

Principles of Best Execution Alceda Fund Management S.A.

Based on Directive 2014/65/EU of the European Parliament and of the Council of May 2014 on markets in financial instruments in conjunction with articles 64-66 of the commission implementing regulation (EU) 2017/656 of 19 December 2016 all necessary measures need to be taken to guarantee the best possible execution of customer orders. The principles governing the execution of trading decisions are variously regulated by Luxembourg law. The Luxembourg Law of 17th December 2010 on undertakings for collective investments and the CSSF Regulation No. 10-4 in conjunction with CSSF-circular 12/546 on the implementation of Commission Directive 2010/43/EU of 1st July 2010 on the implementation of Directive 2009/65/EC of the European Parliament and Council regarding organizational requirements, conflicts of interest, conduct of business, risk management and the contents of the agreement between a depository and a management company define standard regulations for the execution of trading decisions for managed UCITS (undertakings for collective investment in transferable securities). The Law of 12th July 2013 on managers of alternative investment funds in conjunction with the Commission Delegated Regulation (EU) No. 231/2013 of 19th December 2012 also set forth the specifications for applying best execution principles for managed AIFs (alternative investment funds).

The capital management company Alceda Fund Management S.A. (referred to hereafter as Alceda or Company) is obliged to provide investors with adequate information about the specified Best Execution principles and significant changes to such principles available.

1. Objective

These Best Execution principles governing policies and procedures that aim to investors in administered by Alceda investment funds to achieve the best possible result when executing orders on financial instruments. Securities orders can be executed regularly through various means of execution or of various execution venues, for example, on exchanges or other trading centers, either domestically or abroad or in floor trading on the one hand, in electronic trading on the other. In the following sections, the execution procedure and possible execution venues in the applicable types of financial instruments are described, which can generally be expected consistently best execution in the interest of the investment fund.

With the establishment of concrete execution venues Alceda assumes that the best possible result for the investment fund taking into account price, costs, speed, probability of execution and transaction, the market conditions, the security of the transaction and the extent and the type of order, to be achieved.

2. Principle of Best Execution

In general, portfolio managers do not pass their trading decisions directly on to the relevant trading venue. Instead these trading decisions are generally executed by intermediaries (brokers, counterparties etc.). The orders are executed by the intermediary in observance of and with the objective of achieving best execution. By carefully selecting and monitoring the intermediaries, Alceda influences the best execution of the transactions. Within the framework of outsourcing controlling Alceda also examines whether the intermediaries make adequate provisions for their part to enable best execution of the orders.

3. Principles of Order Placement and Best Execution

The choice of the trading partner for each order is generally determined by the following directives:

I.) Trading orders for assets are placed in observance of all information available at the time of placing the order at the best available conditions. When making its decision on the choice of intermediaries and their execution of orders, the company focuses on specific factors of relevance for the attainment of the best result, including in particular:

- Price of the financial instrument;
- Cost of order execution;
- Speed of order execution;
- Probability of order execution and settlement;
- Limit and type of order and
- Counterparty risk.

Depending on the type of financial instrument and trading order, these criteria can be variously weighted so that a selection of the intermediaries can be made.

These factors are weighted according to the following criteria:

- Goals, investment policy and specific risks of the investment undertakings as set forth in the prospectus/offering document or, if applicable, in the terms of contract / articles of association;
- Special features of the order;
- Special features of the Financial instruments or other assets which are the object of the order in question, or
- Special features of the execution venues to which the order can be passed.

II.) The placement of trading orders is based on the assumption that the best result is to be achieved in consideration of all costs associated with the execution. When deciding the order placement, due to the usual price fluctuations associated with Financial instruments consideration is therefore given above all to intermediaries able to ensure cost-efficient, complete and prompt execution of the transaction.

4. Counterparty list

Execution orders are only granted to intermediaries stated on the valid counterparty list. If, depending on details of the order, the list offers a choice between several intermediaries a discretionary choice shall be made in each individual case. A current list of the counterparties is available at Alceda on request.

The Company regularly monitors the order execution through the authorised intermediaries. To this end, a random test is made of the executed transactions to ensure that they comply with this Best Execution Policy. Any deficiencies are reported. If necessary, an appropriate adjustment is made to the counterparty list.

5. Order execution

The settlement channels necessary for order execution are determined as early as possible to ensure that orders to be executed can be immediately recorded and processed. The execution of the Order should be passed on as quickly as possible to the custodian bank and other involved parties.

6. Order batches

For the investment funds of Alceda, orders can be batched together if the batching of orders does not disadvantage the investors in any way.

7. Examination of the Policy

The Best Execution Policy is examined by Alceda regularly, at least once a year, to determine its effectiveness and is updated if any deficiencies are discovered. An examination also takes place in the event of a material change in market conditions which can impair the attainment of best results within the context of this Policy.

More information is available from Alceda free-of-charge on request.

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