

R+V AIFM S.à r.l

BEST EXECUTION POLICY

Best Execution and Order Handling
Policy

Document Control

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1 Overview

1.1 Introduction

The purpose of this policy is to provide a sound, transparent and comprehensive best execution framework for R+V AIFM S.à r.l (hereinafter "AIFM") to provide best execution as required by the provisions of the Article 45 of the MIFID Directive 2006/73/EC (Level 2), enacting the Article 19(1) of the MIFID Directive 2004/39/EC (Level 1) combined with Article 27, 28, 29 AIFM-DR.

1.2 Scope

This policy provides a framework that covers all material aspects of the Best Execution processes, procedures and controls in respect of each relevant Alternative Investment Fund (AIF) managed by the AIFM.

The policy only applies to the execution of orders placed by AIFM. The following assets of an investment fund are affected by this policy:

- Equities
- Loans
- Bonds
- Money Market Instruments
- Exchange Traded Derivatives
- OTC (Over the counter) Derivatives
- Forward Foreign Exchange/Non-Deliverable Forward (NDF)
- Collective Investment Schemes (AIFs, UCIs, etc.)

The AIFM does not delegate the monitoring of Best Execution principles and remains responsible.

1.3 Objectives

This policy serves the following objectives:

- act in best interests of AIFs and investors through implementation of effective arrangements for ensuring that all activities of the AIFM are carried out in compliance with the legal requirements,
- act in best interests of AIFM's shareholders by creating new business opportunities by satisfying current and attracting potential clients with our solid best execution framework, and
- act in best interests of the regulator by fulfilment of regulatory requirements.

1.4 Regulatory Requirements

This document primarily relates to the following regulatory requirements:

Table 1-1 Regulatory Overview

Item	Regulation /Guidance
AIFMD/Level 1	AIFM Directive 2011/61/EU
AIFM-DR/ Level 2	Commission Delegated Regulation (EU) No 231/2013 supplementing Directive 2011/61
MIFID	Article 45 of the MIFID Directive 2006/73/EC (Level 2), enacting the Article 19(1) of the MIFID Directive 2004/39/EC (Level 1)
2013 Law	AIFM Directive 2011/61/EU transposed into the Luxembourg Law of 12 July 2013 (“AIFMD”)
2010 Law	Luxembourg Law of 10 December 2010
RCSSF	Regulation CSSF 10-04
18/698	CSSF Circular 18/698

Specific requirements can be found in this policy.

2 Best Execution Framework

2.1 Order Execution

When executing client orders, the AIFM will act in the best interest of its clients at all times and will take all reasonable steps to obtain the best possible result for the clients taking into account the criteria and factors set out below, subject to any instruction given by the client.

2.2 Best Execution Factors

The execution factors to be taken into account when executing client orders are as follows: (non-exhaustive list)

- Price;
- Costs;
- Speed to execute a trade;
- Likelihood of execution;
- Likelihood of settlement;
- Size of the trade;
- Nature of the trade; and
- Any other consideration relevant to the execution of the order.

The weighting of each factor depends on the specifics of the individual investment and is determined by the portfolio manager on a case-by-case basis.

2.3 Market Conformity Assessment

2.3.1 Single Execution Venues

Where there is no choice of different execution venues, the Portfolio Manager shall demonstrate that there is effectively no choice. The best execution factors defined under the section 2.2 shall not apply in those circumstances.

2.3.2 Illiquid Financial Instruments including Intangible Assets and OTC Derivative

For illiquid financial instruments where no regulated and liquid market exists, the best execution factors principles listed above in section 2.2 are not applicable. Therefore, the assessment of the appropriateness of the negotiated conditions of a transaction is conducted by a qualitative and/ or quantitative evaluation by the Risk Management team with the support of an independent advisor if needed.

This assessment will be compared to the expectations of the Portfolio Management implied by the transaction price. Significant, implausible deviations of the target figures can lead to a rejection of the deal by the Risk Management team. The market conformity assessment (MCC) is usually performed after all necessary information is available.

2.3.3 Transactions in Shares or Units of UCIs/AIFs not Traded Through an Execution Venue

For transactions in shares or units of CIS not traded through an execution venue, the sole point of execution is the registrar and transfer agent of the relevant UCIs/AIFs. The execution price will be established as per the UCIs/AIFs' Prospectus. The Orders are to be placed in a timely manner in order to meet the relevant deadline. Therefore, the best execution factors principles listed in section 2.2 are not applicable

2.4 Best Execution Criteria

When the AIFM executes an order on behalf of an AIF, AIFM will determine the relative importance of the aforementioned best execution factors based on the 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 of the fund (including its categorisation and its objectives, investment policy and specific risks, as set out in the prospectus or, as the case may be, in the investment conditions),
- the characteristics of the fund order,
- the characteristics of the asset such as financial instruments which are the subject of the fund order, and
- the characteristics of the execution venues to which the fund order can be directed.

Transactions for open retail AIF at non-market conditions are not permitted if they are detrimental to the investment fund.

2.5 Execution Venues

An execution venue is a regulated market, a multilateral trading facility, a systematic internalize, a market maker or another liquidity provider or an entity that performs a similar function in a non-European Economic Community (EEC) country to the functions performed by any of the foregoing.

The list of execution venues on which AIFM may execute a client order is set out below, but it is not exhaustive. It includes those venues on which AIFM places significant reliance in its aim to obtain on a consistent basis the best possible result for the execution of client/fund orders.

- Broker execution – placing the order with a third party, including an affiliate, with whom AIFM has entered into an agreement for handling client orders. This includes, but is not limited to, agency sales trading, algorithmic trading, capital commitment, and scheme operator.
- Crossing the transaction with a recognized third-party crossing network with whom AIFM has entered into an agreement for handling client orders. With client consent, this would include a matching order from another client.
- Liquidity Aggregator – using a recognized third-party tool for price discovery and execution with pre-determined list of third parties.
- On Exchange – directly with a Regulated Market (Direct Market Access) or Multilateral Trading Facility (MTF) or using a third-party participant with whom AIFM has entered into an agreement for handling orders.

The above list may change from time to time.

2.6 Execution Venue Selection

Subject to any specific client instructions (see section 2.8), the selection of an execution venue for the execution of an order will be based solely upon the execution criteria and execution factors mentioned above.

However, the decision to use any of the venues set out in section 2.5 may also be influenced by other additional criteria, although this is always conditional upon obtaining the best possible result for AIFM's AIFs.

These additional criteria include:

- Quality of research;
- Financial screening;
- Suitability of counterpart;
- Liquidity concentration.

Notwithstanding the above, AIFM reserves the right to execute an order using a method or venue other than the methods or venues that are indicated, where AIFM considers this to be in the best interests of its AIFs. In such cases, AIFM will endeavour to execute based on the same best execution principles as summarised in this document.

2.7 Broker Selection and Continuing Assessment

AIFM's policy seeks to achieve the best possible result for the funds and client mandates managed by taking into account the execution policy of the broker. AIFM monitors the execution quality of entities used and examine the execution approaches of these entities prior to selection. Therefore, the execution policy provided by the Broker must be consistent with AIFM's execution policy. The execution policy of the broker must enable AIFM to satisfy its obligations on orders transmitted for execution.

AIFM will ensure by requesting a copy of the brokers Best Execution Policy that the selected brokers have appropriate arrangements in place to enable AIFM's requirement of best execution to be accomplished. This review is carried out by Compliance.

For new counterparties / brokers through whom AIFM wishes to execute security transactions on behalf of AIFM funds under management the broker take-on process applies.

2.8 Client Instructions

Where a client gives a specific instruction for the execution of a client order then the order will be executed in accordance with those instructions. The client should be aware that providing that instruction may prevent AIFM from taking some of the aforementioned steps to obtain the best possible result for the execution of that client order (to the extent of the instructions).

The AIFM will be treated as having satisfied its best execution obligation in respect of the part or aspect of the order to which the instructions relate.

2.9 Order Handling

AIFM is required to execute orders in an expeditious and fair manner for all AIFs. Orders will be aggregated with other orders, if:

- the characteristics of the order make them suitable for aggregation and
- if in AIFM's opinion the aggregation of orders will not work to the disadvantage of any AIF and
- it complies with its order allocation procedures.

2.10 Bundling of Orders

AIFM can bundle buy or sell orders for several investment funds and submit them for execution as a block order if the order volume, type of security, market segment, current market liquidity and price sensitivity of the securities to be traded make this appear advisable in the respective client's interest. Orders will be bundled only if it is improbable that individual clients will be disadvantaged.

All managed portfolios must be treated in a non-preferential manner such that no single portfolio may be systematically favoured over another. The allocation of orders cannot be based upon the client's account size, identity, performance and/or fee structure.

In determining the suitability of each investment opportunity to a portfolio, consideration will be given to a number of factors, the most important being the client's investment objectives and strategies, investment guidelines, existing portfolio composition and cash levels. Having considered these factors and prior to executing any transactions, AIFM will determine the allocation of an order for each portfolio.

AIFM will only undertake transactions between the portfolios it manages only if such transactions fall within the clients' interests.

3 Roles and Responsibilities

3.1 Portfolio Management

The Portfolio Management Function is responsible for the development, review, update and the ongoing implementation of the Best Execution Framework.

Where the AIFM acts as Portfolio Manager, the AIFM's Investment and Risk Committee will supervise the execution of the investment decision.

Where the AIFM has delegated the Portfolio Management to an Investment Manager, the AIFM's Compliance team will supervise the execution of the investment decision by

- requesting the Investment Manager to provide its execution policy and ensuring it complies with the requirements of this policy,
- requesting the Investment Manager, as and when deemed necessary, to demonstrate that it has executed the decision on behalf of the AIFM and the respective UCIs/AIFs in accordance with its reviewed Execution Policy, and
- reviewing the decision execution report prepared by the Investment Manager (if any) at a frequency in line with the nature of investments and quantity of investment orders.

3.2 Internal Control Functions

The Internal Control Functions (Risk Management, Compliance, Internal Audit) are responsible for the monitoring of the Portfolio Management Function with regard to its compliance with the Best Execution Framework.

3.3 Administration Functions

Administration/Operation Function is responsible for the operational support of the Portfolio Management Function with regard to its investment orders.

3.4 Transfer Agent of UCIs/AIFs managed by the AIFM

The Transfer Agent executes the following deals on behalf of investors in accordance with the terms of the prospectus, applicable laws and regulations and, as the case may be, in accordance with the AIFM's instructions:

- Subscriptions, redemptions and switches;

The UCIs/AIFs Transfer Agent shall produce a report at least on a quarterly basis (or, alternatively, provide such information upon request) to demonstrate compliance with the terms of the prospectus, settlement of payments within the defined periods and, with regard to FX-conversions, that it has executed the decision of the investors in compliance with the terms of the prospectus to obtain the best possible result.

The Transfer Agent will provide the Operations Team with ad-hoc reports in order to demonstrate compliance with the AIFM's and investor's instructions in case of:

- unusual market circumstances, where the AIFM instructs the Transfer Agent to take special measures (e.g. limiting the amount of redemptions to a certain percentage as disclosed in the prospectus, change the redemption frequency of a UCIs/AIFs in accordance with the regulations, etc.);
- fund mergers, where investors may opt to remain in the new fund or redeem;
- subscriptions or redemptions in kind.

4 Monitoring

AIFM will monitor the effectiveness of its best execution policy and execution arrangements to identify and where appropriate correct any deficiencies. This will include an assessment of whether the Execution Venues included in this policy continue to provide the best possible result for AIFM's AIFs.

The AIFM will also seek to monitor their delegates to ensure that this policy or an equivalent policy, enabling the AIFM to comply with its regulatory requirements is adopted by them in accordance with the AIFM's Outsourcing and Third-Party Delegation Handbook.

5 Information Disclosure

This Best Execution and Order Handling Policy is available upon request at the registered office of the AIFM and any material changes to this policy will also be made available in the same manner.

6 Record Keeping

The AIFM must ensure that adequate records are maintained in relation to this manual and that those records are retained for five (5) years after they cease to be current.

7 Review, Maintenance and Amendment

The Policy may be updated from time to time. The Internal Audit regularly reviews the proper compliance of the individual teams/departments involved in with this Policy.

The Senior Management/Conducting Officers shall review this policy and effective arrangements at least on an annual basis and consider on an ad hoc basis any findings and recommendations of the Internal Audit function or Compliance.

There are 3 categories of amendment to the policy which are subject to the following levels of approval authority.

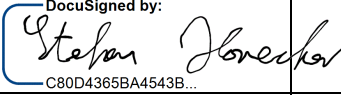
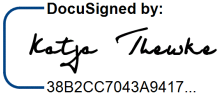
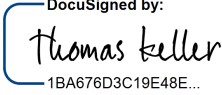
Table 7-1 Levels of Amendment and Approval

Level	Description	Authority
1	Minor typographical, numerical or consequential changes not affecting the policy/handbook framework.	The team responsible of the Policy; and The Compliance team
2	Changes to processes or procedures not changing the overall framework of the policy/handbook.	The Permanent Compliance Officer; The Permanent Internal Auditor; and The Senior Management/Conducting Officers
3	Significant permanent changes to the overall framework of the policy/handbook	The Governing Body

8 Document - Authorisation | Approval

The Board of Directors of the AIFM is responsible for the establishment of and oversight over the proper business organization required to implement and execute this Policy in the best interest of the investors.

This Policy/Handbook, and the Procedures detailed above were agreed and minuted at a meeting of the Board of the AIFM on 2023-03-28

Name	Signature	Date
Stefan Honecker	 C80D4365BA4543B...	24-05-2023
Katja Thewke	 38B2CC7043A9417...	24-05-2023
Thomas Keller	 1BA676D3C19E48E...	24-05-2023