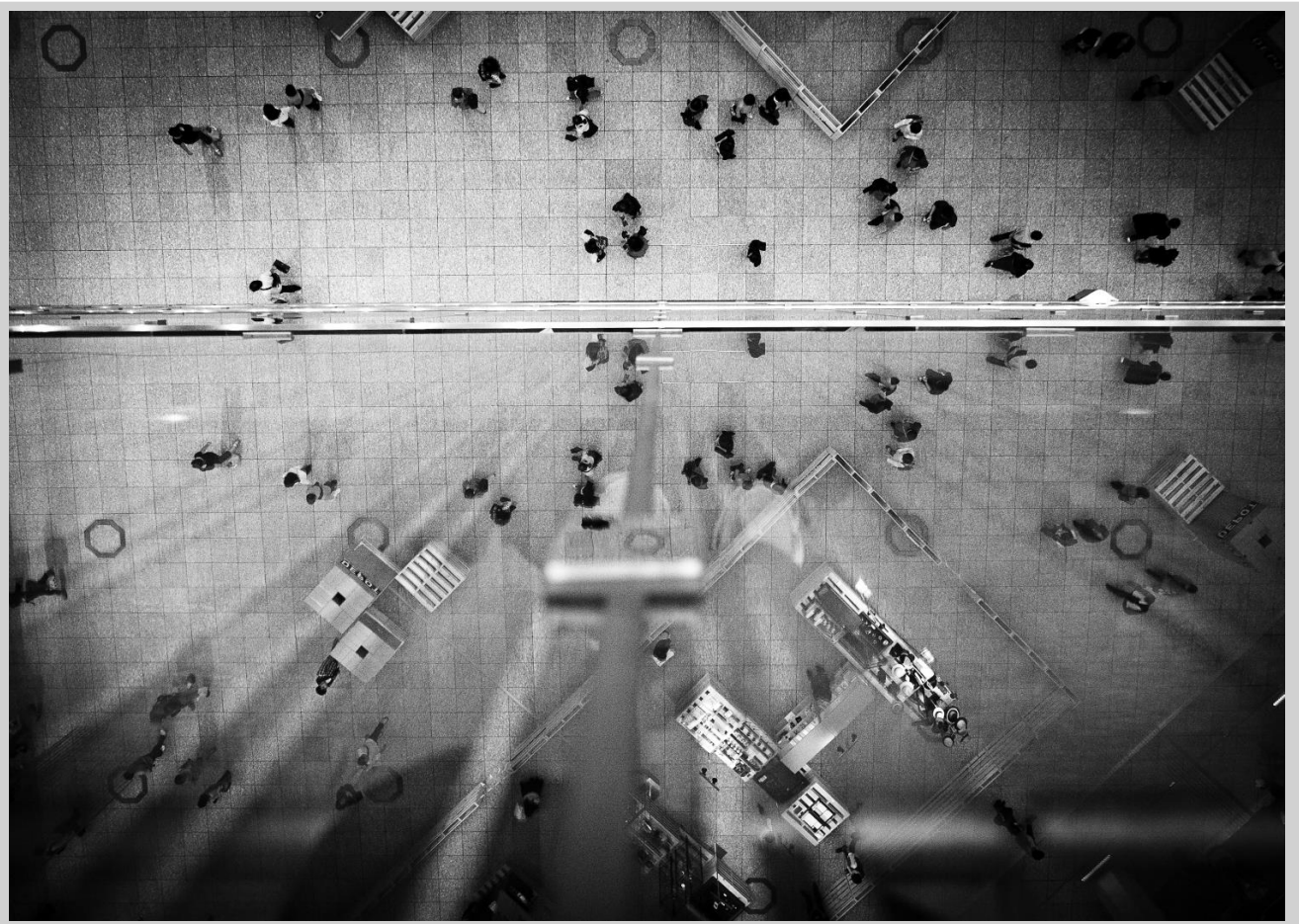


# Policy

## Best Execution

June 2022



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## Introduction

FundPartner Solutions (Europe) SA (hereafter “FPSESA”) is a Pictet Group entity acting as a Management Company pursuant to Chapter 15 of the Law dated 17 December 2010 and an Alternative Investment Manager pursuant to Chapter 2 of the Law dated 12 July 2013 relating to AIFMs. FPSESA is required to act in the best interests of any Undertaking for Collective Investment in Transferable Securities (hereafter “UCITS”) or any Alternative Investment Fund (hereafter “AIF”) that it manages when executing decisions and/or when placing orders with entities to deal on behalf of a managed Undertaking for Collective Investment (hereafter “UCI”) in the context of the management of their portfolio.

FPSESA does not execute orders itself or transmit orders for execution. FPSESA has delegated the collective portfolio management, including the placement and the execution of orders on behalf of the UCI it manages, to third-party investments managers (hereafter “the Delegates”) which are subject to regulatory supervision in a European Union member state or which is deemed equivalent to the supervision in a European Union country. The Delegates will decide how orders shall be placed in accordance with this policy.

In accordance with the relevant regulations, FPSESA shall ensure that the Delegates, to which the portfolio management has been delegated, are subject to best execution rules equivalent to this Best Execution Policy and ensure the best possible result is obtained for the managed UCI. In this context, FPSESA shall ensure that the Delegates have implemented effective policies and procedures. A Delegate must take all reasonable steps, as described below, to obtain the best possible result when executing portfolio management decisions and when placing orders with third parties for execution for the managed UCI.

## Legal and regulatory framework

This Best Execution Policy is established in compliance with the following regulations (hereafter “the relevant regulations”):

- CSSF Regulation 10-04 and in particular section 3 (best execution) of chapter IV (rules of conduct) as from Article 28 onwards;
- Directive 2009/65/EC;
- Directive 2010/43/EU and in particular Article 25;
- Directive 2011/61/EU;
- Commission Delegated Regulation 231/2013 and in particular Article 27;
- CSSF Circular 18/698 and in particular Point 417;

Any other Luxembourg or European regulations related to the best execution requirement.

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## Scope of application

This policy applies to the execution of all orders related to:

- Equities;
- Fixed Income;
- Structured Products;
- Money Market Instruments;
- Exchange Traded Derivatives;
- Equities and Fixed Income OTC Derivatives;
- Forward Foreign Exchange;
- Units of Collective Investment Schemes;
- Alternative assets if these are included as eligible assets in accordance with the legislation.

## General provisions

### 1. Best Execution factors

When executing orders, the Delegates shall always act in the best interests of the managed UCI and must take all reasonable steps to obtain the best possible result. Generally, the price of the financial instruments and the transaction costs will be considered as important factors for the best execution. However, there may be circumstances where other execution factors have a greater influence in achieving the best possible result. In this context, the Delegates must consider the relevant factors and criteria set out below:

- Price;
- Transaction costs;
- Speed of execution;
- Likelihood of execution and settlement;
- Order size and nature of the order;
- Any other consideration being relevant to the execution of the order.

These factors shall consider:

- The objectives, investment policies and risks specific to the UCI as described in the prospectus and relevant management regulations or marketing document and articles of incorporation;
- The characteristics of the order;
- The characteristics of the financial instruments;

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- The characteristics of the execution venues to which the order can be directed.

For example:

- For smaller capitalized equities and less liquid stocks, the likelihood of execution and the provision of liquidity may be more important than the price.
- When raising cash to fund redemptions, the speed and likelihood of execution may be more important.
- When executing a large order, the ability to transact the whole of the order at a less favourable price may be more important than only executing part of the order at the best available price at that time.
- In certain markets, the level of price volatility may mean that timeliness of trade execution is the priority.
- When executing certain instruments (e.g. OTC derivatives or structured products) the choice of execution venue may be limited.

## 2. Execution venues

In accordance with the relevant regulations, Delegates shall maintain policies in order to identify the ultimate execution venues for each class of instrument. The Delegates shall determine the ultimate execution venues based on the best execution factors described above. Furthermore, execution venues will also be determined considering functional and economic characteristics such as, but not limited to, liquidity, certainty, settlement infrastructure and suitability.

The Delegates shall assess which execution venues are likely to provide the best possible result for the managed UCI and its investors on a trade-by-trade basis and shall be able to report to FPSESA with a list of approved execution venues upon request.

## 3. Handling of orders

The Delegates shall execute orders in a fair and accurately manner. Orders shall be executed promptly and fairly allocated so that it would be improper to give one portfolio the priority over another, or to make an allocation that is in the interest of one portfolio and to the detriment of another.

The Delegates shall have an order handling/allocation policy in place to obtain a fair allocation. This policy shall also be considered by FPSESA during the ongoing due diligence process.

The Delegates shall ensure a fair allocation of aggregated orders including how the volume and price of orders determine allocations and the treatment of partial execution. In so doing, the Delegates shall consider the following factors:

- It must be unlikely that the aggregation will work to the overall disadvantage of the fund;
- Where orders are aggregated but are only partially executed, the related trades shall be allocated in accordance with the order allocation policy;
- Where the Delegates aggregate an order for a managed UCI with an order for its own account or with another client order, it shall not allocate trades in a way that is detrimental to the UCI managed;

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- Where the Delegates aggregate an order for a managed UCI with a transaction for its own account and that the order is partially executed, they shall allocate the related trades to the UCI managed in priority over those for their own account.
  - All transactions must be accurately recorded in accordance with the legislation rules in force.

#### 4. Monitoring and ongoing review

The Delegate shall review their best execution policy at least annually and whenever a material change occurs. The Delegates shall monitor the effectiveness of their best execution policy and execution arrangements to identify and, where appropriate, correct any deficiencies. This will include an assessment of whether the execution venues continue to provide the best possible result.

FPSESA will ensure, on an ongoing basis and in accordance with its due diligence process, that the Delegates' best execution policies are always compliant with the principles describe in this policy, and the relevant regulation in force. Such review will also be carried out whenever a material change occurs that affects the Delegates' ability to obtain the best possible result for the managed UCI and their units or shareholders. FPSESA may at any time request the Delegates to demonstrate that they have adhered in practice to the aforementioned principles. This entails, the assessment of the adequacy and effectiveness of Delegates' order handling arrangements, the review of material update to Delegates' policies and risk-based ongoing monitoring of adherence to their policies.

#### Final provisions

FPSESA will review its Best Execution Policy at least annually and whenever a material change occurs.

Any material changes will be posted at: <https://www.group.pictet/asset-services/fundpartner-solutions>.