

## **BEST EXECUTION POLICY**

**A&G LUXEMBOURG AM, S.A.**

**Date: 19/11/2013**

**Amendments:** 19/11/2013  
27/09/2019  
29/01/2020  
13/12/2022  
08/10/2024

**Last Amendment: 07/10/2025**

**TABLE OF CONTENT**

1.	Introduction .....	3
2.	Best execution for portfolios managed internally by the AIFM .....	3
2.1	Placing orders to deal on behalf of AIFs with other entities for execution .....	3
2.2	Relevant Factors for execution.....	4
2.3	Financial Instruments for which best execution is relevant .....	4
2.4	Selection of entities for execution.....	5
2.5	Follow up and register of entities for execution .....	5
2.6	Aggregation and allocation of trading orders .....	5
2.7	Conflict of Interest.....	5
3.	Best execution for portfolios delegated to external investment managers.....	6
4.	Supervision and monitoring.....	6
5.	Policy Ownership and Review.....	6

## 1. Introduction

A&G Luxembourg AM, S.A (hereinafter “**Company**” or the “**AIFM**”) is a management company authorized under Chapter 2 of the Law of 12 July 2013 on alternative investment fund managers and Article 125-2 (Chapter 16) of the Law of 17 December 2010 on undertakings for collective investment, which manages Alternative Investment Funds (AIFs) subject to the Luxembourg Law of 13 February 2007, as amended. In that context, the AIFM, specifically the portfolio management function identifies investment opportunities which are compatible to the associated investment strategy of each AIF under management. The portfolio management function partially delegates investment management for several of the compartments (sub-funds) of the AIFs under management.

This policy provides an overview of the trade routing and processing implemented by the AIFM to ensure best execution for the AIFs managed internally. In addition, this policy outlines the oversight monitoring to verify best execution regarding the trades instructed and executed by the delegated investment managers.

## 2. Best execution for portfolios managed internally by the AIFM

### 2.1 Placing orders to deal on behalf of AIFs with other entities for execution

Whenever the Company buys or sells financial instruments or other assets for which best execution is relevant, it shall act in the best interest of the AIFs it manages or the investors in the AIFs when placing orders to deal on behalf of the managed AIFs with other entities for execution, in the context of the management of their portfolio.

After having carried out an analysis of its own organization, and the organization of the Group<sup>1</sup> it integrates, the Company concluded that the optimal way to obtain the best possible result for the AIFs taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order is to take advantage of the existing structure in terms of placement of orders that A&G Banco, S.A.U. (hereinafter, the “BANK”) has in place.

There are several reasons to be considered in support of this option:

- The BANK pledges to enforce Best Execution practices that are in accordance with the AIFM standards and policy on best execution, in strict respect of the applicable regulation.
- The BANK pledges to make available to the Company the information required to perform all controls described in the Company’s Best Execution Procedure, in order to regularly ensure that the applicable rules are being properly respected.
- The BANK is authorized by the Spanish banking regulator and has experience since 2014 in the placement of orders for execution.
- THE BANK has the means and resources to research the best brokers in the market, to keep updated the list of best brokers per financial instrument and market, to get the best prices available, and has the means, venues and resources to make sure operations are dealt, confirmed and liquidated in the quickest and most efficient way, so as to grant the utmost grade of legal certainty and likelihood of liquidation.
- The BANK pledges to keep the Company informed on the list of brokers that are being used at any given time, and accepts that the Company may instruct the BANK not to operate through any specific entity.
- The list of brokers used by the BANK, per market and financial instrument, is construed and kept updated in an independent way to comply with applicable regulations

---

<sup>1</sup> Group refers to both A&G Asesores y Gestores Financieros, S.A. and A&G Banco S.A.U

- The Bank itself may act as broker for certain types of financial instruments facilitating direct trading on the primary market to secure timely settlement
- Furthermore, the BANK applies RD System, an integrated IT tool which includes routing and control of orders and liquidation, is susceptible of direct communication with the brokers' systems through Bloomberg and the systems of the Management Company, thus enhancing the means for control and certainty of operation.

## 2.2 Relevant Factors for execution

With the support of the BANK, as characterized above, the Company will take all reasonable steps to obtain the best possible result for the AIFs, considering the following factors:

- Price: this is the final price of the financial instrument, excluding the execution fees of the BANK. Price is generally the most important factor when we are assessing how to obtain the best possible result when executing orders.
- Cost: they include commissions, costs and fees that are charged for executing the order.
- Speed of the execution and settlement: this is the speed with which an order is executed. The BANK shall execute the order at the speed which, in our view, ensures a balance between creating a market impact and timely handling in order to avoid execution risk.
- Likelihood of execution: this is the probability that the BANK able to execute the trades instructed, or at least a significant proportion of the order. The importance of this factor increases when access to liquidity for the instrument in question is limited in some way.
- Size and nature of the order: this is the size of the order relative to the average volume of trades in a specific financial instrument
- Other considerations, such as impact in the market and transactional costs.

Based on the Group's experience, the Company attributes a primordial importance to the total consideration paid by the AIF, without disregarding the remaining factors.

Total consideration is composed of the following factors:

- Price of the financial instruments; and
- Direct and indirect costs linked to the purchase, sell or such financial instruments, such as cost of the execution center, clearing and settlement costs and price paid to third parties involved in the execution.

## 2.3 Financial Instruments for which best execution is relevant

Best execution policy is relevant for the following financial instruments:

- Equity (including Exchange Traded Products (ETPs), Exchange Traded Commodities (ETCs), Exchange Traded Notes (ETNs) and Exchange Traded Funds (ETFs))
- Bonds and fixed income securities
- UCITS/UCI
- Financial Derivatives
- Money market instruments
- Structured products Interest rates swaps and forwards

## 2.4 Selection of entities for execution

The Company and the BANK agree that the best reasonable result in terms of best execution is reached by using the preferred entities selected per instrument and execution venues. The Bank conducts an initial assessment as part of the broker selection process. The assessment considers operational, risk and AML aspects to determine overall counterparty risk.

The criteria to select entities for the execution of orders are summarized as follows:

- Fees and commissions of such entities
- Information on market trends & flows as well as liquidity considerations;
- Quality of service provided by such entity;
- Best execution policy and capacity of the entity to reach best possible results;
- Possibility to place specific orders such as stop loss;
- Strength of the operational procedures of the entity, quality and speed of confirmations
- Settlement and clearing service and operations
- Counterparty risk of the entity (quality of credit rating by S&P, Moody's... and regulation).

## 2.5 Follow up and register of entities for execution

The BANK selects and keep a register of the intermediaries per financial instrument and venue. This register of intermediaries is exhibited as Appendix II of this policy.

The BANK will conduct ongoing monitoring to verify the compliance with the best execution process outlined in this policy. In parallel, the AIFM will conduct its own independent oversight controls as outlined in section 4 titled supervision and monitoring.

## 2.6 Aggregation and allocation of trading orders

The Company will ensure that the orders shall be registered, instructed and allocated quickly and sequentially. In case of identical instructions for several AIFs, all instructions shall be registered and delivered simultaneously.

No aggregation of orders will be executed except if the following conditions are met:

- a) The aggregation does not cause a disadvantage for any AIF, in comparison to the same operation if executed individually and independently;
- b) The aggregation in the long term produces a benefit for all the AIFs;

## 2.7 Conflict of Interest

The role played by the BANK in the above described context of the placement of orders, is subject to the conflict of interest criteria and policy of the Company. The potential and actual conflicts of interest associated to the role of the Bank in routing orders and intermediation for specific types of financial instruments are detailed in the conflict of interest register of the AIFM. There are mitigating measures connected to fee arrangements with the Bank that have been implemented. The compliance function reviews those mitigating measures and their effectiveness on a regular basis and maintains the conflict of interest register.

### **3. Best execution for portfolios delegated to external investment managers**

The AIFM conducts an initial due diligence assessment in order to analyze the capacities of potential external investment management delegate. The AIFM reviews and assesses the best execution policy of the potential delegate as part of the initial due diligence assessment to ensure that they are compliant to AIFMD provisions linked to best execution. The potential delegate would only be approved following satisfactory outcome of the initial due diligence.

Once the potential delegated investment manager is approved and the delegation agreement is finalized. The AIFM permits the delegated investment manager to apply their respective best execution policy to the delegated portfolio. The approved brokers of the current delegated investment managers are indicated in Appendix III. The AIFM would start performing periodical oversight controls on the best execution of the delegate.

Under certain circumstances, the AIFM permits delegated investment managers to utilize the trading facilities of the BANK. As such those delegated investment managers shall be subject to best execution controls in the same manner as described in section 2.

### **4. Supervision and monitoring**

The Company, in the framework of its portfolio management function, shall monitor on a regular basis the effectiveness of the policy and, in particular, the quality of the execution by the BANK and the selected entities, and, where appropriate, correct any deficiencies.

To this extent, the Company will inform the BANK of the data required for portfolio management to carry out the controls specified in the Best Execution Procedure, that will be shared by the Company and acknowledged by the BANK.

In addition, the Company will perform periodical best execution control on the delegated investment managers as specified in the Best Execution Procedure. Furthermore, the portfolio management function will ensure that the best execution policy of the delegated investment manager is review on a periodical basis as part of the ongoing due diligence.

The Company will prepare report annually which summarizes the outcome of all the best execution controls. The annual best execution control report will be shared with the senior management of the Company.

The Spanish branch of the Company forms part and is embodied in the Company's corporate structure. Accordingly, it falls under the scope of the Company's policies and procedures, including this best execution policy, as applicable to the activities performed by the branch.

### **5. Policy Ownership and Review**

The portfolio management function, in particular the conducting officer in charge of portfolio management, is responsible for this policy and will assess if it is up to date with the AIFM's structure and applicable regulations on an ad-hoc basis or, at least, once a year.

## **Appendix I: Regulatory references**

The CSSF Regulation 10-04

The CSSF Circular 18/698

The EU Directive 2011/61, also known as the Alternative Investment Fund Managers Directive ("AIFMD")

The EU Commission Delegated Regulation 231/2013 of 19 December 2012 supplementing the AIFMD

The Luxembourg Law dated 12 July 2013 transposing the AIFMD

## Appendix II: Approved Broker list of A&G Banco SAU

Security Type	Intermediaries/ Brokers	Access Type	Execution Venues used by the A&G Banco SAU directly / via Intermediaries / via Brokers
Equity & ETPs (ETFs, ETCs & ETNs)	Banco Inversis, S.A. Intermoney Valores Sociedad de Valores S.A. Morgan Stanley Europe SE Mirabaud Securities Limited Mirabaud is no longer working with the Bank Banco Santander, S.A.	Intermediary	Aquis Exchange ASX (Bolsa Australiana) ATHEX - Atenas BATS Bloomberg (BMTF-BTFE) BME-Madrid (Bolsa Madrid) BME - Growth Budapest Stock Exchange Chi-X HSI (Bolsa Hong Kong) Instinet ISE (Irish Stock Exchange) POSIT JSE (Bolsa Johannesburgo) Korea Exchange Liquidnet LSE (Bolsa Londres) MTA (Bolsa Italia) NYSE-Euronext (Paris, Lisboa, Bruselas, Amsterdam) NYSE/Nasdaq/Amex/Pink/Sheet/Bulletin OMX - Copenhague OMX - Helsinki SGX (Bolsa Singapur) Swiss Exchange (Virt-X, SWX) Taiwan Stock Exchange Toronto Stock Exchange TP ICAP EU MTF TSE (Bolsa Tokio) Turquoise Vienna Stock Exchange Xetra (Bolsa Alemania)
Fixed Income	N/A	Direct access by A&G Banco SAU	ABANCA CORPORACION BANCARIA ALL TRADING TRADING BROKERS EUROPE SV ANZ BANK ASHENDEN FINANCE S.A AUREL BGC AURIGA SVB BANCA IMI SPA BANCA MARCH BANCA PROMOS SPA BANCA ZARATTINI & CO. SA BANCO FINANTIA SA BANCO CARREGOSA BANCO DE CREDITO CORPORATIVO BANCO INVERSIS SA BANCO PICHINCHA BANCO SABADELL, S.A. BANCO SANTANDER SA Banctrust & Co Investment Bank BANK OF AMERICA - MERRIL LYNCH BANKINTER SA BARCLAYS BANK PLC BAYERISCHE LANDES BANK (ONLION)

		BBVA, SA BCP Securities LLC, Greenwich CT BONDPARTNERS SA BRIDPORT & CIE SA CAIXABANK S.A. CAPITAL MARKETS S.V SA CECABANK, S.A. CITIGROUPE INC. CLSA - CITIC CREDIT AGRICOLE SA CREDIT INDUSTRIEL ET COMMERCIAL CREDIT SUISSE SEC. SVB DAIWA CAPITAL MARKETS EUROPE Ltd DBS BANK LTD DEUTSCHE BANK AG DINOSAUR MERCHANT BANK LTD DZ BANK EFG BANK AG ERSTE GROUP BANK AG EVER CAPITAL INVESTMENTS SV, S.A. FIDENTIS SOCIEDAD DE VALORES, S.A. FLOW TRADERS BV GFI SECURITIES LIMITED GOLDMAN SACHS & CO GUY BUTLER LIMITED HAITONG BANK HELABA - Landesbank Hessen- Thüringen Girozentrale HPC Investment Partners HSBC BANK PLC IBERCAJA IMPERIAL CAPITAL ING BANK NV INTERMONEY VALORES SVB ISP SECURITIES LTD ITAU BBA INTERNATIONAL JANE STREET NETHERLANDS BV JB CAPITAL MARKETS S.V. JEFFERIES & CO. INC JP Morgan Chase & Co. KBC GROUP KEPLER CHEUVREUX KING & SHAXSON CAPITAL MARKETS, S.V., S.A. KNG SECURITIES LLP KOTAK MAHINDRA LA BANQUE POSTALE LANDESBANK BADEN WUE LINEAR INVESTMENT LTD LINK SECURITIES AV S.A. LLOYDS BANK PLC LXM GROUP MARKET AXESS EUROPE LIMITED MEDIOBANCA SPA MILLENIUM EUROPE MILLENIUM ADVISORS, LLC MITSUBISHI UFJ Trust International Limited NATIXIS SA NOMURA SECURITIES
--	--	---

			NORBOLSA SV - Kutxabank Investment OCTO FINANCES ODDO & CIE OHV Oolders, Heijning & Voogelaar B.V. PARETO SECURITIES PKF ATTEST CAPITAL MARKET AV PREESSPRICH RABOBANK LONDON RBC EUROPE LIMITED RBS - NatWest Markets Plc RENTA 4 BANCO REUSS PRIVATE AG SCR INVESTMENT Seaport Financial Europe Limited SEGUROS PELAYO SEMINARIO SAB SFI Markets B.V. (Antigua STX Fixed Income) SMBC NIKKO CAPITAL MARKET GMBH SOCIETE GENERALE STONEX FINANCIAL INC. SUMRIDGE PARTNERS LLC SYNESIS FINANCE TORONTO DOMINION BANK Tradition London Clearing Limited TRADITION SECURITIES-TSAF TRESSIS SA SVB UBS GROUP AG UNICREDIT BANK AG URSUS AV VALCOURT S.A. XP SECURITIES ZURCHER KANTONALBANK
Non-listed Funds	Allfunds Bank, S.A. Quintet Private Bank (Europe) S.A. Edmond de Rothschild (Europe) EFG Luxembourg Banco Santander, S.A.	Intermediary /platforms	N/A
Spanish non-listed funds managed by third parties not available through the platform	Bestinver Gestion, S.A., SGIIC Cobas Asset management, SGIIC, S.A.	Direct access by A&G Banco SAU	Bestinver Gestion, S.A., SGIIC Cobas Asset management, SGIIC,
Non-listed Funds managed by A&G	A&G Fondos SGIIC, S.A., Caceis Bank (Luxembou rg)	Direct access by A&G Banco SAU Intermediary	A&G Fondos SGIIC, S.A. A&G Luxembourg AM, S.A.
Listed derivates	Banco Santander, S.A. <del>Altura Markets. S.V S.A.</del>	Intermediary	ASX (Australia) BM&F CME Group (CME/CBOT/NYMEX/COMEX) EUREX Euronext. LIFFE HKEX ICE Futures Europe ICE Futures US IDEM LME

			MEFF MexDer Montreal OCC Markets (AMEX/CBOE/PHLX) OMLX SFE (Australia) SGX SIMEX TSE/OSE
Non-listed derivatives (Bilateral OTCs)	N/A	N/A	N/A
Structured products	HSBC Bank France. HSBC Bank plc. Société Générale Luxembourg. Leonteq Securities AG. EFG International Finance (Guernsey). Notenstein Private Bank. Raiffeisen Switzerland BV. Barclays Bank Plc. Aurel - BGC Partners Inc HPC Investment Partners - HPC S.A. BBVA, S.A. Goldman Sachs International. Goldman Sachs Group, Inc. Natixis Structured Issuance SA Luxembourg.		

**Appendix III: Approved Brokers used for trading by delegated investment managers on the associated portfolios**

A. Approved Brokers of Lombard

Banque Lombard Odier & Cie SA

B. Approved Brokers of JP Morgan SE

BARCLAYS CAPITAL  
BNP PARIBAS ARBITRAGE  
BNP PARIBAS SECURITIES SERVICE  
CACEIS BANK LUXEMBOURG  
CACEIS BANK, LUXEMBOURG  
BRANCH  
CITIGROUP GLOBAL MARKETS LTD  
OPTIVER VOF  
SUSQUEHANNA FINANCIAL GROUP  
LLP