



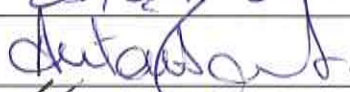
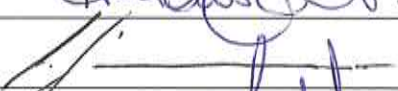
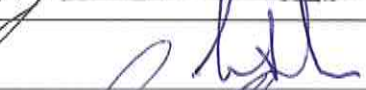
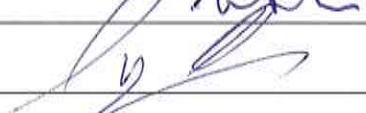
**PRAUDE**  
ASSET MANAGEMENT LTD

# BEST EXECUTION POLICY

## Static Data

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## Approval and Review

Approved by	Board of Directors
Approval Date	25/04/2019
Antonia Zammit	
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## A. Introduction

Praude Asset Management Limited (“the Company”) is committed to ensuring that when providing management services, the Company shall carry out its activities with utmost good faith and integrity and in accordance with the best interests of its Clients when placing orders with other entities for execution (“executing orders on behalf of clients”). The Best Execution Policy (the “Policy”) sets out the arrangements that the Company has implemented to ensure that this is achieved. We have established and implemented policies and procedures including this Policy which are designed to be sufficient to obtain the best possible results for our clients, subject to and taking into account any specific instructions, the nature of the orders and the nature of the markets and the products concerned.

We do not owe our clients any fiduciary responsibilities as a result of the matters set out in this policy, over and above the specific regulatory obligations placed upon us or as contractually agreed with our clients.

The Policy applies to the execution of orders on behalf of clients whom we have classified as our professional clients as we are only licensed to provide investment services to professional clients. This policy does not apply to retail clients.

## B. Execution Factors and Criteria & Execution Venues

When executing orders on behalf of clients, the Company shall take all sufficient steps to obtain the best possible result for its clients, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, market impact, any other implicit transaction costs or any other consideration relevant to the execution of the order. We are under no obligation to obtain the best possible result for each individual order, but we must comply with this Policy and meet the obligation in this process on a consistent basis. Nevertheless, whenever there is a specific instruction from the client, the Company shall execute the order following the specific instruction.

When executing orders on behalf of a client, we must take into account the following criteria for determining the relative importance of the execution factors in the circumstances;

- The characteristics of the client including the categorisation of the client;
- The characteristics of the client order;
- The characteristics of Instruments that are the subject of that order; and
- The characteristics of the execution venues to which that order can be directed.

When executing orders on behalf of clients, the Company shall also take into account the following criteria for determining the relative importance of the factors noted above:

- The execution price without any costs charged to our client;
- The speed and /or likelihood of execution and settlement;
- The impact on market prices of displaying and/or executing an order or part of an order;



- Liquidity of the instrument;
- Any other consideration relevant to the efficient execution of the order; and
- The creditworthiness and market expertise of the execution venue.

### Orders executed outside regulated markets or multilateral trading facility (MTF):

The Company may from time to time execute orders on behalf of clients, outside a regulated market or a MTF. In relation to the clients under which MIFID II provision would apply to the Company shall obtain the express consent of the particular client prior to executing any such orders, unless such a clause is stipulated in the general agreement between the Company and the client.

Subject to any specific instructions taking into account the criteria above, we will generally give the highest priority to net price. The remaining execution factors are generally given equal ranking. Net price is the total consideration paid by the client, representing the price of the financial instrument and the costs related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order. We try to ensure that the least possible fees are charged by the execution venue used.

Where a single venue is used for a particular client, we will explain the different commissions and fees to our client in sufficient details in order to allow the client to understand the advantages and the disadvantages of the choice of a single venue.

### Specific instructions received from clients

Specific instructions from a client may prevent the Company from taking the steps designed and implemented in the Policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

Notwithstanding the above, any specific orders received from clients must be given in writing and will be executed according to the specific request of the client.

Where the client instructs us to execute an order at a particular price, we will not be responsible for selecting the best price for the transaction

Where the client instructs us to execute the order on a particular venue we will not be responsible for selecting the venue;

Where the client instructs us to execute an order at a particular time or over a particular period. Regardless of the price available we will not be responsible for the best execution.

We have a degree of discretion in how to apply the different execution acts and this may result in a range of different permissible approaches to executing an order on behalf of the client. In determining what is the best possible result for the client, we will not compare the result that could be achieved for the client on the basis of our policy and fees with results that might be achieved for you by another investment firm on the basis of that firm's execution policy or a different structure of fees and commissions nor will we

compare the differences in the commissions or fees that we charge to different clients which are attributable to the nature of the services that we provide to each client.

### Mandatory Trading Obligations

In respect of services provided by the Company to clients that would fall within the parameter of the Investment Services Rules for Investment Services Licence Holders which qualify as MIFID Firms the Company must adhere to certain trading obligations when undertaking trades in shares traded on a trading venue. Such a requirement may limit the execution venues we may be able to access when we are executing orders in shares.

We are also subject to derivative trading obligations for investment firms under MIFIR and where required will conclude derivative transactions on a relevant trading venue so as to be in line with the directive.

### Tranches

Orders may be executed in tranches over a period of time (up to several days) or more than one executive venue in order to minimize markets impact and achieve the best result. Where the client has specified parameters, the Company will endeavor to execute a transaction or a series of transactions such that the overall execution is achieved within the specified parameters.

### Program trades

Where the Company executes program trades on the client's behalf, the Company will endeavor to provide the best overall result in relation to the aggregate portfolio rather than in relation to individual transactions within the portfolio.

### Relevant product trades on a Trading Venue

Where the relevant product trades on a trading venue, the Company will not execute relevant orders outside a trading venue unless such execution is beneficial to the client especially in relation to less liquid securities. Executing orders on behalf of clients outside a trading venue enables the Company to access additional liquidity sources but doing so may give rise to additional risk from executing outside regulated venues, such as counterparty risk.

The client is able to request additional information from us regarding the consequences of orders being executed outside a trading venue.

### Execution venues

The Execution venues used by the Company include:

- Axion Swiss Bank SA;
- Société Générale International Limited;
- UBS; and
- Caceis.



This list includes the venues we believe enable us to obtain a consistent basis the best possible result for the execution of orders on behalf of our client based on our ongoing monitoring of the effectiveness of our execution arrangements, this policy and execution results.

We may from time-to-time execute orders on behalf of our clients on venues that are not included in our current list of venues with a view to satisfying the best execution obligation.

For certain products we may conclude that we can comply with our best execution obligation by using a single execution venue.

Where the order is passed through an execution broker based outside of EEA they may not be subject to best execution requirements. We may nevertheless pass the order to them unless either (i) the circumstances require otherwise or (ii) the client explicitly instruct us otherwise.

As the execution venues are set, the characteristics of the execution venue were considered prior to executing any trades on behalf of our clients. The agreements between the Company and the brokers refer to fixed costs for executing trades, therefore the Company does not consider the variable costs of executing trades.

The Company endeavors to negotiate the best possible rates in relation to the costs of executing trades on behalf of clients through the execution venues.

When placing orders with other entities for execution, the Company shall determine whether the other entity is likely to enable the Company to obtain the best possible result for its clients, in particular by considering whether:

- The entity itself is an investment firm within the meaning of Directive 2014/65/EU (MiFID) executing or receiving and transmitting orders on behalf of the Company and the entity has agreed to treat the Company as a retail or professional client;
- The entity will undertake by contract to comply with any or all of the best execution requirements in relation to the relevant business with the result that it has contractual but not regulatory responsibilities for best execution; and
- The entity can demonstrate that it delivers a high level of execution quality for the kind of orders that the Company is likely to place with or transmit to it

### C. On-Going Monitoring

The Board is responsible to ensure that sufficient steps have been taken to achieve the best results for its clients by implementing appropriate and accurate order execution frameworks and policies. For this reason, the Company will ensure that the intended outcomes of this policy can be successfully achieved on an on-going basis.

The Company will also ensure that there are no deficiencies and where these are noted, action will be taken to ensure that they are remedied.

The Company will assess the methods of executions depending on the characteristics of:

- (i) the client;
- (ii) the order (including where it involves a securities financing transaction);
- (iii) the financial instrument; and
- (iv) the execution venues.

In addition, our portfolio managers will monitor the quality of execution achieved by the entities with which orders are placed or transmitted for execution.

The Company will not receive payments for order flows which would result in a conflict of interest or receive banned inducements

In relation to OTC products, the Company will need to assess whether the price quoted is 'fair', taking into account market data on comparable products.

Therefore, the Company will monitor not only the execution quality obtained but also the quality and appropriateness of the execution arrangements and policies on an ex-ante and ex-post basis to identify circumstances under which changes may be appropriate.

Where the results of ongoing execution monitoring show that there are deficiencies or that the results are not proving to be sufficiently adequate the portfolio manager and/or compliance officer shall escalate this matter to the Board of Directors who shall have the duty to ensure that amendments or arrangements are made to improve the process.

## D. Record Keeping

The Company shall retain records to be able to demonstrate the steps taken to obtain the best possible result in accordance with this policy. In addition, the Company shall keep a documented record of any annual or ad hoc review and any corrective actions taken, where necessary. A copy of the agreements with the execution venues and an updated list of approved venues, laid out in this policy shall also be retained. These records are retained at the Company's Business office.

## E. RTS 28

The Company will, with respect to its 'MiFID clients' publish reports on an annual basis of the top five investment firms in terms of trading volumes where it transmitted or placed client orders for execution in the preceding year and the information on the quality of execution obtained and take account of that information and the information published by execution venues on execution quality in their policies on best execution.



## F. Amendment and review of the Policy

The Company shall review the Policy whenever a material change occurs that would affect the Company's ability to continue to obtain the best possible result of the execution of client orders on a consistent basis. Notwithstanding the above, the Policy shall be reviewed at least annually.

In respect of services provided by the Company that would fall within the parameter of the Investment Services Rules for Investment Services Licence Holders the review of this Policy and procedures shall ensure that an assessment is made of the RTS 27 data reported by execution venues, and RTS 28 data reported by brokers, regarding the quality of execution. The Company will not assess published data from further along the execution chain other than the broker.

The Company shall also over time develop a list of qualitative factors used for selecting and reviewing venues or third-party brokers, and embed these across due diligence documents, review processes and policies and strategies applied. The specific factors are likely to vary depending on what the strategy in relation to our clients' portfolio and the classes of instruments traded.

The Company shall also implement a system whereby when carrying out such review it shall take into account new services or products offered by the Company that may affect the Policy.

Any changes to this Policy are subject to Board approval together with the consent of clients. Records of such consent shall be maintained.