

Best Execution

The asset managers within the Fund Company place orders in accordance with the fund company's instructions for the placing of orders. An order can be placed either via a special order-brokerage unit within the Asset Management Division at SEB – which mediates orders to approved counterparties – or directly with the ultimate counterparty.

The fund company's asset managers and order-brokerage unit use counterparties that are selected with the help of a counterparty committee. The counterparty committee approves counterparties in accordance with a documented process that includes factors such as order-execution quality, the counterparty's creditworthiness and the operative risks.

For orders regarding financial instruments such as Swedish and foreign bonds, other promissory notes, monetary market instruments and fixed-income derivatives, the managers execute orders in most cases directly with the ultimate counterparty. Orders concerning fund units are placed through SEB via either the order-brokerage unit, the Global Funds unit, or via a Fund Account.

In cases where SEB acts as counterparty, orders are placed via Markets, which organisationally belongs to the Large Companies and Financial Institutions division. An evaluation of Markets takes place in the same way as for other counterparties. The fund company also follows up so that the proportion of orders placed via Markets be reasonable. Disclosure of the size of turnover with closely related institutions (Markets) is also made in the Fund Company's annual report.

A control of the outcome of all order-placing is carried out constantly, irrespective of the chosen order-placing procedure. The asset managers also follow up items such as transaction costs and contract prices. Should a manager discover during an evaluation that a counterparty was unsuccessful in executing a transaction with favourable conditions, the reasons will be investigated. The counterparty committee will be informed, and the manager will cease to use the counterparty in question until further notice.

The Fund Company's processes for order-placing will be evaluated at least once a year, and an efficiency control will also be made regarding the process to achieve the best execution.