

Best Execution Policy



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Purpose

This best execution policy is established in compliance with the following regulations (hereafter “the relevant regulations”) :

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

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

General provisions

FPSESA does not execute orders itself neither transmit orders for execution. FPSESA has delegated the collective portfolio management activity, 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 subjected to a regulatory supervision in an European Union member state or which is deemed equivalent to the supervision in an 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 UCI managed. In this context, FPSESA shall ensure that the Delegate have implemented effective policies and procedures. In particular, a Delegate has to take all reasonable steps, as described below, to obtain the best possible result when executing portfolio management decisions and in particular when placing orders with third parties for execution, for the UCI managed.

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;
- OTC Derivatives relating to eligible assets;
- Forward Foreign Exchange;
- Unit of Collective Investment Schemes;
- Alternative assets if these are included as eligible assets in accordance with the legislation.

Best Execution Factors

When executing the orders, the Delegates shall act in the best interests of the UCI managed at all times and have to take all reasonable steps to obtain the best possible result. Generally, the price of the financial instruments and the transactions 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 have to take into account the relevant factors and criteria set out below :

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

Those factors shall be considered with regard to:

- the objectives, investment policies and risks specific to the UCI as described in the prospectus and management relevant regulations or offering document and articles of incorporation;
- the characteristics of the order;
- the characteristics of the financial instruments;
- 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 favorable price may be more important than only executing a 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.

Execution Venues

Delegates, in accordance with the relevant regulations, shall maintain policies in order to identify the ultimate execution venues for each class of instrument. The Delegates shall determine the ultimate execution venues on the basis of 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 in a position to report to FPSESA with a list of approved execution venues upon request.

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 UCI managed with an order for its own account or with another client orders, it shall not allocate trades in a way that is detrimental to the UCI managed;
- Where the Delegates aggregate an order for a UCI managed 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 have to be accurately recorded in accordance with the legislation rules in force.

Monitoring and Ongoing Review

The Delegate shall review their best execution policy at least on annually basis 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 shall ensure on an ongoing basis in accordance with its due diligence process that the Delegates' best execution policies are always compliant with the present best execution 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 UCI managed and their unit- 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 Provision

Confidentiality

This policy is made available on request by letter, addressed to FundPartner Solutions (Europe) S.A., 15 avenue J. F. Kennedy L-1855 Luxembourg.

Any material changes to the policy will be made available to the investors of the UCI in the same manner.

Entry into force

This document will enter in force on the 25.03.2020 and will be reviewed at least annually.

Written by

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Validation of the Board of Directors

25.03.2020