

Policy:
Best Execution Policy



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| LOCATIONS SCOPE | AND | BAH | ESP | LUX | MON | PAN |
|-----------------|-----|-----|-----|-----|-----|-----|
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BEST EXECUTION POLICY

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1 BACKGROUND

Protection of investors' interests has a high priority for Andbank Asset Management Luxembourg S.A. ("AAML" or "the Company"). As an Alternative Investment Fund Manager ("AIFM"), governed by the law of 12 July 2013 and a Management Company according to Chapter 15 of the law of 17 December 2010 (collectively referred to as "the Laws"), AAML has a duty to have adequate and thorough procedures and controls in place when handling portfolio transactions, subscription and redemption orders for their managed Alternative Investment Funds ("AIF(s)") and Undertakings for Collective Investment in Transferable Securities ("UCITS").

Furthermore, the Directive on Markets in Financial Instruments ("MiFID II") was transposed into the national law published on the Memorial on May 30 2018, with the intent to introduce common standards of investor protection throughout the European Union.

One of the key components of these investor protection standards is the MiFID best execution requirement, as a result of which AAML has adopted this Best Execution Policy ("the Policy"). This Policy should be read in conjunction with the Order Allocation and Order Handling Procedure developed by AAML, as this procedure is designed to promote *market efficiency* generally and the *best possible execution results* for investors individually, in accordance with the Laws and the applicable Luxembourg regulations¹

This Policy is applicable to all AIFs for which AAML acts as AIFM and to all UCITS for which AAML acts as Management Company (collectively "the Funds") and DPM accounts under management by AAML.

2 ORDER EXECUTION AND BEST EXECUTION FACTORS

When executing an instruction to buy or sell a financial instrument, including orders initiated by AAML acting in its capacity of discretionary portfolio manager, AAML will act in the best interests of the funds under management and DPM (Discretionary Portfolio Management) portfolios at all times and will take all reasonable steps to obtain the best possible result for its funds taking into account the criteria and factors set out below:

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

¹ Provisions of the Law of 13 July 2007 on Markets in Financial Instruments, as amended, transposing the Directive 2004/39/EC on Markets in Financial Instruments and the Grand-Ducal Regulation of 13 July 2007 relating to organisational requirements and rules of conduct in the financial sector, transposing the Directive 2006/73/EC implementing the Directive 2004/39/EC as regards to the organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (the 'MiFID Regulations').

3 BEST EXECUTION CRITERIA

When executing Orders, AAML will determine the relative importance of the aforementioned best execution factors based on its experience and judgement, per product type, with respect to the available market information at the time and taking into account the following best execution criteria:

- The characteristics of the beneficiary (including its categorization);
- 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;
- The objectives, the investment policy and the specific risks linked to the Funds/accounts and as indicated in the prospectus, the regulations, the Fund constitution documents and the portfolio management policy.

Important note: The Best Execution requirements represent an obligation of means, not an obligation of results.

4 EXECUTION VENUES

The list of execution venues on which AAML may execute an order is described below, but it is not exhaustive. It includes those venues on which AAML places significant reliance in its aim to obtain on a consistent basis the best possible result for the execution of orders.

AAML may execute orders for the Funds/accounts at following execution venues:

- Broker execution (placing the order with a third party, with whom AAML has entered into an agreement for handling orders);
- A regulated market;
- A Multilateral trading facility;
- A systematic internaliser;
- A market maker;
- Other liquidity provider;
- An entity that performs a similar function in a third country;
- The promoters or transfer agents of the Funds.

5 EXECUTION VENUE SELECTION

Subject to any specific instructions (as detailed under the section 6), 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 set out under section 4 may also be influenced by other additional criteria, although this is in all cases conditional upon obtaining the best possible result for the fund or portfolio in which AAML is acting as Portfolio Management.

These additional criteria include:

- Broker Selection;
- Financial Screening of the counterparty;
- Suitability of the counterparty;
- Liquidity Concentration.

Notwithstanding the above, AAML reserves the right to execute an order using a method or venue other than the methods or venues that are indicated in this Policy, where AAML considers that this method or venue is in the best interests of the fund investors or DPM account. In such cases, AAML will endeavor to execute based on the same best execution principles as summarized under this document.

When selecting venues to be included in its execution policy, AAML will not take into account the fees and commissions it charges the Funds/accounts but focuses on the quality of execution available on the various venues. However, when choosing a venue for the execution of a particular order among the venues included in the execution policy, AAML will take into account the effect of transaction fees on the total consideration to the Funds/accounts.

AAML has the possibility to use only one execution venue for certain types of instruments or orders which may allow to significantly reducing costs.

If AAML decides to choose only one execution venue, the latter will be subject to a regular review in order for AAML to ensure that the execution venue acts in line with the best execution requirements and ensures the obtaining of the best possible result.

6 ORDER HANDLING

AAML is required to execute orders in an expeditious and fair manner for all the funds under management and DPM accounts.

7 PRINCIPLE RULE

Sales transactions related to a specific financial instrument are executed at the same execution venue as the buy transaction in order to reduce costs and to avoid transfer fees.

Important criteria: cost, price, likelihood of execution.

8 SECURITIES

8.1 Shares / Share certificates / Warrants

Orders on securities quoted on several stock markets will be placed on the principal stock market as indicated by the financial information provider.

The principal market will provide for the best level of liquidity and constant best prices when it comes to high volume and high number of transactions.

On each principal market, AAML chooses a representative broker in line with the due diligence checks. Brokers will execute the order at the market price or at a better price or following instructions provided (limit, stop, etc.). They have the possibility to aggregate orders in accordance with the “*Order Allocation and Order Handling procedure*”, if:

- The characteristics of the orders make them suitable for aggregation;
- The aggregation of orders will not work to the disadvantage of any Fund or DPM account.

As far as possible, orders are forwarded via electronic transfer to the brokers who allow « *Straight Through Processing* » (STP) that will execute transactions in chronological order.

Important criteria: total price, liquidity and speed.

For high volume orders (compared to the market size) related to securities traded on a liquid or illiquid market, AAML may request its broker to execute the order with high diligence. The price received will be the best price at that moment on the principal market.

Important criteria: price, likelihood of execution.

8.2 Bonds/ Money market instruments

a) For Bond Market Securities / Money Market instruments traded over the counter (OTC), AAML will send inquiries to the broker(s) searching for the best execution price. AAML ensures that each of its authorized brokers complies with MiFID provisions, where they need to provide AAML with their best execution price. The information is obtained via electronic platforms (Ex; Bloomberg), mail or via telephone.

Important criteria: price.

b) Transactions executed on bond markets / money market instruments less liquid will be executed on the system that ensures the quotation of these securities.

c) For primary markets or TAP, when there are 2 or more accounts that went to the primary or TAP, and the total amount received cannot be allocated to all the accounts because of minimum amount invested in that bond. The account/s that got less than the minimum will not get any amount allocated in their portfolio.

The sub-fund that received already the minimum amount will receive the other amount (split according with the initial % that was requested).

Example:

Total amount asked: 900.000

Account A: asked 100.000

Account B: asked 300.000

Account C.: asked 500.000

Amount received 300.000:

Account A: 11.1% 33.333

Account B: 33.33% 99.999

Account C: 55.55% 166.666

Minimum amount is 50.000 in this bond.

New distribution: % of total amount, (without A that doesn't reach the minimum)

Account B, 37.5%, 112.500

Account C, 62.5%, 187.500

In case of the sub-funds went with the same amount to the primary or TAP, and the received amount cannot be split because of minimum amount of the bond, the distribution will be calculated and allocated based on different economics criteria (such as AUM, investment policy, fund investment profile, expected yield, etc.).

If AAML is unable to execute the transaction via any system, it will contact the "Lead Manager".

Important criteria: likelihood of execution.

8.3 Fund Units

Subscription and redemption orders are transmitted to the transfer agent (directly or via the intermediary of an order centralizer) selected by the initiator.

The asset value will be booked to the customer account.

Important criteria: cost, price.

8.4 Options, Futures, Swaps, FRA's and other derivatives

a) Derivatives listed and traded on a regulated market are traded on the latter because it is unlikely that the contract can be traded on another market.

Important criteria: likelihood of execution, price.

b) For derivatives not listed on a regulated market, AAML will send inquiries to the broker(s) searching for the best execution price. Each of our authorized brokers complies with MIFID provisions, where they need to provide AAML with their best execution price. The information is obtained via electronic platforms (Ex; Bloomberg), mail or via telephone.

Important criteria: likelihood of execution, price.

8.5 Structured products

Structured products are treated as a separate asset class. They must meet various eligibility criteria and are subject to a document detailing terms and conditions of selling.

Important criteria: price, likelihood of execution.

9 CLIENT CONSENT

AAML shall receive prior consent from DPM accounts for the execution policy.

This consent will be requested in the beginning of the relationship and once material changes were made to the policy.

10 BEST EXECUTION MONITORING

AAML will review the extent of the execution in relation to the compliance with this policy. The aim of the checks is to have a reasonable certainty that orders executed during the period under review are traded according to the daily market prices. This monitoring will be accomplished by the Risk Management department on a monthly basis by extracting from the main system Bloomberg AIM the list of all transactions executed by the funds and DPMs during the period.

This system includes trades executed by the internal investment managers having access to the system but also external investment managers that send daily trade blotters and official broker confirmations. Those external trade blotters are uploaded into the system by AAML, ensuring that all the information concerning each transaction is identically replicated into AAML system and without delay (this includes security codes, quantities, trade and settlement dates, execution prices, execution time and when possible, executions fees). The described source used for this control will ensure an independent supervision performed by the Risk Management department on the Best Execution of internal but also delegated portfolio managers.

Once the list of transaction of the reporting period is available, a random sample of 5% of the transaction will be selected for the monitoring. The thresholds that the Risk Management department is currently using for the purpose of the further review of the 5% random sample are the following:

- For Fixed Income instruments:
 - a) If Execution Price is between Bid Price and Ask Price of the transaction day: the execution price will be considered as fair and no further analysis will be conducted.
 - b) If Execution Price of each transaction is lower than the Bid Price of the transaction day: a further analysis will be conducted.
 - c) If Execution Price of each transaction is higher than the Ask Price of the transaction day: a further analysis will be conducted.
- For Equity, ETFs and Derivative instruments:
 - a) If Execution Price is between the Lowest Price and the Highest Price of the transaction day: the execution price will be considered as fair and no further analysis will be conducted.
 - b) If Execution Price of each transaction is lower than the Lowest Price of the transaction day: a further analysis will be conducted.
 - c) If Execution Price of each transaction is higher than the Highest Price of the transaction day: a further analysis will be conducted.

This further analysis of execution prices for those transactions falling out of the mentioned ranges will depend on the financial product characteristics and asset type. AAML will consider a non-exhaustive list of factors, but will generally focus on the following:

- Equity transactions: Market capitalization, Average volume executed, order quantity, number of shares outstanding, etc.
- Fixed Income: issue amount, credit quality, country, issuer, number of available pricing counterparties, bond type, order quantity, etc.
- Financial Derivative Instruments: Listed vs OTC, Average volume executed, order quantity, underlying type, etc.

Other investigations can be carried out by the Risk Management department when necessary, such as contacting the portfolio manager to better understand the nature of the trade, requesting the portfolio managers evidence of unusual market prices evolution, investigating with other independent brokers the level of fair prices for the selected instrument, etc.

A description of the exceptions detected during the monitoring will be documented by detailing case by case the nature of the exception.

Orders considered in the examined sample are selected without bias by using excel formulas for each instrument type, allowing a complete and unbiased selected sample. The selection can be directed if it has the objective to choose trades not selected during previous processes and, in any case, as an additional sample to monitor. This will be the case for example for all the related-party transactions detected by AAML.

The monitoring will be focused on the execution price of transactions, but other factors such as transactions costs and execution speed are not currently considered by AAML Best Execution monitoring. However, the inclusion of those other factors into the control may be taken into consideration when this information is available.

11 POLICY REVIEW

AAML will review this '**Best Execution Policy**' at least on an annual basis and whenever a material change occurs that affects its ability to continue to obtain the best results for its funds and DPM accounts.

AAML will monitor the effectiveness of its best execution policy and execution arrangements to identify and where appropriate correct any deficiencies.

Any material changes to this Policy will be posted on the Company's website: <http://www.andbank.lu/>.

12 DOCUMENT TRACEABILITY

| CONTROL VERSION | | | |
|-----------------------|----------------------|-------------|------------|
| | Name | Signature | Date |
| (a) Responsible Areas | Risk department | | 27/11/2024 |
| | | | |
| | | | |
| (b) Approval | Management Committee | See Minutes | 28/11/2024 |
| | Board of Directors | See Minutes | 11/12/2024 |