

Best Execution Policy

Table of Content

- 1. Definitions and Acronyms 2
- 2. Purpose and scope..... 3
- 3. Regulatory Background 3
- 4. General Principles 4
 - 4.1. Execution factors and criteria..... 4
 - 4.2. Execution venues 5
 - 4.3. Handling of orders 5
 - 4.4. Aggregation and allocation of trading orders..... 5
 - 4.5. Procedure..... 5
- 5. Control points reminder..... 6

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1. Definitions and Acronyms

AIF

Alternative Investment Fund, in line with the AIFM Law as of 12 July 2013.

AIFM

Alternative Investment Fund Manager, Renta 4 Luxembourg S.A, acting on behalf of AIF.

Board or BoD

Board of Directors of the IFM.

Conducting Officer or CO

The person in charge of conducting, monitoring, and supervising the activities and the business of the IFM.

CSSF

Commission de Surveillance du Secteur Financier.

Delegated Portfolio Manager

Delegated third party in charge of portfolio management.

Execution venues

Regulated markets ("RM") as defined in the Articles 4(1) (21) of MiFID II, organized trading facilities ("OTF") as defined in Article 4(1)(23) of MiFID II, multilateral trading facilities ("MTF") as defined in Article 4(1)(22) of MiFID II, systematic internaliser ("SI") as defined in Article 4(1)(20) of MiFID II, market makers, and other liquidity providers.

Executive Committee or ExCo

Renta 4 Luxembourg S.A.'s Committee composed by its Conducting Officers.

Fund

UCITS or AIF managed by the IFM.

IFM

Investment Fund Manager, Renta 4 Luxembourg, acting on behalf of an investment fund.

Renta 4 Luxembourg S.A.

The Investment Fund Manager (hereinafter, the "**IFM**"), a société anonyme incorporated in Luxembourg with registered address at 70, Grand-rue L-1660 Luxembourg, registered with the Luxembourg trade and companies under number B 200 177.

MiFID II

Markets in Financial Instruments Directive 2014/65/EU and implementing measures as transposed into national laws and regulations.

UCITS

Undertaking for Collective Investment in Transferable Securities in line with the Law of 17 December 2010.

2. Purpose and scope

Renta 4 Luxembourg S.A. may act as Portfolio Manager for the Funds it manages, but it can also delegate the portfolio management to Delegated Portfolio Manager.

The IFM shall act in the best interests of the Funds it manages; including when executing decisions to deal, in the context of investment management.

The IFM can place orders on financial instruments with any financial intermediary, broker and counterparty provided that:

- The financial intermediary or counterparty is duly regulated and validated prior satisfactory due diligence, or
- The broker is duly regulated and validated prior satisfactory risk assessment, and
- Depositary Bank and Central Administration gave their authorization.

This policy applies to all financial instruments for which the IFM executes transactions on behalf of the managed Funds, such as:

- Equities,
- Bonds,
- Money Market Instruments,
- Derivatives (ETD or OTC),
- Investment Funds' shares.

Thus, it applies to all trading activities when the IFM acts as portfolio manager for the Funds it managed, including the situation when the IFM authorized external persons to place trading orders.

When the portfolio management is performed by Delegated Portfolio Manager, the IFM shall ensure that best execution principles are duly applied by:

- the initial and ongoing due diligence that includes the review of the best execution procedure of Delegated Portfolio Manager,
- the on-going monitoring of the Delegated Portfolio Manager, and it complies with the best execution policy.

3. Regulatory Background

This Policy was drafted in compliance with the following legal and regulatory requirements:

| | |
|----------------|--|
| EU Regulation | Commission Delegated Regulation (EU) No 231/2013 |
| Luxembourg Law | Law of 17 December 2010 relating to Undertakings for Collective Investment |
| | Law of 12 July 2013 on Alternative Investment Managers ("AIFM Law") |
| | CSSF Regulation 10-04 of 1 July 2013 as amended by CSSF Regulation No 22-05 (Chapter IV/Section 3) |
| | CSSF Circular 18/698: Authorisation and organisation of Luxembourg Management Companies |

The Policy might be modified in the future to take into account evolutions in the regulatory framework.

4. General Principles

When executing orders on behalf of the Fund, the IFM must ensure a prompt, fair and expeditious execution of the order.

4.1. Execution factors and criteria

While acting on behalf of the Fund, the IMF will ensure that all reasonable steps are taken to obtain the best execution result for the Funds considering the following factors and criteria:

4.1.1. Execution factors

- Price,
- Costs,
- Speed,
- Likelihood of execution,
- Likelihood of settlement,
- Size of the trade,
- Nature of the trade,
- Efficiency and effectiveness,
- Any other consideration relevant to the execution of the order.

Ordinarily, price and costs together will merit high relative importance in achieving best execution, but other factors may take precedence, where for example speed of execution may be more important due to the nature of the order, or client cash flow requirements, or the trade is large compared to the liquidity of the relevant instrument.

The relevant importance of these factors will be determined by considering the characteristics of the order, the financial instrument, the counterparty, and the execution venue.

4.1.2. Execution criteria

When executing orders on behalf of the Fund, the IFM determines the relative importance of the above best execution factors relying on its 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, the strategy, and restrictions of the Fund,
- The characteristics of the order, including the size of the trade relative to other trades in the instrument, and the need to minimize possible market impact,
- 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 selection of an execution venue for the execution of orders shall be based solely upon the execution criteria and execution factors referred to above.

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

These additional criteria include:

- Quality of research,
- Financial Screening,
- Suitability of the counterparty and the management of counterparty risk,

- Liquidity concentration.

4.2. Execution venues

The list of execution venues on which the IFM may execute a fund order is set out in appendices.

4.3. Handling of orders

The IFM ensures to provide prompt, fair and expeditious execution of portfolio transactions on behalf of the managed Funds under the following conditions:

- It ensures that orders executed on behalf of Funds are promptly and accurately recorded and allocated.
- It executes otherwise comparable Funds orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the funds or sub-funds require otherwise.
- Financial instruments or sums of money received in settlement of the executed orders are promptly and correctly delivered to the account of the Fund concerned.
- The IFM ensures not to misuse information relating to pending Fund's orders and takes all reasonable steps to prevent the misuse of such information by any of its relevant persons.

4.4. Aggregation and allocation of trading orders

The IFM does not carry out a Fund order in aggregate with an order of another Fund, unless the following conditions are met:

- It must be unlikely that the aggregation of orders will work overall to the disadvantage of any Fund which order is to be aggregated.
- For the fair allocation of aggregated orders, all aggregated orders are systematically proportionally split and allocated between the different portfolios of Funds whose orders are to be aggregated. Partial executions are allocated under the same principles.
- Where the IFM aggregates a fund or sub-fund order with one or more orders of other Fund, and the aggregated order is partially executed, it allocates the related trades in accordance with its order allocation policy described above.

The IFM prohibits aggregate transactions for own account with one or more Funds.

The Executive Committee under the supervision of the Board ensures that the IFM and its delegates have on-site sufficient staff in order to execute the decisions made and performed the day-to-day activities of the IFM.

4.5. Procedure

This Policy will be reviewed by Compliance Team at least annually and/or whenever a material change occurs that affects IFM's ability to continue to obtain the best results for the managed Funds.

Any substantial updates made to this Policy will be subject to the approval of the IFM's Executive Committee and brought to the attention of the Board of Directors.

The Executive Committee monitors the effectiveness of the Best Execution Policy and the execution arrangements to identify and, where necessary, correct any deficiencies. This includes an assessment of whether the execution venues continue to provide the best possible result for the clients.

5. Control points reminder

| Name of the Control | Responsibility | Periodicity |
|--|----------------|-------------------|
| Due diligence on Delegated Portfolio Managers. | ExCo | Annually |
| Revision of the list of execution venues. | ExCo | Quarterly |
| Review of the Best Execution Policy. | ExCo | Annual (at least) |
| Monitoring the effectiveness of the Best Execution Policy. | ExCo | Quarterly |