

BEST EXECUTION POLICY

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1. INTRODUCTION

NS Partners Europe S.A. (hereinafter “NSPE”, the “ManCo” or the “Company”) is a management company incorporated for an indefinite duration, in the Grand Duchy of Luxembourg, in the form of a public limited company (Société Anonyme). The MANCO is authorized pursuant to Chapter 15 of the Law of 17 December 2010 relating to undertakings for collective investment (hereinafter the “2010 Law”) and 1. Introduction under Chapter 2 of the Law of 12 July 2013 on alternative investment fund managers (hereinafter the “AIFM Law”).

This policy applies to NSPE and to its appointed investment managers, portfolio managers (Delegates), trading counterparties (Brokers) within the framework of managing undertakings for collective investment vehicles in transferable securities (UCITS) and alternative investment funds (AIFs) based either in or outside Luxembourg, and relates to the execution of decisions to deal and placing orders, whereby NSPE may either delegate or perform directly the portfolio management function of a given UCITS or AIF or on the targeted asset class(es).

This policy shall also apply, to the extent necessary and on basis of the proportionality principle, to other entities belonging to the same group as NSPE, including its branches located elsewhere than Luxembourg, and coNSPEquently cover relevant local requirements pertaining to the management of investment vehicles.

Accordingly, this policy applies to trade orders where NSPE, or its Delegates either execute themselves decisions to deal on behalf of a given Investment vehicle or places orders to deal on behalf of a given Investment vehicle with other entities for execution (e.g. intermediaries such as brokerage firms).

2. PURPOSE

This Best Execution Policy (the “Policy”) sets out information relating to how NSPE seeks to provide best execution as required by the Markets in Financial Instruments Directive 2014/65/EU (“MiFID II”); CSSF Regulation 10-4, in particular section 3 (best execution) of

chapter IV (rules of conduct) as from article 28 onwards; and finally similar provision stipulated in CSSF Circular 18/698, requiring the implementation and application of procedures which provide for the prompt, fair and expeditious execution of orders.

Best execution is coNSPEquently the term used to denote the duty we have, to take all sufficient steps to obtain the best possible result under the relevant circumstances when executing transactions on client's behalf.

3. APPLICATION OF EXECUTION FACTORS

In seeking to achieve best execution with respect to a particular order, NPSE, or its delegate will take into account all reasonable steps to obtain, or ensure, the best possible result, taking into account the following factors:

- Price (this is the price a financial instrument is traded at);
- Costs (including all fees & costs related to order execution, including implicit costs such as possible market impact, and explicit costs such as broker fees);
- Speed (this is the time it takes to execute a transaction);
- Likelihood & Settlement (this is the likelihood that we will be able to complete the transaction and that the transaction will settle);
- Size (this is the size of the transaction); and
- Nature of the transaction or other considerations relevant to the execution of the transaction (this is how the particular characteristics of a transaction can affect best execution).

Furthermore, and in order to act in the best interest of the investment vehicle and the integrity of the market, NSPE and its Delegates aim to ensure that neither the investment vehicle nor its investors are charged undue costs.

NSPE, as well as its delegates will determine the relative importance of each of these execution factors by using their commercial judgment and experience in light of market information reasonably available and taking into account a number of criteria, namely:

- The investment intent of the portfolio manager who created the order;
- The characteristics of financial instruments that are subject to that order;
- The types of venues through which dealing can be carried out;
- The characteristics and nature of the client order, including any specific instructions;
- Market conditions, such as the degree of liquidity and volatility in the market.

NSPE considers that financial instruments traded on one or more regulated markets are traded at the best price on a specific regulated market where the liquidity of the instrument in question is the best and/or the likelihood of execution is the highest.

4. SELECTION OF EXECUTION VENUES & BROKERS

NSPE has adopted procedures relating to its dealings with counterparties with which it transacts. Before adding a broker to the approved list of counterparties, NSPE and its delegates ensures the performance of appropriate due diligence and respective risk analysis of its counterpart. It is the ultimate responsibility of the NSPE to ensure that each counterparty with which it or its delegate trades has been accordingly approved.

Since NSPE (or, as the case may be, its Delegates) is however not itself connected to any regulated market, it may perform orders through a third party acting as trading counterparty / intermediary (e.g. a broker) to achieve best execution. In light of this, NSPE shall normally appoint brokers who have access to, the most liquid regulated markets and who have the greatest potential to execute the order. When determining whether a broker is qualified to provide services to its Clients NSPE, as well as its delegate considers, among others, the following relevant factors:

- Confidentiality of trading activity;
- Reputation – financial strength and stability of the broker;
- Broker's ability to commit capital;
- Likelihood of execution – accuracy, clearance and error/dispute resolution;
- The quality and efficiency of the settlement process post-execution;
- Broker's ability to handle large or difficult trades;
- Block trading and block positioning capabilities;
- Access to deal flow;
- Quality of fixed income and derivatives offerings;
- Market intelligence regarding trading activity;
- Capacity to execute at the best price;
- Overall costs of trades including commissions, mark-ups, mark-downs and/or spreads;
- Speed of execution; and
- Nature & size of deals

In selecting an execution venue, NSPE or its delegate should add a new venue to a panel subject to a formal review process. This formal process must be followed to make an addition to the Broker List even temporarily. Such process includes a review of the broker's financial strength and standing in the financial community, in addition, price, cost of executing, liquidity available for the instruments being traded, the speed of execution, reliability, likelihood of execution and settlement, continuity of trading, creditworthiness of the venue and quality of any related clearing and settlement facilities have to be considered. The selected execution venues and any alternatives available will be assessed on an ongoing basis.

The venues on which NSPE or its delegate places significant reliance and which they believe offer the best prospects for them to obtain best Execution for clients are:

- Regulated markets;

- Other exchanges;

- Multilateral trading facilities;
- Organized trading facilities ;
- Systematic internalisers; and
- Market maker or another liquidity provider or an entity that performs in a non-EEA country a function which is similar to the functions performed by any of the foregoing.

NSPE as well as its delegates shall enter into relationship only with counterparties that have sufficiently proved that they have adopted MiFID II rules and, with regard to those entities that are not subject to MiFID II rules, NSPE and its delegates shall ensure that those entities have measures in place that are judged to be equivalent to the principle of best execution.

From time to time NSPE may use intermediaries that are not included on the list of approved counterparties, where it deems this to be appropriate in order to be able to ensure business continuity and meets its obligation to obtain the best possible results for the clients.

5. ORDERS HANDLING

NSPE, or, as the case may be, its delegate shall implement procedures and arrangements to:

- Ensure that orders executed on behalf of investment vehicles are promptly and accurately recorded and allocated;
- Ensure orders are executed sequentially unless prevailing market conditions make this impracticable or the interests of the investment vehicle require otherwise;
- Ensure financial instruments/sums of money received in settlement of the executed orders shall be promptly and correctly delivered to the appropriate account;
- Ensure that there will not be a misuse of information relating to pending orders, and take all reasonable steps to prevent the misuse of information.

6. ALLOCATION AND AGGREGATION OF ORDERS

NSPE, or its delegate shall maintain an order allocation / order aggregation policy identifying, for each class of instrument, the relevant entities with which orders may be placed. Arrangements are only permissible when they are consistent with the obligations detailed in this policy. When delegating portfolio management, NSPE shall



obtain a copy of such order allocation / order aggregation from delegates, prior to concluding an agreement with such delegate.

NSPE, or its delegate can only carry out an order on behalf of an investment vehicle together with the order of another vehicle, or its own orders if:

- It can be reasonably expected that the aggregation of orders will not have a negative impact on, or generate a disadvantage for the investment vehicle;
- An order allocation / order aggregation is established and implemented at the level of NSPE or of the delegate, providing in sufficiently precise terms for the fair allocation of aggregated orders, including how the volume and price of orders determines allocations as well as the treatment of partially executed orders.

Where NSPE or, a delegate, aggregates an order on behalf of an investment vehicle with one or more orders on behalf of other vehicles or clients and such aggregated order is partially executed, it shall allocate the related trades in accordance with this order allocation / order aggregation.

When performing the portfolio management function of a given investment vehicle, NSPE will execute and place orders diligently, efficiently and fairly. Comparable orders will be executed promptly.

NSPE may have the possibility to combine a specific order with other similar orders. Where NSPE or, a delegate, aggregates transactions for its own account with one or more orders on behalf of an investment vehicle, it shall not allocate the related trades in a way that is detrimental to such vehicle.

Where NSPE or, a delegate, aggregates an order on behalf of a vehicle with a transaction for its own account and such aggregated order is partially executed, it shall allocate the related trades to the vehicle in priority over those trades for its own account.

However, if the delegate is able to demonstrate to NSPE on reasonable grounds that it would not have been able to carry out the order on such advantageous terms without aggregation, or at all, it may allocate the transaction for its own account proportionally, in accordance with the order allocation / order aggregation described above. Accordingly, NSPE shall be entitled to request and obtain on an ongoing basis relevant information and evidence from the delegate in such respect.

7. SINGLE EXECUTION VENUES

Where there is no choice of different execution venues, NSPE or, its delegate, shall demonstrate that there is effectively no choice. In any case, NSPE shall be entitled to request and obtain on an ongoing basis relevant information and evidence from the delegate in such respect.

8. FEES, COSTS AND INDUCEMENT

NSPE and its delegates are prohibited by MiFID II from accepting and retaining fees, commissions or any monetary or non-monetary benefits paid or provided by any third party other than certain minor non-monetary benefits. Otherwise than as explicitly contractually agreed NSPE, or its delegate will not apply any additional fees and costs for order execution, but we will pass on the fees, costs and charges applied by third parties such as brokers, dealers and execution venues.

NSPE and its delegates ensures full transparency with regard to fees, commissions and monetary and / or non-monetary benefits paid or received in relation to the services provided.

9. DISCLOSURE

In accordance with applicable regulatory obligations, NSPE as well as its delegate must ensure to make public on an annual basis, the top five execution venues in terms of trading volumes where it has executed orders as well as make available and disclose its Best execution policy on its official website.

A change is to be considered material where its disclosure is necessary. In these cases, NSPE will reissue the policy and populate such to the related parties (Delegates & Brokers). A copy of the up-to-date Best Execution Policy is available on request at any time.

10. MONITORING & REVIEW

NSPE and its delegate implemented a governance framework and control process through which it monitors the effectiveness of order execution arrangements to identify and, where appropriate, correct any deficiencies. Through this governance framework and controls process NSPE and its delegates assesses whether the execution venues and related arrangements provide the best possible result for investment vehicle or whether it needs to make changes to the execution arrangements.

NSPE only permit trading with venues approved by NS Partners Europe S.A. Venues are added to the approved list, subject to a formal review process as indicated in the section above, 'Selection of Execution Venues & Brokers'. Once approved, venues are assessed on an ongoing basis in terms of their ability to deliver the best possible result, their effectiveness in settlement and the relative level of risk presented by the execution venues to ensure that they will consistently offer the best results for clients.



The Compliance department of NSPE as well as any delegate works with Internal Audit to monitor on a second and third level control pillar compliance with NSPE policies and procedures. This monitoring includes assessing compliance with best execution and / or the internal order transmittance process. Monitoring includes reviewing a sample of trades to check that the price achieved appears reasonable given other trades in the market around the time of execution.

Order execution arrangements and Policy should be reviewed at least annually or whenever a material change occurs that affects ability to obtain the best result for the execution of orders on a consistent basis.