

**ERSEL**  
Best Execution  
Policy

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## **1. Introduction**

### **1.1. Regulatory Framework**

The following legal and contractual obligation is applicable to this procedure:

- The articles 28, 29, 30 and 31 of the Grand-Ducal regulation 10-4 of the 22<sup>nd</sup> December 2010;

### **1.2. Scope of application**

The present policy applies to Ersel Gestion Internationale SA (hereafter ERSEL) head office and London branch in the extent that they do not contradict local laws and regulations and that they are applicable, given the nature of the tasks performed in each location.

## **2. Objectives**

ERSEL has to act in accordance with the best interests of the funds it manages when it executes decisions in respect to the funds' portfolio management.

The objective of this Policy is to establish and describe the process for ERSEL to select the brokers that are most likely to deliver the best possible result in the execution of transactions for ERSEL's funds. This Policy will be available to ERSEL's funds investors to provide transparency on ERSEL's best execution policy due to the funds and as required by applicable law.

This Policy also describes the clients orders process to be executed fairly and in due time (order handling, aggregation of orders).

## **3. Principles**

In general, in order to meet "best execution" obligations, management companies must ensure that the execution of transactions is such that the total costs or proceeds regarding each transaction are the most favourable under the prevailing circumstances. Since the concept of best execution is not limited to solely obtaining the best price and lowest transaction costs, one must consider the full range of a broker's services, including among others, price, the value of research provided, execution capabilities, speed and likelihood of execution, quality of execution, speed and likelihood of settlement, financial responsibility, administrative resources, size and nature of the order and responsiveness to enhance the overall value of a fund portfolio for both short term and long term.

ERSEL's best execution policy applies to decisions that ERSEL carries out for the funds it manages. The best execution policy applies to buy/sell transactions on the following instruments:

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- securities
- money market instruments
- structured financial instruments
- fund units
- derivatives traded on a stock exchange
- forward rate agreements and all other OTC derivatives in respect of permitted
- investments
- alternative assets if these are included as permitted assets

A best possible result for the funds is not just determined by the relevant price of a financial instrument but through a combination of a number of factors.

The factors that are of particular relevance depend on the type of transaction. The following particular factors play a role in the best execution of a trading transaction:

- the price of the asset to be acquired
- the costs of executing the order
- the speed of execution
- the probability of execution or settlement
- the scope and type of order
- and other aspects relevant to the execution of the order.

The relative importance of these factors is determined by the following criteria:

- the objectives, investment policy and risks specific to the fund, as indicated in the prospectus or as the case may be in the fund rules or articles of association of the fund,
- the characteristics of the order,
- the characteristics of the financial instruments that are the subject of that order (class and type),
- the characteristics of the execution venues to which that order can be directed.

ERSEL will also take into considerations the following factors:

- general prices available and transparency,
- the relative volatility in the market,
- the cost or commissions of execution,
- the instrument's current liquidity or order book depth,
- the size and market impact of the transaction,
- the quality and capability of the security's execution,
- the financial status, responsibility, solvency and creditworthiness of the counterparty, venue or CCP,
- the responsiveness of the broker or venue,
- quality and cost of clearing and settlement facilities,
- any other consideration that may be relevant to the execution of a particular order.

The most up-to-date version of this Policy shall be available free of charge on demand. Any material changes to the Policy from time to time shall be communicated to ERSEL's clients.

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ERSEL is ultimately responsible for the Best Execution policy also for funds managed by delegated managers. ERSEL will assure that delegated managers have Best Execution Policy which is compliant with ERSEL policy.

ERSEL will proceed with regular reviews of the present policy and any time if it's relevant.