

BEST EXECUTION POLICY

Version 3: February 2025

1. BEST EXECUTION AND BEST SELECTION OBLIGATIONS

Objective

1.1 In accordance with the **Markets in Financial Instruments Directive (MiFID II)** as revised and in force, and relevant **CSSF regulations**, the Company must act in the **best interests of its Clients** when executing decisions to deal on behalf of **AIFs and UCITS**, ensuring **best execution and best selection** principles are followed consistently.

1.2 All **capitalized terms** herein will have the meaning defined in the latest version of the **Handbook of Policies and Procedures**.

Scope

1.3 This Policy defines and describes the **procedures used** by the Company to ensure **best selection and best execution** for its Clients, in accordance with MiFID II and the **CSSF's latest regulatory expectations for UCITS and AIFs in 2024**.

1.4 What is Best Execution?

Best Execution requires that investment firms take **all sufficient steps** to obtain the **best possible result for Clients** on a **consistent basis**, considering key execution factors such as **price, costs, speed, likelihood of execution, and settlement**.

Legal References

Pursuant to:

- **CSSF Regulation 10-04**
- **CSSF Circular 18/698**
- **EU Directive 2011/61 (AIFMD)**
- **EU Directive 2014/65 (MiFID II)**
- **Regulation (EU) No. 600/2014 (MiFIR)**
- **Delegated Regulation (EU) 2017/565 (MiFID II Supplementary Regulation)**

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2. BEST SELECTION POLICY

Principles of Best Selection

2.1 The Company's **best selection policy** ensures that intermediaries are chosen based on their ability to **obtain the best possible result** during execution. The **selection process** includes:

- **Due diligence** on intermediaries and execution venues.
- **Ongoing performance assessments** based on transaction cost analysis (TCA).
- **Approval and oversight** by the **Senior Management**.

Broker Selection Process

2.2 The **Portfolio Management team** undertakes a due diligence process when selecting new brokers, evaluating:

- **Execution efficiency** (including price competitiveness).
- **Market access & connectivity** (e.g., use of smart order routing).
- **Trade settlement and operational reliability**.
- **Regulatory standing & financial stability**.
- **Transaction cost analysis (TCA) outcomes**.

2.3 Brokers that fail to maintain **best execution standards** are **removed from the Company's approved list**.

3. BEST EXECUTION POLICY

Execution Factors

3.1 When executing or placing orders, the **Portfolio Management team** considers the following execution factors:

- **Price** (final transaction price).
- **Costs** (commission, spreads, and other fees).
- **Speed of execution** (minimizing market impact).
- **Likelihood of execution & settlement** (minimizing operational risk).
- **Order size & impact** (ensuring efficient market participation).
- **Execution venue characteristics** (e.g., liquidity depth, reliability).

3.2 The **relative importance of execution factors** is determined based on:

- The **fund's investment objectives** and risk profile.
- The **type of financial instrument** being traded.
- **Prevailing market conditions** at the time of execution.
- Regulatory requirements applicable to **UCITS and AIFs**.

Execution Venue Selection

3.3 The Company may use a range of execution venues, including:

- **Regulated markets** and stock exchanges.
- **Multilateral Trading Facilities (MTFs)**.
- **Organized Trading Facilities (OTFs)**.
- **Over-the-Counter (OTC) trading venues** (when justified and documented).
- **Selected third-party brokers and liquidity providers**.

3.4 The Company **does not maintain its own execution venue** and relies on counterparties that adhere to **best execution requirements**.

4. REVIEW, REPORTING, AND CONTROL MECHANISM

Annual Policy Review & Regulatory Updates

4.1 This Policy is **reviewed annually** and whenever:

- **Regulatory changes occur (CSSF Circulars & MiFID II updates)**.
- New execution venues or trading strategies are introduced.
- Significant execution inefficiencies are detected.

Regulatory Reporting

4.2 The Company provides **MiFID II-mandated reports**:

- **Top 5 execution venues report** (annually).
- **Broker selection & evaluation records**.
- **Transaction cost analysis (TCA) summaries**.

Compliance Oversight & Escalation

4.3 Breaches of this Policy must be reported to the **Compliance Officer** for review and, if material, escalated to the **Board of Directors**.

4.4 Compliance and Risk undertake **ongoing quality control of execution practices**, ensuring alignment with regulatory standards.

5. FINAL PROVISIONS

5.1 This **Best Execution Policy** applies to all **UCITS and AIFs** managed by the Company.

5.2 Clients can request further information on **execution arrangements and performance**.

5.3 This Policy is approved by the **Board of Directors** and is effective as of **February 2025**.

References:

- **CSSF Circular 22/811** (Updated execution policy monitoring requirements)
- **MiFID II & MiFIR Regulations**
- **AIFMD & UCITS V Requirements**