

## ***Best Execution Policy***

<b>PROCEDURE NUMBER :</b>	PR_FIA_TR02
<b>ENTER INTO EFFECT LAST VERSION/</b>	17/12/2020
<b>APPROVED BY CONDUCTING OFFICERS ON:</b>	03/12/2020
<b>APPROVED BY THE BOARD OF DIRECTORS ON:</b>	17/12/2020
<b>FUNCTIONS INVOLVED :</b>	FIA Middle Office FIA Brokerage Service FIA Conducting Officers
<b>LEGAL REFERENCE:</b>	Directive 2014/65/UE  Commission Delegated Regulation (EU) 2017/565  Commission Delegated Regulation (EU) 2017/576  ESMA Q&A on MiFID II and MiFIR Investor protection topics (ESMA35-43-349)  And Luxembourg relative implementing provisions  Hereinafter together referred to as the <b>“Applicable Rules”</b>

## 1. Scope of application

This policy applies to:

- FIA trading activity in relation to the transmission and execution of orders on managed clients' portfolios (private accounts, insurance policies and investment funds)
- FIA trading activity in relation to the activity of FIA Brokerage (courtage and commissionaire)

The aim of the policy is achieving for the clients the best results in the execution of a trading order in both contexts.

The Best execution obligations do not apply to FIA's clients or counterparties that are considered as Eligible Counterparties

FIA reviews this best execution policy whenever a material change, as defined in the Applicable Rules, occurs that affects its ability to meet the best execution requirements or on annual basis.

FIA monitors the effectiveness of our best execution policy and execution arrangements to identify and where appropriate correct any deficiencies.

## 2. Trading Activity on managed clients' portfolios

In relation to the portfolio management services, FIA (acting as third party asset manager/tiers gérant) has a business model which involves the use of the trading room of the custodian bank where the portfolio is deposited.

In this business model the best execution is delegated to the regulated depositary bank which is placing the order to the market.

After each order execution (or no-execution) FIA Middle Office checks that the best execution is applied in terms of trade date, price, fees applied.

In case FIA Middle Office finds out that the best execution has not been respected, FIA Middle Office enquires the trading room of the custodian bank asking for explanations and for compensation if applicable.

If the trading room of the custodian bank doesn't accept to make the necessary corrections, issue is escalated to FIA Conducting Officers.

FIA Conducting Officers escalates the issue to the bank relationship manager in order to solve the issue.

FIA Legal & Compliance monitors that the depositary banks have in place execution arrangements in accordance with the Applicable Rules on periodical basis within the process of on-going due diligence.

If a client requires to use a specific broker (instead of the trading room of the custodian bank) to place orders and the custodian bank agrees to work with the latter, FIA opens a relationship with the broker and then place the orders through the broker.

In this business model the best execution is delegated to the chosen broker which is placing the order to the market.

FIA Middle Office applies the same controls and escalation process as per trading rooms of custodian banks as described above.

### 3. Trading Activity of FIA Brokerage

FIA itself in compliance of the authorisations for the following financial services: reception and transmission of orders (courtage) and execution of orders (commissionnaire) can be the financial broker.

In this context FIA best execution specific rules have to be applied.

Best Execution rules are:

- Price in line with market price or in case of a new issue product, price equal to issue price
- Time to market in line with market practises and FIA internal execution rules
- Admissibility of the counterparty for FIA KYC/AML rules including risk assessment
- Commissions applied are fair and in line with market practises and in case of a new issue product commissions are equal to ones quoted on term sheet

FIA Middle Office addresses a specific order to FIA Brokerage.

FIA Brokerage finds a counterparty to place the order on the market and communicates to FIA Middle Office conditions obtained.

FIA Middle Office verifies conditions are compliant with the “best execution policy” and confirms FIA Brokerage to place the transaction.

If FIA Middle Office finds out conditions are not acceptable and are not respecting the best execution rules FIA Middle Office asks FIA Brokerage for an alternative.

If a valid alternative can't be found out FIA Middle Office places the order as per trading activity on managed clients' portfolios.

FIA Brokerage takes into account several factors in the selection of the broker to be charged for the execution of an order:

- Price
- Costs
- Speed
- Listed/not listed asset
- Liquid/illiquid asset
- Likelihood of execution
- Likelihood of settlement
- Size of the trade
- Nature of the order
- Any other consideration relevant to the execution of order.

On the basis of available market information, FIA Brokerage takes into account, per product type, the following best execution criteria, leading to the selection of the execution venue:

- the characteristics of the client, including the categorisation;
- the characteristics of the order;

- the characteristics of the Financial Instrument which are subject/object of the client order;
- the geographical area of the financial instrument (i.e. USA, emerging market, etc.);
- the sector of the financial instrument;
- the characteristics of the Execution Venues to which the Client Order can be directed;
- the service of the Broker.

When executing orders or taking decision to deal in OTC products including bespoke products, FIA Brokerage checks the fairness of the price proposed to the client by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products.

FIA Brokerage publishes the top five execution venues in terms of trading volumes for all executed client orders per class of financial instruments in accordance with the applicable rules.

Publication is made on website in a machine-readable electronic format available for downloading by the public.

Any specific request issued by a client regarding the order's price, execution venue or nature is considered by FIA Brokerage as a specific instruction. When agreeing to process such an order, FIA Brokerage executes it in accordance with the client's specific instruction(s).

In such a case, FIA Brokerage may not be able to take the steps – regarding the elements covered by the said instructions – provided and implemented within the framework of this order execution policy in order to obtain the best possible result for the execution of these orders. Nonetheless, the best execution may apply to the characteristics of the order which are not covered by the client's specific instructions.

Upon reasonable request, FIA Brokerage provide its clients with supporting evidence of the measures taken to obtain the Best Execution of the order executed on client's behalf. The quality of execution will be assessed as a whole (statistics supplied using a system to analyse costs of transactions over time) or on a case-by-case basis (audit trial).

#### **4. Annexes**

Annex 1: Operational Transaction Flow in the context of FIA Brokerage activity Best execution principles

Checklist1: Best execution: Transaction placed via FIA Brokerage-existing assets

Checklist2: Best execution: Transaction placed via FIA Brokerage– new assets