

POLICY

Best Execution

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To: CBPQ All Users

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1. BACKGROUND

This policy describes how the bank fulfils its best execution obligation when executing its clients' orders.

This policy applies with effect from 1 January 2018 to client orders relating to products falling within the scope of application of Directive 2014/65 EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (hereinafter the "MIFID II Directive").

In accordance with the Royal Decree of 27 April 2007, 3 June 2007 and 5 June 2007 amending the Law of 2 August 2002, the Belgian Branch is also required to implement a best execution policy in order to execute its clients' orders.

The Branch systematically uses CBPQ Luxembourg to execute client orders. Its best execution policy is based on that of CBPQ Luxembourg, detailed below. This policy is an integral part of the Branch's procedures and is enforced by its employees. The client is made aware of the policy in the appendix to the General Terms and Conditions of the Bank and the Branch entitled "General Information Document", which the client accepts.

1.1. SCOPE

This policy applies to "Private Clients" and "Professional Clients". It does not apply to "Eligible counterparties".

It also applies where the bank receives, executes or transmits an order to another investment services provider on behalf of a client, regardless of that client's country of domicile.

FINANCIAL INSTRUMENTS

- Shares and similar instruments (including futures, options and warrants)
- Fixed-income securities and similar instruments
- Currency derivatives
- Structured products

1.2. LIMITS OF THE BEST EXECUTION OBLIGATION

SPECIFIC INSTRUCTIONS

Where a client gives specific instructions regarding a particular order or aspect of an order, the bank shall make all reasonable efforts to execute the order in accordance with such instructions, even if the instructions prevent the bank from achieving the best possible outcome. However, if a client gives a specific instruction covering a part or aspect of an order, the bank is not exempt from best execution obligations for any other part or aspect of the order.

UNUSUAL MARKET CONDITIONS

This policy does not apply to periods of severe market turmoil and/or internal or external system failure. In such cases, the priority will be the ability to execute orders, then to do so as quickly as possible.

UNWINDING OF PRE-EXECUTION POSITIONS BY CUSTOMERS

Orders already communicated for execution by clients or their agents at a broker and for which the bank's involvement is limited to accounting and liquidation are excluded from the scope of this policy. In this specific case, the bank shall only provide a custodian bank service.

TRANSACTIONS REALISED IN UNDERTAKINGS FOR COLLECTIVE INVESTMENT

Subscriptions, redemptions or conversions of units of Undertakings for Collective Investment and equivalent instruments at net asset value shall be transmitted directly or indirectly to a central administration agent via the bank's only two custodians (BCEE and UBS Luxembourg). These orders shall be transmitted on a best-effort basis.

1.3. BANK COMMITMENTS

Any execution of a client's orders after the client has received the bank's execution policy constitutes explicit acceptance by the client thereof.

This policy describes the execution systems that allow the bank to achieve the best possible outcome for the client under MiFID II.

The bank undertakes to execute its clients' orders in accordance with the execution policy as described below and shall take all reasonable and sufficient measures to achieve the best possible outcome in their execution.

The best execution obligation remains a best-efforts obligation in the absence of a performance obligation. The bank is not required to achieve the best possible outcome for each individual order. In accordance with legislation in force, it must be able to demonstrate to its clients, at their request, that it has executed their orders in accordance with its execution policy, which aims to achieve the best possible outcome for the client.

The bank is authorized, in compliance with the principle of best execution and in order to fulfil a request from the client concerning an order for a non-standardized financial instrument, to execute the order at a venue not included in this order execution policy.

2. BEST EXECUTION

2.1. PRINCIPLES OF BEST EXECUTION

The principle of best execution is laid down in Articles 27 and 28 of the MiFID II Directive. The best execution policy consists of an obligation to execute orders in the best interests of clients. This policy has two main objectives:

- the protection of clients and their interests
- the efficiency of the markets

2.2. FACTORS IN BEST EXECUTION

Best execution means that the bank shall take all reasonable and sufficient steps to achieve, during order execution, the best possible outcome taking into account the following elements:

- **The price of the financial instrument:**
The quality of the price obtained takes into account the size of the order and the available liquidity during processing, so as not to influence the price of the underlying asset.
- **The costs linked to the execution of the order:**
The overall cost of a transaction includes the custodian's settlement costs and the broker fees.
- **Speed of execution:**
The speed of execution is the time required to place an order on the market and complete its execution by the counterparty used by the bank (i.e. the period between the time an order is received by the bank and the time it is executed on the market).
- **Likelihood of execution and settlement**
The likelihood of execution depends on liquidity considerations:
 - Scarcity: some financial instruments are only available to a limited number of financial intermediaries (nature of the client order).
 - Liquidity requirements: some orders are large in relation to available liquidity (size of the client order).

2.3. BEST EXECUTION CRITERIA

Best execution means that the bank must take all reasonable and sufficient measures to achieve the best possible outcome when executing its clients' orders, taking into account the following criteria:

- The client category
- Order characteristics
- The characteristics of the financial instruments to which the orders relate
- The execution venues to which orders may be directed

CLIENT CATEGORY

The bank shall treat all client orders identically, regardless of category.

“Eligible counterparties” do not fall within the scope of this policy. However, in its dealings with such counterparties, the bank shall always act honestly, fairly and professionally and communicate with them in an objective, clear and unequivocal manner.

ORDER CHARACTERISTICS

In some cases, the characteristics or nature of an order may give rise to conditions or restrictions concerning its execution.

EXAMPLES:

STP flows

Equity and fund orders that meet size and liquidity criteria shall be automatically transmitted using STP to the custodian BCEE. This procedure is in line with the present policy.

Transactions in a single execution venue

If, by virtue of its definition, nature or a specific instruction, an order concerns a single execution venue, the bank shall select the counterparty it deems most capable of processing the order.

Order size

All order sizes shall be accepted. However, restrictions may be imposed by the issuer or by applicable national legislation or regulations. If the size of an order risks causing prices to fluctuate, access to liquidity will be a determining factor in the choice of counterparty.

CHARACTERISTICS OF FINANCIAL INSTRUMENTS THAT ARE THE SUBJECT OF ORDERS

The relative degree of importance of the various execution factors for each type of financial instrument:

- Equities and similar instruments (including ETFs, futures, options and warrants)

Execution price	High	The bank shall prioritize counterparties that provide a high-quality execution price, i.e. a price corresponding to the market price at the time the order is placed. A complaint shall be filed in respect of any counterparty that obtains a price outside the market at the time the order is placed.
Total cost	High	The total cost consists of the transaction cost and the settlement cost. The bank shall favor the lowest total cost (transaction cost and settlement cost).
Speed of execution	High	Due to the high volatility of these securities, the bank shall make every effort to ensure that the client obtains the execution price as quickly as possible and shall favor counterparties that provide an optimal execution speed.
Likelihood of execution	High	The bank shall favor counterparties with access to the best sources of market liquidity (market makers, dark pools, etc.), particularly for large orders. The bank shall direct orders to the execution venue that, in most cases, ensures the best price, depending on the size of the order and the liquidity.

- Fixed-income securities and similar instruments

Execution price	High	The bank shall use competitive procedures (RFQ - requests for quotes) in order to obtain the best price.
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Total cost	High	For these instruments, the transaction cost is included in the execution price. Intrinsicly, a satisfactory execution price will signify a satisfactory total cost.
Speed of execution	Average	The markets in which these instruments are traded use MTFs, which require competition among, and trading with, the largest number of counterparties.
Likelihood of execution	High	Due to the low level of liquidity in regulated markets for fixed-income instruments, the bank shall favor the use of MTFs. However, if necessary and in accordance with the General Terms and Conditions and the latest version of the "General Information Document" appended thereto, in the absence of specific instructions, the client expressly authorizes the bank to execute bond purchase and sale transactions outside the regulated markets. To obtain the best liquidity, orders shall be processed during business hours in the geographical regions corresponding to the currency in which the orders are placed.

- Currency derivatives

Execution price	High	The bank shall favor counterparties that provide an execution price in line with the market at the time the order is placed and shall select the counterparty it believes to be most capable of processing the order. When executing orders for OTC derivatives not traded via MTFs, the bank shall verify the quality of the price and keep a record of its verifications.
Total cost	High	For these instruments, the transaction cost (excluding trading margin) is included in the execution price. Intrinsicly, a satisfactory execution price will signify a satisfactory total cost.
Speed of execution	High	Due to the high volatility of these instruments, the bank shall make every effort to ensure that the client obtains the execution price as quickly as possible.
Likelihood of execution	Low	For FX Outright and FX Swap orders, the bank shall favor counterparties that can provide sufficient liquidity, especially for large orders.

- Structured products

Likelihood of execution	High (rank 1)	The likelihood of execution for a new structured product depends on several parameters, chief among which are the nature of the product (complexity, underlying, settlement currency, integrated mechanisms, etc.) and the nominal value of the transaction. Following instructions from the client, CBP Quilvest shall take all necessary steps to select from its list of eligible Manufacturers those that offer the greatest likelihood of executing the order with the best possible outcome for the client. When the client submits a request for quote to CBP Quilvest to buy, resell or restructure a product already issued that is not listed on a regulated market, the only execution venue shall be the initial Manufacturer of the product. In such circumstances, since the bank will be unable to issue a call for bids, it will use the likelihood of execution as the sole criterion to determine best execution and automatically select the initial Manufacturer of the product as the execution venue.
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<p>Execution price</p>	<p>High (rank 2)</p>	<p>Price is always of paramount importance when aiming for best execution.</p> <p>The best price for a new structured product is obtained by freezing all product characteristics except one (or a combination of them), and obtaining the best possible level. This characteristic often tends to be the level of the coupon, but it may also be the level of capital protection (contingent or not), the equity holding, maturity, or any other characteristic that may add value to the structured product.</p> <p>This request is sent to several Manufacturers, who are required to compete to provide the best price level, while complying with the instructions and characteristics of the new product set by CBP Quilvest. Failing specific instructions from the client, CBP Quilvest shall select, from the Manufacturers having quoted a price, the one that will execute the order with the best possible outcome.</p> <p>The bank reserves the right to pool several client orders. Pooling in this way always aims to benefit all clients involved in the transaction. This may occur when the Manufacturer of the product requires a minimum nominal value in order to create the product and cover its fixed costs. The bank may also opt to pool orders so as to increase the nominal value of the transaction and benefit from greater negotiating power with the Manufacturers with a view to improving the parameters of the new structured product. In certain cases beyond the bank's control, this pooling may ultimately result in a lower price for clients than had the bank not opted to pool orders. In any event, the bank shall notify each client of the pooling decision and of the positive or negative consequences that may result therefrom.</p>
<p>Speed of execution</p>	<p>Average (rank 3)</p>	<p>In certain circumstances, factors other than price, such as speed, may become a priority in achieving best execution. For example, when a client gives a firm order to create a new product when market close is imminent, there may be insufficient time allotted to complete the call for bids. In such cases, it is possible that the structured product may not be processed at the best price, but that the best reasonably possible outcome for the client and the transaction may still be achieved.</p>
<p>Total cost</p>	<p>Low (rank 4)</p>	<p>CBP Quilvest pays a fixed settlement fee irrespective of the size of the transaction and the Manufacturer and when the transaction is carried out over the counter (OTC), i.e. directly between the Manufacturer and CBP Quilvest. The bank therefore reserves the right to execute structured product orders outside an organized market (i.e. outside a regulated market or multilateral trading facility). Where applicable, this decision shall be made in the interest of the client and all criteria in the execution policy shall apply.</p>

Money market orders are mainly traded on OTC markets and are executed on the client's sole initiative. An explicit request must be made to the bank for any order relating to money market instruments. The bank shall assess such requests and use them as a basis to communicate a price offer and specific terms and conditions to the client. The transaction shall only be carried out once the client has explicitly accepted the terms and conditions of the transaction.

2.4. EXECUTION VENUES

The bank is not responsible for orders in a market but forwards them to the entities responsible for their execution. The bank receives and transmits orders in the interest of the client. To do so, it shall use brokers (who may be located outside the European Economic Area, the EEA).

In this case, the bank shall determine the final execution venue by giving instructions to the broker and ensuring that the broker has measures in place to ensure best execution.

When a client order is received by the bank, the main execution venues are as follows:

- **Via a trading platform:**

Multilateral Trading Facility (MTF): a regulated multilateral facility operated by an investment firm or market operator that brings together multiple third-party buying and selling interests in financial instruments in a way that results in a contract.

- **Outside a trading venue via selected intermediaries:**

In such cases, best execution takes the form of best selection. The best selection process requires that all necessary steps be taken to obtain the best execution of orders sent to an external entity.

Please note that the bank is not authorized to execute OTC orders without the specific consent of the client. Any transaction outside the market shall expose the client to counterparty risk. This means that if the counterparty becomes insolvent, it may not be able to fulfil its contractual obligations to the client. These counterparty risks are reduced when trading on regulated markets, where the client's counterparty is a central counterparty (CCP). CCPs are subject to financial oversight and a number of risk mitigation measures, such as high capital requirements and collateralization rules that enhance client protection against counterparty risk.

3. BEST SELECTION

The following procedure is in place for selecting counterparties used in trading desk activities.

It aims to ensure higher quality services for clients, in particular by ensuring an objective comparison between the different counterparties, based on criteria defined in advance and likely to vary over time according to business needs.

The trading desk will be able to identify counterparty strengths and weaknesses in order to:

- Improve the overall quality of service provided by existing counterparties
- More easily determine the reasons for blocking or a drop in quality
- Increase the number of counterparties that meet the mandatory level of requirements

3.1. ESTABLISHING A COUNTERPARTY RELATIONSHIP

Before entering into any relationship with a counterparty, the bank shall ensure that the selected counterparty is professional and competent. Counterparties shall be selected on the basis of their reputation, credit quality, human and technical resources, suitability to the market (volumes handled), access to the different markets, experience and the absence of any major sanction in respect of their dealings.

3.2. BEST SELECTION CRITERIA

The bank shall use the following criteria to assess and select brokers or third-party counterparties that will enable it to fulfil its best execution obligation:

- **Criterion 1: Qualitative aspects**
 - Quality of execution (in terms of price, costs, speed of execution, likelihood of execution and settlement)
 - The size and nature of the orders
 - Access to execution venues
- **Criterion 2: Quantitative aspects**
 - Level of brokerage fees
- **Criterion 3: Quality of contact**
 - The quality of the relationship
 - The financial stability of the counterparty
 - The quality of post-trade services

3.3. INTERNAL RATING SYSTEM

Each counterparty will be ranked according to a rating that will be based on the best selection criteria mentioned above.

3.4. THE LIST OF MAIN COUNTERPARTIES SELECTED BY THE BANK

The bank reserves the right to use a venue other than those listed below, if it considers it advisable for the optimal execution of orders.

ASSET CLASS	MAIN INTERMEDIARIES	TRADING PLATFORMS (MTFS)
Equities and similar instruments <i>(including futures and options, warrants)</i>	BCEE, TFS, UBS	
Fixed-income securities and similar instruments	Market Axess, BNP, JP Morgan, ZKB, HSBC	Market Axess, Bloomberg MTF
Currency derivatives	BIL, UBS, BCEE	Bloomberg MTF
Structured products	CREDIT AGRICOLE CIB, HSBC BANK, SOCIETE GENERALE, UBS AG, BNP PARIBAS, BARCLAYS BANK, NATIXIS, RAIFFEISEN SWITZERLAND, GOLDMAN SACHS, CIBC.	Segment « Euro MTF » de la bourse de Luxembourg, segment « Global Exchange Market (GEM) » de Euronext Dublin, SIX Swiss Exchange SA, London Stock Exchange.

3.5. COUNTERPARTY MONITORING AND EVALUATION

The bank shall regularly monitor the effectiveness of this selection policy and, in particular, the quality of execution of the counterparties selected under this policy. Where applicable, the bank shall correct any observed failings and review the selection policy.

Any major change in the conditions proposed by one or more selected counterparties (e.g. a substantial change in pricing, a sudden deterioration of the execution system and in particular a reduction in the scope of the instruments covered, a restructuring likely to give rise to significant operational risks, a change in the systems/tools used, etc.) may trigger a re-examination of this selection policy if it turns out that such a change affects our ability to achieve the best possible outcome.

We shall notify our clients of any major changes to this policy by posting an updated version on our website (www.cbpquilvest.com).

In the absence of internal or external events, the bank shall carry out a review of selected counterparties every year.

The trading desk shall analyze the three aforementioned criteria based on its own information as well as that provided by the Back Office and the Risk and Compliance departments. The results shall then be submitted to the bank's Management Committee, who shall decide whether to retain or exclude each of the counterparties contained on the list of selected counterparties.

3.6. INFORMATION ON THE FIVE MAIN EXECUTION VENUES AND QUALITY OF EXECUTION ATTAINED

In accordance with Delegated Regulation (EU) 2017/576, the bank shall publish each year on its website (www.cbpquilvest.com) the list of the five main execution venues with which it has placed or to which it has transmitted client orders in the previous year, together with its conclusions on the execution quality attained.

4. GENERAL INFORMATION

4.1. GENERAL PRINCIPLES

In accordance with MiFID II, the bank is required to execute its clients' orders fairly and diligently in relation to other client orders and its own commercial interests. Consequently, the bank shall ensure that orders executed on behalf

of its clients are recorded and allocated swiftly and accurately. Orders shall be processed sequentially and in chronological order, except in the following cases:

- when the characteristics of the order or the current market conditions make such a procedure impossible; or
- when it is not in the interest of the client.

In the case of a retail or professional client as defined by MiFID II, the bank is required to inform the client of all the major difficulties arising when it places its orders for execution. Where the bank is responsible for supervising or organizing settlement of an executed order, it shall take all reasonable steps to ensure that its financial instruments or funds are correctly and promptly transferred to its account.

In addition, the bank shall take all reasonable measures to prevent any misuse of information relating to its outstanding orders.

4.2. GROUPING OF ORDERS

With regard to transactions in financial instruments referred to in MiFID II, the bank shall refrain from grouping client orders with own-account transactions.

However, the bank shall be authorized to group orders from different clients. The bank advises clients that, while it is unlikely that this grouping shall work to the overall disadvantage of any one client, it may have an adverse effect in relation to a particular order.

4.3. TRANSMISSION OF ORDERS

When the bank receives and transmits orders, it shall act in the interest of the client at the time such orders are placed or transmitted for execution to external brokers or dealers.

Although the bank shall do everything in its power to ensure fair and prompt execution of orders, the bank advises clients that the channel used to transmit orders (e.g. by post, telephone, email, etc.) may affect the speed of order processing and therefore the outcome achieved on final execution.

Before accepting a purchase order for financial instruments, the bank is required to ensure that the client has in his/her/its account with the bank a sufficient amount allocated for the purchase of financial instruments in the currency of the order.

Before accepting an order to sell financial instruments, the bank is required to ensure that the client has a sufficient number of units of the financial instrument in his/her/its account with the bank.

4.4. MONETARY AND NON-MONETARY INCENTIVES AND BENEFITS

In accordance with the MiFID II recommendations relating to the prevention of conflicts of interest:

- The bank does not hold any direct or indirect equity interests in any of its counterparties (brokers/dealers and MTFs).

The bank has not entered into any agreement on the provision of commission payments in the broadest sense (i.e. monetary or non-monetary), with its counterparties (brokers/dealers and MTFs).

4.5. INFORMATION FOR CLIENTS

Pursuant to MiFID II, the bank shall inform clients of its order execution policy by financial instrument category.

The bank shall comply with the obligation to publish on its website a clear and legible summary of its order execution policy and to provide a copy of this policy to clients on request.

The bank undertakes to carry out an annual review of the effectiveness of the arrangements in place to ensure the best possible outcome in the execution of its clients' orders. It shall correct any failings observed.

The bank shall review this policy at least once a year or at any time where a major amendment is necessary relating to its ability to achieve the best possible outcome for its clients.

The bank shall inform its clients of any major amendments to this policy by posting an updated version on its website (www.cbpquilvest.com).