

**Best Execution Policy**  
Alfa Asset Management (Europe) S.A.

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## BEST EXECUTION POLICY

### 1. Purpose of the Policy

The purpose of the Best Execution Policy is to allow Alfa Asset Management (Europe) S.A. (hereinafter referred as to the “Company”) to ensure that all investment decisions and orders received from Clients are executed with the aim to obtain the best possible result for those clients when transmitting an order to another entity for execution.

**The Company does not directly execute any orders on the financial markets directly; therefore, this policy applies where the Company places such orders with other entities for execution (i.e. brokers).**

Within the framework of portfolio management mandates and/or advisory mandates, the Company transmits the relevant orders to the execution desk to place the orders in the market with the relevant brokers.

The requirements incumbent on the Company when it places orders with other entities for execution are not intended to require a duplication of effort as to best execution between the Company and the entity to which the order is transmitted for execution.

Best execution obligations do not apply where the Company follows specific instructions from the client. The Company shall, in this case, take all steps necessary to obtain the best possible result for the client to the extent that the Company executes in accordance with those instructions.

In accordance with the Grand-Ducal Regulation and the law of 13 July 2007 as well as CSSF Circular 07/307 as amended, the aim of the Best Execution Policy is to implement the measures required to obtain the best possible result when transmitting an order to another entity for execution.

### 2. Best execution factors and best execution criteria

Subject to any specific instructions given by its clients when transmitting orders on their behalf, the Company shall take all reasonable steps to obtain the best possible result for them by taking into account the following execution factors (hereinafter referred to as the “**Execution Factors**”):

- price;
- costs;
- speed;
- likelihood of execution and settlement;
- order size and nature; and
- any other relevant consideration.

The relative importance of each of the execution factors will be determined by reference to the below mentioned characteristics (hereinafter referred to as the “**Execution Criteria**”).

For portfolio management on a discretionary basis and advisory mandates, the Execution Criteria shall be:

- the client and his classification, including whether the client is retail or professional;
- the client order;
- the financial instruments that are the subject of that order; and
- the execution venues to which that order can be directed.

In most cases, price and cost will be the essential factors; however, for some specific orders other factors will be considered as predominant.

### **3. Selection and relationship with financial intermediaries (brokers)**

When transmitting orders for clients, the Company shall ensure that financial intermediaries chosen for the execution have appropriate execution arrangements in place to satisfy the best execution obligations they incur as if they were executing orders directly.

Counterparties to be used will be selected using the following criteria:

- rating and submission to prudential supervision;
- efficient clearance and settlement of trades;
- timely acknowledgement and correction of trade errors.
- competitive prices;
- Sufficient and competent personnel and support staff;
- electronic and program trading capabilities; and
- trustworthiness.

The Company shall enter into relationship only with counterparties that have sufficiently proved that they have adopted the MIFID II rules and, with regard to those entities that are not subject to MIFID II rules, the Company shall be assured that those entities have measures in place that are judged to be equivalent to the principle of best execution.

The Company has identified appropriate counterparties and considers they will carry out effective and consistent best execution procedures.

From time to time the Company may use intermediaries that are not included on the list where it deems this to be appropriate in order to be able to continue to meet its obligation to obtain the best possible results for the clients.

Regular review is performed by the Authorized Managers submitted to the approval of the Board of Directors that focuses on the quality of execution and the fees charged. Therefore, the Portfolio Manager, on a minimum of an annual basis, will submit a report on best execution observation to the Authorized Managers, including statistics on usage of intermediaries not included on the list.

#### **4. Reception and transmission of orders**

Orders' reception: Within the framework of portfolio management on a discretionary basis and advisory mandates, the Company may receive orders directly from clients. Any specific instruction and communication from the client to the Company has to be transmitted by post mail, fax, or by e-mail. Each instruction will be validated as authentic using the appropriate means that has been agreed with the client.

Order Priority and timely Execution: The Company, required to ensure that client orders are executed in a prompt and fair manner, shall ensure that:

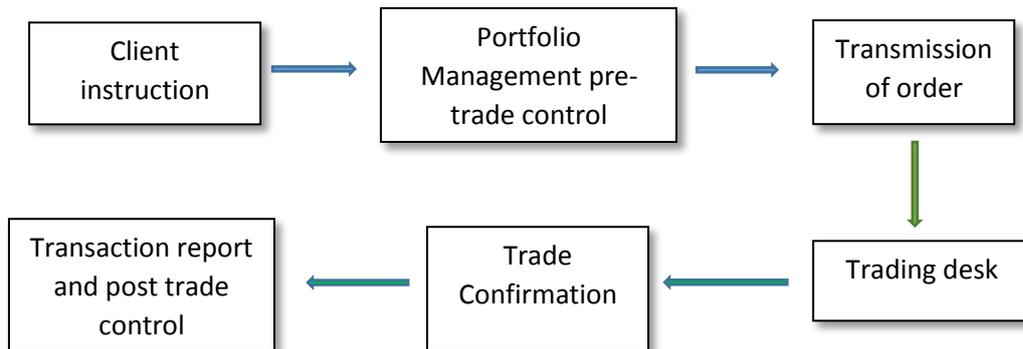
- orders are passed to appropriate counterparties for execution as soon as practical, unless postponing execution is in the client's best interest;
- priority is given to clients orders rather than any related company transactions;
- personnel involved in the dealing process will therefore use their best endeavours to ensure that they complete the activities they are responsible for in a timely manner.

At this time, the Company does not trade for its own accounts.

Aggregation and allocation of orders: For clients with similar mandates, the Company may aggregate a client order with other orders from other clients. The Company will only perform such aggregation if it is likely that the aggregation will work overall to the advantage of all of the clients whose order is aggregated.

When one security is bought for more than one client and if the order is partly filled in the market, the Company will always perform a pro rata allocation to each client.

## 5. Execution Process



## 6. Expenses and commissions

The Company guarantees its clients transparency with regard to fees, commissions and monetary and/or non-monetary benefits paid or received in relation to the services provided.

## 7. Communication of information

The Best Execution Policy is available to clients before providing investment services and will be available to view on the Company website.

The Company should ensure that appropriate information is available to investors of the funds managed and to clients for the services of discretionary portfolio management and advisory on the Best Execution Policy and its amendments.

Information on the Company' order execution policy is available upon request of the clients.

Any significant changes made to this Policy will be advised to clients and made available to them on the Company website.

## 8. Monitoring and revision

### Annual assessment

At least on an annual basis, the Company will assess the efficacy of its order execution policy and its order execution agreements in order to identify and implement any necessary improvements. The Company shall also carry out a review whenever a material change occurs affecting its ability to obtain the best possible result for its clients.

In addition, it will also check, on an annual basis, whether the financial intermediaries to whom the Company transmits orders for execution consistently provide the most favourable result for its clients and will change its execution agreements if necessary.

Monitoring

The Company will also monitor its order execution policy and the efficacy of the financial intermediaries to which it transmits orders in order to revise its order execution policy or execution agreements whenever there are significant changes likely to affect the Company ability to continue to obtain the best possible results for its clients.

Poor Execution

If there are cases of poor execution identified, the Company shall investigate promptly and take remedial action where necessary.

If the Company determines that a financial intermediary is not providing best execution in accordance with this policy, it will be removed from the list of authorized third parties unless and until such execution has improved.