

NORTHERN STAR PARTNERS OY: Investment Process and Best Execution

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Distribution	Board and Investment Team
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Responsibilities	CEO, CIO, Investment Team

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1. Scope

- 1.1. Current investment process (“Investment Process”) of Northern Star Partners Oy (“NSP”) is established and implemented to ensure the compliance of the investment activities of NSP with the requirements of the legislation.
- 1.2. Upon implementation of Investment Process NSP is guided by the following acts, regulations and guidelines:
 - 1.2.1. Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (“UCITS IV Directive”)
 - 1.2.2. Finnish Investment Funds Act (“Sijoitusrahastolaki”):
 - 1.2.3. Commission Directive 2010/43/EU of 1 July 2010 on implementing Directive 2009/65/EC of the European parliament and the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between depository and management company (“UCITS Implementation Directive”)
 - 1.2.4. Corporate Governance and General Corporate Rules of Northern Star Partners Oy (herewith as “General Rules”)

2. Definitions

- 2.1. Fund, CEO, Board, Investment Team, and other definitions are used as defined within General Rules;
- 2.2. ‘client’ as defined for current Investment Process means any natural or legal person (discretionary asset management), or any other undertaking including a Fund (fund management), to whom a company provides a service of investment management or services pursuant to Article 6(3) of UCITS IV Directive;
- 2.3. Investment Team has a meeting at least on monthly basis, minutes of the meeting are recorded (“Investment Meeting”)

3. General provisions

- 3.1. Investment process is based on the general investment policy (“Investment Policy”) of each client.
- 3.2. Investment Policy defines the investment targets, strategies, markets, instruments and the risk characteristics of the client.
- 3.3. Investment Policy is defined in the prospectus, rules or the incorporation documents of the fund (“Fund Documentation”) or in the contract concluded with the client.
- 3.4. For implementation of Investment Policy NSP defines the internal risk profile which will define actual measurable limit system for implementing the Investment Policy (“Risk Profile”).
- 3.5. Risk Profile of each client is approved by the CEO based on the proposal of the responsible person before starting the investment activities.

4. Investment Organisation

- 4.1. Investment Meeting is responsible for the development of the investment strategy based on the investment policy and the market conditions and for the coordination of the activities necessary for its implementation.
- 4.2. Investment Meeting assures that investment decisions are carried out in compliance with the Investment Policy of each client.
- 4.3. Investment Meeting and Chief Investment Officer to lead the Investment Meeting are nominated by the Board.

- 4.4. Investment Meeting meets at least once a month, reviews the results and events of the prior period, the plans and market trends of the near future, the long-term strategies and individual investment ideas. Minutes of the meetings of the Investment Meeting are taken.
- 4.5. Members of the Investment Meeting are responsible for daily investment activities for implementation of investment strategies by selection and ongoing monitoring of the investments.

5. Decision making process

- 5.1. Making investment decisions and the choice of instruments for funds and portfolios is carried out with the active cooperation of the entire investment team on the basis of the decisions of the Investment Meeting. The final investment decision is made by the fund manager who is responsible for the exact content and profile of the portfolio, while taking into account any investment restrictions arising from the contract (the conditions), legislation and the internal documents of NS.
- 5.2. Investment team shall have adequate knowledge and understanding of the assets in which it invests in. That is at the time of the initial investment and also on ongoing basis.
- 5.3. Before making an investment decision the Investment Team members should take into account the liquidity and risk and reward profile of an investment. And where appropriate based on the nature of the investment the forecasts should be formulated and analyses performed on investments contribution to the portfolio composition. These analyses must be carried out on the basis of reliable and up-to-date information, both in quantitative and qualitative terms.

6. Trade execution process

- 6.1. When executing decisions or placing orders to deal (“performing transactions”) on behalf of the clients NSP takes all reasonable steps to obtain the best possible result for the client, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, or any other consideration relevant to the execution of the order. NSP assures that prompt, fair and expeditious execution of portfolio transactions on behalf of the customer is carried out. Financial instruments or sums of money, received in settlement of the executed orders shall be promptly and correctly delivered to the account of the appropriate client.
- 6.2. Fund managers and portfolio managers are responsible for performing transactions. They can also delegate the order to the trade execution specialist of NSP or outsource the trade execution to third party.
- 6.3. NSP shall generally place an order for the execution with another entity, the intermediary. The intermediary should have direct access to an execution venue such as a regulated market, a multilateral trading facility, market maker or other liquidity provider. The list of such intermediaries is approved by the Investment Meeting and relevant agreement signed with the intermediary.
- 6.4. An order can be executed outside a regulated market or multilateral trading facility. An order can be also executed between various clients of NSP if it is in best interest of both clients and in accordance with their investment objectives.
- 6.5. Where an order can be executed on a single venue or through a single intermediary it is assumed that NSP has satisfied its obligations for obtaining the best possible result.
- 6.6. When the order is executed through the intermediary providing the direct market access it is assumed that NSP has satisfied its obligations for obtaining the best possible result.
- 6.7. When there are more than one competing intermediaries that are capable of executing orders, NSP should assess and compare the estimated result to the client by evaluating the following factors: price, cost, speed, likelihood of execution and settlement, size of an order

and any other relevant factor including the liquidity and the effect that the order could have on the market price.

- 6.8. Orders should be executed promptly and impartially.
- 6.9. When executing the investment decisions relating to the more than one client the orders can be aggregated.
- 6.10. When aggregating the orders it must be unlikely that the aggregation of orders will work overall to the disadvantage of any clients whose order is to be aggregated.
- 6.11. Aggregated orders should be allocated to the clients based on weighted average price. If an aggregated order is partially executed, the order should be allocated to clients *pro rata* with the initial order. *Pro rata* rule may be disregarded where it becomes unreasonable to allocate the order *pro rata* (e.g. where a client would receive an unreasonably small amount of securities).

7. Transaction recording

- 7.1. Any transaction order and transaction shall leave a notification in either electronic or physical format, identifying appropriately the transaction. The intermediary shall notify NSP of the transactions closing in the manner and procedure, which has been separately agreed upon.
- 7.2. Following information of each transaction order and/or transaction is recorded to the Portfolio Management System: name of client, name of person acting on behalf of the client, details of the instrument, quantity, type of the transaction, price, date and exact time of the transmission of the order/decision to deal, the issuer of the order, reasons for revocation of order, for executed transactions, the counterparty and execution venue identification.
- 7.3. The data mentioned in clause 7.2 is preserved for at least five years.

8. Voting rights

- 8.1. NSP shall exercise the voting rights attached to an investment made on behalf of a client so that the companies being the investment objects act in a way that maximizes the value of particular client. This does not mean that NSP is always obliged to exercise the voting rights.
- 8.2. For monitoring the corporate events NSP is using the information provided by the depository, which is receiving the official shareholder notices issued by the companies.
- 8.3. By receiving the notice the receiver delivers this to the respective fund or portfolio manager for the decision.
- 8.4. NSP will generally attempt to process every notice to vote it receives. However NSP may be unable to vote or decide not to vote, if such notice was received too late, or there are expenses related to the exercise of a vote and it is determined that such expenses outweigh the benefit of voting, or the holding represented by NSP is marginal.
- 8.5. For exercising the voting rights, NSP should ensure that it is in best interest of each exact client. Therefore it may result in different voting decisions regarding the same issuer. NSP should not vote for supporting its own commercial or other interests. NSP may exercise the voting rights by itself or delegate it to the third persons.
- 8.6. NSP will generally not announce its voting intentions and reasons behind them. Voting decisions are made available for the unit-holders free of charge upon request.