selection are promptly reported by Delegates to BNY MFM-Lux, with assessment of investor impact and remediation actions.

Material issues are escalated to senior management, relevant governance forums, and fund boards where appropriate.

BNY MFM-Lux maintains clear lines for regulatory engagement and demonstration of compliance with execution policies.

## 11. Review, Approval, and Updates

This Policy is approved by BNY MFM-Lux Board and, where required, by fund boards (UCITS)

The Policy is reviewed annually and upon material change; updates are communicated to relevant stakeholders and implemented across Delegates' procedures and oversight.

## 12. Definitions

Term	Definition/Meaning of Term
Best Execution	Taking all sufficient steps to achieve the best possible result in executing or placing orders, considering all applicable factors and criteria.
Delegates	Investment managers appointed by BNY MFM-Lux to perform trading and/or order placement activities.

## Version Control

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1.1	April 28, 2026	Aurelien Chastel	Second Version