

BEST EXECUTION POLICY

Version: June 2016

Objective

- 1.1 This Policy lays down the basic principles of handling and execution of orders on the portfolio (the **Portfolio Transaction**) and sets the system of execution arrangements for obtaining the best possible result for the AIF and the Clients on a consistent basis.
- 1.2 This Policy is drafted in accordance with requirements of article 28 of the Delegated Regulations.

Definitions

- 1.3 **AIF** means any alternative investment fund and any of its compartment managed and, where applicable, marketed by the Company;
- 1.4 **Client** means an existing or potential client of the Company for Individual Portfolio Management Services and/or Non-Core Services – only clients who are Professional Investors are serviced by the Company;
- 1.5 **Client Mandate** means the contractual arrangement appointing the Company to provide Individual Portfolio Management Services and/or Non-Core Services (e.g., portfolio management agreement, investment advisory agreement);
- 1.6 **Compliance Officer** means Mr Thomas Janneau acting as the Company's compliance officer **Director** means any director of the Board;
- 1.7 **Delegated Regulation** means Delegated Regulation (EU) no 231/2013 of 19 December 2012 of the European Commission supplementing the AIFMD with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision;
- 1.8 **Financial Instrument** means any financial instrument in the meaning of Annex 2, section B of the Financial Sector Act;
- 1.9 **Financial Sector Act** means the act of 5 April 1993 on the financial sector, as amended;

- 1.10 **Investor** means any investor of an AIF including an investor who committed to become an investor in a relevant AIF, a shareholder, a unitholder or a partner of an AIF, as required by the context;
- 1.11 **Members of Staff** means any person involved in the Company, including the Directors, the members of Senior Management and the Management Team and any Employee;
- 1.12 **Portfolio Management Team** means the team headed of Portfolio Officers by the Chief Investment Officer, which is entrusted with portfolio management of AIFs and Clients

General principles applicable for AIFs and Clients

- 1.13 The Portfolio Management Team shall act in the best interests of the AIF or the Client when executing decisions to deal on behalf of the AIF or the Client in the context of the management of their portfolio and when making a Portfolio Transaction.
- 1.14 Whenever the Portfolio Management Team buys or sells the Investment on behalf of the Company and for the account of the relevant AIF or Client, the Portfolio Management Team shall take all reasonable steps to obtain the best possible result for the AIFs and Clients by taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. The same applies where the Portfolio Management Team is making a Portfolio Transaction with another entity for execution. The relative importance of such factors shall be determined by reference to the following criteria:
- 1.14.1 The objectives, investment policy and risks specific to the AIF or the Client, as indicated in the AIF Documents respectively the Client Mandate;
 - 1.14.2 The characteristics of the Portfolio Transaction;
 - 1.14.3 The characteristics of the investment that are the subject of the Portfolio Transaction; and
 - 1.14.4 The characteristics of the execution venues to which that Portfolio Transaction can be directed.

Best execution and trade allocation policy for AIFs

- 1.15 The Company has established and implemented the following arrangement for complying with the obligations referred to above:

- 1.15.1 The Portfolio Management Team on its behalf will execute and make Portfolio Transactions for AIFs sequentially and promptly unless the characteristics of the Portfolio Transaction or prevailing market conditions make this impracticable, or the interests of a relevant AIF require otherwise.
- 1.15.2 A Portfolio Transaction executed or placed on behalf of an AIF is promptly and accurately recorded and allocated.
- 1.15.3 Financial Instruments or sums of money, received in settlement of the executed or placed Portfolio Transaction must be promptly and correctly delivered to the account of the appropriate AIF.
- 1.15.4 The Company will not misuse information relating to pending orders for AIFs or Clients and will take all reasonable steps to prevent the misuse of such information by any of its Members of Staff.
- 1.15.5 The Company will not aggregate a Portfolio Transaction for an AIF with Portfolio Transaction for another AIF with a Portfolio Transaction for its own account, unless the following conditions are met:
 - (a) It must be unlikely that the aggregation of Portfolio Transactions will operate overall to the disadvantage of any of the AIFs involved;
 - (b) A Portfolio Transaction allocation policy will be established and implemented, providing in sufficiently precise terms for the fair allocation of aggregated orders, including how the volume and price of orders determines allocations and the treatment of partial executions.
 - (c) Where the Company aggregates orders and the aggregated Portfolio Transaction is partially executed, it must allocate the related trades, where possible and meaningful and not determined otherwise, proportionally among the AIFs.
 - (d) If Portfolio Transactions for the account of several AIFs and, as the case may be, for the own account are aggregated, the Company must not allocate the relevant Portfolio Transactions in a way that is detrimental to such AIF or any Investor.

- (e) If aggregated Portfolio Transactions are partially executed, the Company must allocate the related Portfolio Transactions to such AIF in priority over those for own account.
 - (f) If the Company is able to demonstrate to an AIF 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 own account proportionally.
- 1.15.6 The Company must at all times be able to demonstrate that it has executed or placed orders on behalf of the AIF in accordance with this Policy.
- 1.15.7 Whenever there is no choice of different execution venues, the Company must only be able to demonstrate that there is no choice of different execution venues.

Best execution and trade allocation policy for Clients

Preliminary remark

- 1.16 The Company is only providing services to Clients who qualify as Professional Investors.

Best execution

- 1.17 The Company is not executing Client orders, nor does it trade on its own account. The Company places orders on behalf of Clients with selected executing brokers which are listed on the Broker/Dealer List.

Trade allocation

- 1.18 Orders on behalf of several Clients may be aggregated.
- 1.19 Executed trades and partial executions will be allocated pro-rata to Client accounts for each trading day.
- 1.20 Exceptions to a pro-rata allocation of trades must be approved by the Compliance Officer. Such cases may include:
- 1.20.1 Client directed transactions;
 - 1.20.2 Situations to comply with investment restrictions and regulations;

- 1.20.3 Sale of securities contributed by a Client to its accounts; and
- 1.20.4 Initial investment of new accounts.
- 1.21 On an annual basis, the Compliance Officer assesses on a sample basis whether trades have been allocated honestly and fairly according to this Policy.

Trading strategy

- 1.22 The Company usually aggregates all Client orders whenever possible in order to deploy the trading strategy in the most efficient manner. The Company will use the trading techniques that are believed to result in the best overall execution and price efficiency for its Clients.
- 1.23 These techniques may include, amongst others:
 - 1.23.1 Aggregating orders for Clients who trade through the same executing broker;
 - 1.23.2 Sequencing and pacing orders to obtain execution efficiency and to mitigate the possibility of orders for Clients impacting the market price of the security; and
 - 1.23.3 Use of limit orders to reduce variance in execution price across accounts that trade through different executing brokers.

Escalation process

- 1.24 Where a breach of this Policy is identified, the Compliance Officer must be informed.
- 1.25 The Compliance Officer will then assess whether this breach is material and detrimental to the interests of the relevant AIF or Client (a **Material Order Breach**) and decide whether to:
 - 1.25.1 Inform the Board where it considers the breach to be a Material Order Breach; or
 - 1.25.2 Solve the breach without such informing where the breach is, in the Compliance Officer's opinion, not a Material Order Breach.

Monitoring

- 1.26 The Compliance Officer shall monitor on a regular basis the effectiveness of its arrangements and policy for the execution of orders with a view to identifying and, where appropriate, correcting any deficiencies.