

## ***Best execution policy***

<b>ENTER TO EFFECT</b>	<b>16/09/2013</b>
<b>AMENDED ON</b>	<b>11/03/2019</b>
<b>Line Managers or departments involved</b>	<b>Conducting Officers</b>
Legal requirements	<p>In preparing this Policy, the SELECTRA Management Company (“SMC”) has endeavoured to align its procedures with the relevant legal requirements and current best practice. In particular, this Policy is designed to satisfy the requirements of:</p> <ul style="list-style-type: none"> <li>- MiFID – the directive 2004/39/EC Markets in Financial Instruments;</li> <li>- EU Commission Delegated Regulation No 231/2013.</li> <li>- CSSF Regulation 10-04</li> <li>- CSSF Circular 18/698</li> </ul>
Aim	<p>The policy applies to the Professional Clients of SMC and to the execution of orders in the following Financial Instruments:</p> <ul style="list-style-type: none"> <li>- Equities;</li> <li>- Bonds;</li> <li>- Money Market Instruments;</li> <li>- Exchange Traded Derivatives;</li> <li>- OTC (Over the counter) Derivatives;</li> <li>- Forward Foreign Exchange / NDF;</li> <li>- Collective Investment Schemes.</li> </ul>
Accessibility	Paper and digital copy of this policy is accessible to all employees at the registered office of SMC.
Updating / Review	<p>In the following cases:</p> <ul style="list-style-type: none"> <li>- Change of applicable legislation;</li> <li>- Any new legal requirement;</li> <li>- Any other change that would have an impact on the procedure.</li> </ul>
Communication to the CSSF	N.A.

## Definitions

- MiFID – the directive 2004/39/EC Markets in Financial Instruments;
- Professional Clients – as per Annex II of MiFID;
- Financial Instruments;
- Orders – an instruction to buy or sell a Financial Instrument;
- Derivatives – options, futures, financial contracts for difference and swaps on underlying equity, bond or money market instrument, forward rate agreements and other derivative contracts related to securities, currencies, interest rates or yields, indices or commodities;
- NDF – Non-deliverable Forward Foreign Exchange contract.

## Order execution

When executing orders, normally through delegates, SMC will act in the best interests of its clients at all times and will take all reasonable steps to obtain the best possible result for its clients taking into account factors and criteria set out below.

## Best execution factors

When executing orders, SMC will undertake to take all reasonable steps to deliver the best possible result for the Customer based on the following factors:

- Price of the financial instrument;
- Costs;
- Speed;
- Likelihood of execution;
- Likelihood of settlement;
- Size of the trade;
- Nature of the trade;
- Any other consideration relevant to the execution of the order.

## Best execution criteria

The relative importance of the aforementioned best execution factors are based on experience and judgement, per product type, with respect to available market information at the time and taking into account the following best execution criteria:

- The characteristics of the investment strategy of the fund;
- The characteristics of the client (including its categorisation);

- The characteristics of the order;
- The characteristics of the financial instruments which are the subject of the order;
- The characteristics of the execution venues to which the order can be directed.

## Execution venues selection

Subject to any specific client instructions, the selection of an execution venue for the execution of an order will be based solely upon the execution criteria and execution factors referred to above.

However, the decision to use any of the venues may also be influenced by other additional criteria, although this is always conditional upon obtaining the best possible result for our clients.

These additional criteria include:

- Quality of research;
- Financial screening;
- Suitability of counterpart;
- Liquidity concentration.

## Execution delegates

SMC, with regard to the trading execution of listed quoted securities belonging to portfolio for which it acts as Investment Manager, has delegated this execution to FIA Asset Management S. A. (FIA), after review of its Best Execution Policy, which refers broadly to the above-mentioned Best Execution Factors and Criteria. FIA in turn uses its network of depositary banks for the actual handling of trades, and these banks are in contact with a number of brokers (at list five) in order to insure an execution compliant with the Best Execution Policy of FIA. FIA also checks that all advices including limit orders refer to prices which are consistent with the current market conditions.

## Monitoring and review

SMC will review this best execution policy at least annually and whenever a material change occurs that affects the ability to continue to obtain the best results for its clients.

SMC will monitor the effectiveness of the best execution policy and execution arrangements to identify and where appropriate correct any deficiencies. This will include an assessment of whether the execution venues included in this policy continue to provide the best possible result for the clients.

SMC will conduct periodically an inquiry to the depositary banks in charge of the handling of trades about details of how the best execution policy has been applied for a sample of transactions.