
1. Introduction

AEGON Investment Management B.V. (AIM) provides portfolio management. In executing orders, AIM is bound to achieve the best possible results (*'Best Execution'*). AIM's order execution policy is described below.

2. Important factors

AIM, or its selected executing partner, takes into account a range of factors in executing or placing orders in accordance with its own defined policy. The price of a financial instrument, the execution costs and service are factors that weigh heavily in this regard. However, factors such as speed of execution, likelihood of execution and settlement, size and nature of the order, market influences and other relevant considerations can play a role in executing the best possible order for the client. AIM constantly looks for ways to reduce execution costs without compromising quality.

3. Financial instruments

The order execution policy applies to the following financial instruments.

■ Equities

The most important factors are price, liquidity and service. Other relevant factors are the size of the order and the likelihood and speed of execution. In executing orders in equities, AIM uses brokers that have direct access to a number of trading platforms (Regulated Market, Systematic Internalization or Multilateral Trading Facility). The orders are executed on the trading platform that offers the highest liquidity. The trading platforms for executing orders in equities are amongst others NYSE Euronext Amsterdam Stock Exchange, NYSE Euronext Paris Stock Exchange, Frankfurt Exchange incl Xetra.

■ Fixed Income

The most important factors are price, liquidity and service. The likelihood of execution is also a relevant factor. In executing orders in fixed income securities, AIM uses brokers affiliated with trading platforms such as TradeWeb and Market Axess. Order execution via these trading platforms occurs on the basis of a request for quote.

■ Derivatives

Listed derivatives are executed on trading platforms where price and execution costs are the most important factors. In the case of OTC derivatives, the level of service is also an important factor in selecting where the order is executed. In executing orders in derivatives, AIM uses brokers with direct access to various trading platforms. The trading platforms for executing orders in derivatives are amongst others Eurex, Liffe, CBOT, NYMEX, LME and COMEX.

■ Investment funds

With investment funds, quality and settlement costs are the decisive factors. The trading price is not determined by supply and demand but primarily by the net asset value, which is the value of the underlying investment portfolio of the investment fund concerned divided by the number of units of participation in issue. Currently, AIM only invests in investment funds managed by AIM and TKP Investments B.V. The investment company of the investment funds, namely AIM and TKP Investments B.V., execute these funds.

The 'best execution' requirement does not involve a profit obligation. However, AIM will exercise consistency and coherence, bearing in mind the factors mentioned above, in executing orders in line with its policy. Orders in a specific financial instrument can be executed, provided conditions are optimum, on a single trading platform.

4. Merging orders

AIM reserves the right to cluster clients' orders provided that doing so will not have a detrimental affect for any of its clients. Merging orders avoids delays in execution and keeps costs to a minimum. If merged orders cannot be fully executed, the financial instruments concerned are allocated to the clients in proportion to the size of the original orders and using an average price.

5. Special circumstances

When there are special (market) circumstances at play, AIM is authorized to deviate from this order execution policy. Examples of special circumstances are: extreme volatility in the financial markets, disruptions in order systems, power outages and other emergencies that are beyond the control of AIM. It is possible that orders can only be partially, if at all, executed during these special circumstances.

6. Broker selection policy

AIM has a list of third parties (licensed banks/brokers) that mediate in the execution of financial instrument transactions. When placing orders with third parties, AIM must take all reasonable measures to secure the best possible result ('broker selection policy'). The broker selection policy mainly applies to the selection (and monitoring) of third parties to guarantee the best possible execution of the orders. AIM selects only third parties that have execution arrangements in place that enable them to attain the best possible results.

The following factors are important when selecting a broker: (i) the broker's order-execution arrangements, (ii) execution cost, (iii) execution speed, (iv) market knowledge, (v) research quality, and (vi) service and other factors that influence the quality of the order execution.

Brokers selected by AIM possess the required licenses and have access to all available trading platforms and financial instruments. A list of executing parties partnered with AIM may be requested in writing from the Compliance Officer of AIM. AIM reserves the right to use executing parties that are not on this list on the provision that its order execution policy is being followed.

7. Evaluating the order execution policy and the brokers

AIM has taken appropriate measures to ensure that its order execution policy is followed and regularly tests its effectiveness. The policy is evaluated and considered for revision at least once a year. This means that the brokers on the broker list are also assessed. AIM will inform you of any significant changes to the order execution policy.

8. Consent

AIM is obliged to obtain the prior consent of the client before executing orders in financial instruments under its order execution policy. You must grant AIM your prior express consent to execute orders in certain financial instruments. By signing the portfolio management agreement, which includes the investment mandate and the order execution policy as appendices, the client gives express consent to the order execution policy.

This is an English translation of the order execution policy of AIM. The Dutch version of the order execution policy is leading.