

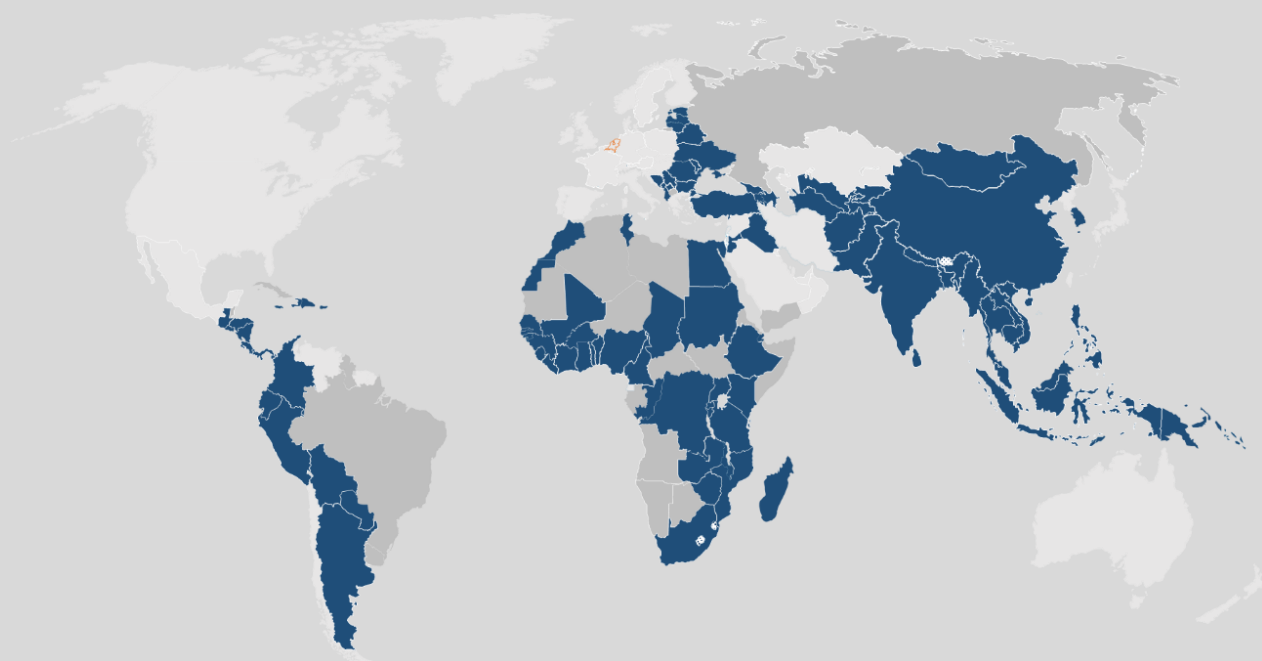
FMO

Investment
Management

ORDER EXECUTION / RECEIPT AND TRANSMISSION OF ORDERS POLICY

V 3.1
June 2018

*WE SCALE UP IMPACT INVESTING
BY PROVIDING INVESTORS ACCESS TO FMO DEAL FLOW
IN SUSTAINABLE EMERGING MARKET INVESTMENTS.*



THE GLOBAL GOALS
For Sustainable Development

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REVISION HISTORY

Version	Changes
1.0	First version of the Order Execution Policy
2.0	Yearly review – Client relationship made more explicit
3.0	Updated to reflect MiFID II / receipt and transmission of orders
3.1	Update related to the signed services agreements

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FMO Investment Management B.V. (FMO IM)

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DEFINITIONS

AFM	Authority Financial Markets (<i>'Autoriteit Financiële Markten'</i>)
AIFMD	Directive 2011/65/EU on Alternative Investment Fund Managers
FIA	Frontinvest Alternatives, system used by FMO IM
FMO IM	FMO Investment Management B.V.
FMO	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.
Investment Fund	An AIF or other vehicle managed by a party for whom FMO IM performs or will perform investment advisory or investment management services and, as the case may be receipt and transmission of orders.
MiFID II	Directive 2014/65/EU on markets in financial instruments
Regulator	AFM and or DNB.
Wft	The Netherlands Financial Supervision Act (<i>'de Wet op het financieel toezicht'</i>) as it exists at the date of adoption of this Policy, including all laws and regulations arising therefrom

[THIS DOCUMENT IS PARTLY DORMANT AS FMO IM IS CURRENTLY NOT PROVIDING EXECUTION SERVICES / TO BE UPDATED IF AND WHEN ACTIVATED]

1. General information about this policy

FMO Investment Management B.V. (FMO IM) is a wholly owned subsidiary of Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO) and has been incorporated as a separate legal entity in 2015 to further build and grow investment management for professional investors as a new line of business for FMO. This is part of FMO's strategic ambition to catalyze commercial investors to emerging markets and strengthen its position as a leading impact investor. FMO IM's mission is to scale up impact investing by providing (institutional) investors access to FMO deal flow in sustainable emerging market investments. FMO IM has received a license pursuant to art. 2:96 Wft (as defined below) from the Netherlands Authority for the Financial Markets (AFM) to act as an investment firm and is authorised to:

- execute portfolio management;
- process receipt and transmission of orders; and
- provide investment advice.

FMO IM has its own Management Board. As sole shareholder of FMO IM, FMO determines the charter and scope within which the company operates, and FMO has approval rights for certain specific matters as set out in the articles of association of FMO IM.

2. Scope and Objective

MiFID II, as implemented in Dutch law (Wft), requires that investment firms establish an order execution policy and take all reasonable steps to obtain the best possible result when executing orders on behalf of its clients. As FMO IM currently does not execute orders on behalf of clients, FMO IM does not have a specific order execution policy in place but rather an order receipt and transmission policy. If FMO IM's activities are to change to the extent orders will be executed, this policy will be amended to reflect such activities.

FMO IM acts as investment advisor and investment manager for both open-end and closed-end Investment Funds that invest in loans originated by FMO and as such these activities are not in scope of the Wft.

FMO IM may also support the marketing activities of such Investment Funds. All funds concerned either qualify as an Alternative Investment Fund as defined under AIFMD or qualify as a securitization vehicle set up as a fund. Consequently, FMO IM will solely transmit orders in such vehicles directly with the manager thereof. Given the nature of such funds, this is usually the only option or venue available to FMO IM.

FMO IM will not execute any orders, nor will FMO IM execute such orders as investment manager to implement decisions taken as part of its investment management, until it decides to do so in which case this policy will be amended to reflect applicable law.

This policy sets out how FMO IM will ensure it achieves the best possible results for its clients when transmitting orders to third parties for execution.

3. Clients FMO Investment Management

FMO IM will only deal with professional clients as defined in the Act on Financial Supervision (Wft). The setup of FMO IM is to work with partners who fulfill a role as fund manager and therefore a client relationship is present between FMO IM and the respective fund managers.

4. Order Execution Procedure [dormant]

FMO IM does not execute the subscription or participation of investors in an Investment Fund, nor any other order in any financial instrument. The execution of the order and the actual subscription or investment in the investment funds will be processed by the Fund Manager for which FMO IM acts as investment advisor or investment manager.

5. Receipt and Transmission of Orders Procedure

Other than bringing together fund managers and (potential) professional investors or advisors of investors in relation to investment funds, FMO IM will not receive and transmit orders in other types of financial instruments.

Process:

- FMO IM will not perform transmission of orders unless a services agreement in writing is in place with a fund manager. Such agreement will inter alia contain provisions on scope of services, classification of the client (it being understood that FMO IM will not provide services to non-professional (retail) clients).
- Together with the fund managers, FMO IM is in regular contact with prospects to discuss a possible investment in an investment fund where FMO IM acts or will act as investment advisor or investment manager.
- Call reports of meetings or calls with prospects will be filed in FIA.
- In the situation where FMO IM is in contact with a prospect to discuss a possible investment in an Investment Fund and a prospect wishes to subscribe or invest in such an Investment Fund, FMO IM will direct the prospect to the relevant fund manager for actual execution of the order or subscription to the Investment Fund.

FMO IM may be involved in the following activities:

- Introducing professional investors or advisors of investors to an Investment Fund
- Attending investor presentations and investor meetings (mostly together with the Fund Managers)
- Explain the investment strategy and investment experience of FMO NV and the Investment Funds
- Providing content to investor presentations and private placement memorandums.

6. Reviewing of the Policy

FMO IM will review this Policy:

- (i) annually;
- (ii) if FMO Investment Management becomes aware of any facts or circumstances which materially change the options for FMO IM to receive and transmit orders to Fund Managers; or
- (iii) if FMO IM contemplates to execute orders.

If the nature of the activities of FMO IM change materially this Policy will also be reviewed and amended if needed.