

Version 2

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Validated by the Board of Directors

BEST SELECTION POLICY

I. Introduction

Pure Capital S.A. (hereafter referred to as '*the Company*') has a fiduciary duty to obtain best execution when executing transactions for the investment funds and clients under discretionary management and investment advisory (hereafter collectively referred to as '*the Clients*').

This document sets out the Company's Best Execution policy (hereafter referred to as '*the Policy*'), which is accepted by the Clients under the General Terms and Conditions he signs at the beginning of the business relationship.

The Company must take all the reasonable steps to obtain the best possible results for the Clients, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature or other consideration relevant to order execution in the best interest of its Clients. This obligation is known as the duty of "best execution".

Implementing „Best Execution" is not a guarantee for the best possible result for each individual order at all times, but a requirement to be able to obtain, on a consistent basis, the best possible results for the execution of orders.

II. Legal background

The Company has aligned its best execution policy with the current best practice and in accordance with:

- For UCITS
 - o the CSSF Regulation 10-04
 - o the CSSF circular 18/698
- For AIF
 - o the European Directive 2011/61/EU, also known as the Alternative Investment Fund Managers Directive (herein "AIFMD") (Art. 12)
 - o the Luxembourg law dated 12 July 2013 transposing the AIFMD (Art. 25, 27)
 - o the EU Commission Delegated Regulation of 19 December 2012 supplementing the AIFMD,
- The EU Market in Financial Instrument Directive (MiFID I and II) requires that investment firms establish an Order Execution Policy ("Execution Policy") and take all reasonable steps to obtain the best possible result when executing orders on behalf of its Clients.
- Delegated Regulation of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards to organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (hereafter referred to as the "MiFID II Delegated Regulation").
- The CSSF Circular 03/307
- The Law of April 5th, 1993 on the financial sector

This Policy applies to:

- financial instruments according to annex 1 of Directive MiFID 2004/39/CE (namely: equities, bonds, derivatives, money market instruments, financial contracts for differences, units in collective investment undertakings). The financial instruments covered by MiFID include most financial instruments but do not include (non-exhaustively):
 - Spot Foreign Exchange and Spot commodity transactions;

- Loans and deposits.
- all Non-Professional and Professional Clients. This policy does not apply to Eligible counterparties.

This Policy explains the Company's approach when providing to its Clients **best selection**, whereas the Company transmits the orders to the Execution Delegates for execution. The policy on Order Transmission should be read in conjunction with this Policy.

III. Delegation

As described here above, the Company does not execute orders itself as all such activity is delegated to duly selected services providers (hereafter referred to as '*the Execution Delegates*'), such as brokers, execution intermediaries and banks. The Company is allowed to only use one single Execution Delegate if that is in the best interests of the Clients if that would achieve in obtaining the best execution result for its Clients and the Company will assess this regularly in order to ensure compliance of the Execution Delegates with applicable legislation.

Indeed, the Company undertakes its best efforts to:

- bind Execution Delegates to this Policy and/or
- make certain that the Execution Delegates have an equivalent Best Execution policy and procedure in place which has been implemented and
- monitor the trading activities, at minimum via spot checks.

Where the Execution Delegates are investment firms authorized under national laws implementing Markets in Financial Instruments Directive ("MiFID"), they are required to maintain an Order Execution Policy which is designed to ensure that they take all reasonable steps to obtain the best possible result when executing orders on behalf of the Clients and that they shall at all times act in the best interests of the Clients when executing decisions to deal on behalf of the Clients.

As this is a regulatory obligation of the Execution Delegates, which is consistent with the Company's obligations, the Company will not require further reports other than an attestation of MiFID compliance (to be confirmed at the initial due diligence and ongoing due diligence reviews).

Where the Execution Delegates are not authorized and regulated under MiFID, the Company ensures that as a condition of the Execution Delegates it adheres to an Order Execution Policy or equivalent trading arrangements.

In order to ensure its monitoring obligations, the Company will always take into account the following factors when it makes a determination on where and how to route a client order :

- Price;
- Size;
- Availability of price improvement;
- Cost;
- Speed;
- Likelihood of execution and settlement;
- Any other consideration relevant to the execution of the order.

Under normal circumstances total price will assume a fundamental role in obtaining the best possible result for the Clients. Other factors can assume a relative higher importance in consideration of the nature of the order, client or market conditions and asset class such as but not limited to:

For Equities, the speed of execution is also an important criterion as some orders need to be filled in the shortest possible time to avoid a possible adverse impact on the price due to volatile market conditions (market order for instance). For example a portfolio manager may want to buy a share following good earnings announcement. In this situation, the portfolio manager would aim at executing its order quickly in order to capture as much as possible of the anticipated upside move.

In Fixed Income the likelihood of execution plays an important role as in some cases the order represents a significant portion of the market size. In the case where all portfolios have to be rebalanced simultaneously, it is paramount to execute the full quantity to ensure all portfolios have the same market exposure following the rebalancing exercise.

Regarding OTC derivatives, other criteria such as counterparty risk, liquidity, ability to structure complex product are also taken into account. With respect to the price criterion, the request for quotes is likely to identify the best available price. It is however worth noting that in some parts of the OTC market, it is not unlikely or unadapted to ask and/or obtain a single quote, in particular in case of illiquid, customized or complex products. A record of the quotes obtained through the request for quotes is kept.

As highlighted in Article 27 of MIFID II and irrespective of the criteria described above, the dominant best execution criterion for non-professional clients of the Company is the total cost of acquisition or disposal.

For each class of financial instruments, the Company expects that the Execution Delegates will define the key execution factors as described above that will be taken into account when executing orders and information and the execution venues/entities that best suit its requirements.

Regarding counterparties approved to execute OTC derivatives, additional criteria are assessed by the legal and risk departments within the Company:

- The head of legal ensures that the contractual relationship between the counterparty and the Company is documented under a relevant market agreement, which in most cases is an ISDA and Collateral Support Annex (CSA) but maybe another national standard market agreement if conditions are met.
- The head of risk monitors funds regulatory ratios (e.g. concentration and diversification) and counterparty exposures at fund, mandate and global levels. The risk team is supported by the Chief Compliance Officer who controls more specifically the proper use of authorised counterparties on a transaction per transaction basis.

IV. Scope Funds

Several situations may occur for the Clients and in particularly the investment funds (hereafter referred to as 'the Funds') the Company administers as management company:

- For some clients, the Company may be directly in charge of managing the Fund's portfolio and does not delegate the investment management function to a third-party. In addition, the Company may receive advices ("Investment Advices") from an Investment Advisor appointed by the Fund and/or by the Company.
- In case the Company is appointed Management Company of the Fund, it may delegate the management of the Fund's portfolio to a third-party investment manager.

The Company acts in the best interests of the Funds that it manages when it passes on behalf of these Funds the orders of negotiation for the execution with other entities, in the context of management of its portfolios.

Thus, all the reasonable measures are taken in order to obtain the best possible result for the Funds taking into account the price, the cost, the speed of execution as also the settlement, the size and the nature of the order.

The following criteria determine the relative importance of these factors:

- The objectives, the investment policy and the specific risks to UCITS, as it is indicated in the prospectus or, if appropriate, in the regulations or in the governing documents of the UCITS;
- The characteristics of the order;
- The characteristics of the financial instruments, which are the subject of this order;
- The characteristics of the places of execution to which this order could be conveyed

The company establishes and implements this Policy allowing to obtain the best possible result.

The Company enters into execution agreements with its Execution Delegates only if such are in accordance with the performance requirements. The Company makes appropriate information available to unitholders on the adopted policy and on any significant change of this one.

The Company executes its orders via its portfolio managers/middle officers. The latter ensure that the Execution Delegates' execution policy has been received and make sure that they correspond to the Company's Policy.

V. Selection and Use of Brokers

As detailed here above, the Company applies a formalized process for selecting Execution Delegates based on their ability to trade, from front to back, the various types of instruments and conducts initial due-diligence and ongoing due-diligences as outlined in the due-diligence check-list in attachment.

A. Execution Delegate Onboarding Process

The Company has adopted procedures relating to its dealings with counterparties with which it transacts. Before adding a broker-dealer to its approved list of counterparties, the Company's Risk Committee conducts a credit analysis of the broker-dealer. It is the responsibility of the Company to ensure that each counterparty with which it trades has been approved. The Company's risk team provides a formal approval for all new brokers.

B. Best Execution Selection Criteria

When determining whether a broker is qualified to provide services to its Clients the Company considers, among others, the following relevant factors:

- Confidentiality of trading activity;
- Reputation – financial strength and stability of the broker;
- Broker's ability to commit capital;
- Quality of execution – accuracy and timeliness, clearance and error/dispute resolution;
- The operational facilities of the broker, including back office efficiency;
- Overall costs of trades including commissions, mark-ups, mark-downs and/or spreads;
- Research and custodial services provided by the broker that are expected to enhance the Firm's general portfolio management capabilities;
- Broker's ability to handle large or difficult trades;
- Block trading and block positioning capabilities;

- Access to deal flow;
- Quality of fixed income and derivatives offerings;
- Nature of the security and the available market makers;
- Desired timing of the transaction and size of trade;
- Market intelligence regarding trading activity.

In addition, the Company will consider, as a criterion, the fact that the broker is MiFID compliant as described above.

The Company will handle a hierarchical decision selection process as to Execution Delegates as follows:

- the Company will select among the approved list of Execution Delegates as described in section V;
- Ability of the Execution Delegates to execute the order in accordance with this Policy;
- Application of the Client's specific requirements as follows:
 - A Client giving a discretionary mandate to the Company is entitled to communicate specific instructions (like using a specific Execution Delegate) even if such instructions differ from the provisions of the Company. The Company will comply with those instructions but will not be responsible for applying the principles of best execution for the criteria impacted by these instructions.
 - A client giving a discretionary mandate to the Company is entitled to communicate a ranked list of approved execution intermediaries with objectives in terms of allocations of volumes or participation to requests for quotes: the selection of the execution intermediary will occur depending on the distance from the targets as a subsidiary criterion that will apply to differentiate execution intermediaries offering the similar execution conditions

This entails that when the Clients give a specific instruction on how to execute an order, the Company and Execution Delegates endeavor as far as possible in order to execute Client's instructions.

The Clients should however be aware that if Execution Delegates act in accordance with the Client's instructions, this might not necessarily lead to an execution of the transaction in accordance with this Policy or the best execution policy of the Execution Delegates.

Insofar as the Clients give one or more specific instruction(s), the Execution Delegates and the Company will be considered as having fulfilled their legal obligations to take all the reasonable measures in order to obtain the best possible result for the Clients in accordance with this/these specific instruction(s) of the Clients.

When the Company has a suspicion that a broker doesn't follow the Best Execution framework it will investigate the facts and decide if it is still an eligible counterparty. If not, the relationship may be terminated. If a broker is not needed any longer the relationship has to be terminated as well. Such brokers will be deleted from the broker list in attachment.

VI. Execution venues

The Company itself is not a market member and therefore does not execute orders on any trading venues defined by MIFID II (encompassing Regulated Markets, Multilateral Trading Facilities, Organised Trading Facilities).

As a consequence, to achieve best execution, as described above the Company may only transmit orders for execution to a Delegate approved according to Section V of this Policy.

The Company allows its Delegate to operate on different execution venues, based in the European Economic Area or not, which include:

- Trading venues: Regulated Markets (RM), Multilateral Trading Facilities (MTF), Organised Trading Facilities (OTF);
- Systematic Internalisers (principal traders and market makers);
- Over-the-counter (OTC) markets;
- Other counterparties acting as liquidity providers.

The Company will either determine the ultimate execution venue/entity for a Client's order on the basis of the order execution factors as described above (giving specific instructions to the Execution Delegates) or the Company will satisfy itself that the Execution Delegates have arrangements in place to enable the Company to comply with its obligations and ultimately, their Clients.

The Company maintains a list identifying, for each class of instrument, the Execution Delegates with which orders may be placed. Arrangements are only permissible when they are consistent with the obligations detailed in this Policy.

The Company will assess which Execution Delegates or execution venues are likely to provide the best possible result for the Clients on an order by order basis.

The Company is required to obtain the Clients' consent to its execution policy as per the General Terms and Conditions of the Company.

VII. Review framework

The Company implements an ongoing monitoring of the effective application of this Policy and makes sure it gives the necessary guidelines to act in the Clients' best interests.

MiFID II requires that the Company controls on a regular basis the effective application of the Policy.

The Company's compliance officer is responsible for:

- Making sure the Policy scope and content are correctly defined and cover all aspects. Consequently, the compliance officer analyses the application of execution criteria by the Execution Delegates on a spot check basis, and when relevant, liaises with portfolio management teams, before eventually referring to the senior management.
- Implementing its own best execution controls to measure the quality of the results and compare them to the guidelines defined by the Policy. To do so, a range of data is used to monitor execution quality including transaction costs analysis benchmarks and other market data. Qualitative monitoring is also carried out such as controls regarding timely execution or fairness of allocation.

Although the compliance officer is in charge of best execution oversight, middle office and portfolio managers have to carry out day to day monitoring on the quality of execution (first level set of controls).

They are aware of execution criteria, and are expected to send any comment that they find appropriate on a regular basis to their management and to the compliance officer. Their comments are part of the elements used for the annual review of the Policy.

In compliance with applicable legislation, the Company keeps evidences of the Policy application, including spot controls, relating to execution and can communicate them to the Clients on request. Should Clients reasonably request data relating to their own accounts and / or own mandates in respect of execution of transactions, the Company will provide information without unreasonable delay after having checked with the Execution Delegates.

In the absence of any internal or external major event requiring an earlier update, the Policy is reviewed at least annually.

In case of significant changes in the Policy, Clients will be informed in writing.

The Board of Directors of the Company