

Best Selection Policy

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1 Glossary

Term	Description
UCITS	Undertakings for Collective Investment in Transferable Securities as per the definition provided by the law of 17 December 2010
Massena Partners S.A	Management Company as per the definition provided by the law of the 17 December 2010 on UCITS, or hereafter “the ManCo”
AIFM	Alternative investment fund manager as per the definition provided by the law of the 12 July 2013 on AIFM
AIF	Alternative Investment Fund as per the definition provided by the law of the 12 July 2013 on AIFM
Funds	UCITS or AIF managed by the ManCo
Order	Instruction related to a financial instrument within the meaning of the Law
Regulated Market	A multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments - in the system and in accordance with its nondiscretionary rules - in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of the directive 2004/39 on markets in financial instruments.
MTF	Multilateral Trading Facility A multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments - in the system and in accordance with non-discretionary rules - in a way that results in a contract in accordance with the provisions of Title II of the directive 2004/39 on markets in financial instruments.
Material change	A change where its disclosure is necessary to enable the investor to make a properly informed decision about whether to continue utilising the services of the Company.

2 Applicable regulations

Law	Law of 17 December 2010 relating to Undertakings for Collective Investment
	Law of the 12 July 2013 on Alternative Investment Fund Managers
Directive	Directive 2014/91/EU of the European Parliament and of the Council
Regulation	CSSF Regulation 10-04 of 1 st July 2013
	Commission Delegated Regulation (EU) No 231/2013
CSSF Circular	CSSF Circular 12/546 on authorisation and organisation of management companies
Grand Ducal regulation	Grand Ducal regulation of 13 July 2007 relating to organisational requirements and rules of conduct in the financial sector (“the GD 2007”)

3 Purpose of the policy

The present policy aims to support the Due Diligence and Orders Execution policies and set out an overview of Massena Partners (here after the “ManCo”) principles for selecting counterparties whose execution policy will enable them to obtain the best possible result in executing orders.

To achieve best execution, generally, the investment goals, investment policy and risk profiles of the Funds and Clients (hereinafter, the “Clients”) are taken into consideration. The policy considers elements pertaining to the ManCo's strategy, the risk-taking strategy, and the nature, scale and complexity of the ManCo's activities.

As such, Massena Partners does not directly execute orders but routes the orders resulting from its investment decision processes and from orders required by the Clients (under investment advice and RTO mandates to other financial intermediaries for execution, either brokers or in most cases, to the custodian banks where Clients assets are held.

The present policy and its subsequent measures aim to ensure that the ManCo while handling the orders acts in the best interest of the Clients. The requirements implementation ensures to obtain the best results on a consistent and general basis.

It's important to specify that the Manco mainly manages private equity funds (80% of the portfolio) which invest in illiquid assets, for which the present policy will not apply.

This policy integrates the ManCo obligations under the MiFID rules, under the UCITS V Directive 2014/91/EU and all relevant Luxembourg laws, CSSF circulars and regulations, and covers all instruments listed in Section C of Annex 1 of Directive 2004/39/EC, in particular (transferable securities, money-market instruments, units in collective investment undertakings, derivatives).

The current policy applies in full to the ManCo, its branch and subsidiaries

4 Organization

While acting on behalf of the its Clients, the ManCo ensures the best possible execution of orders by transmitting orders for execution to custodian banks. The latter should meet specific requirements (such as creditworthiness, execution quality among other factors) and will apply a best execution policy which complies with the execution factors listed in Section 3.

The ManCo selects entities most likely to deliver the best possible results for its Clients. The ManCo periodically reviews the execution of Clients' orders.

Should a custodian offers additional services, such as research, financial analysis, market and quote information, then the choice of a custodian may be influenced by the quality and robustness of these services, as long as this is in line with the Clients' interests and/or constitutes a significant contribution to the investment decision making process.

Orders to be executed shall be submitted to the corresponding custodian bank. In case where there are several possible intermediaries, the one who offers the best conditions for the relevant transaction shall be selected so as to act in the best interests of the Client.

The Manco does not trade directly with brokers as they are selected by the custodian banks, except for transactions in structured products, for which brokers are selected by the ManCo based on their ability to meet the standards expected in this asset class.

When appropriate, the custodian will provide the ManCo with a best execution report on a monthly basis. This report will be reviewed for adequacy and filed on the common shared drive.

5 Execution factors

To ensure the best possible execution of Clients' orders, the following factors are to be taken into account by the ManCo when selecting a custodian

- Price of the asset to be acquired;
- Total costs, including the execution price and costs incurred thereby (such as brokerage fees);
- Speed of execution;
- Likelihood of execution and settlement;
- Liquidity of the market;
- Size and nature of the order;
- Any other consideration relevant to the execution of the order (post-trade).

The following criteria are considered to determine the relative importance of the factors referred above:

- The objectives, investment policy and risks specific to the Fund as indicated in the Fund's rules or articles of association, prospectus or offering documents of the Fund;
- The characteristics of the order;
- The characteristics of the financial instruments or other assets that are the subject of that order;
- The characteristics of the execution venues to which that order can be directed;
- The market conditions, the market liquidity;
- Further acceptable and/or legally required criteria.

In the case of an investment advice mandate, where the Client give a specific instruction as to the execution of an order, the ManCo will transmit the order for execution in accordance with those specific instructions. These transactions may not specifically meet the ManCo best execution factor considerations, but will be deemed to achieve the best possible result for Clients, and is therefore in compliance with MiFID requirements.

6 Execution venues

Orders transmitted for execution to custodian banks can be executed both in and outside of regulated markets, multilateral trading facilities or organized trading facilities.

Orders and settlement methods shall be established as early and quickly as possible in order to ensure that orders are executed immediately and correctly registered and allocated.

In case of advisory service, the ManCo will inform the client if any difficulty arises in respect to the treatment of an order within a reasonable time.

All orders must be properly documented in order to ensure that the execution has been performed in accordance with the principles laid down in the present policy. When no different execution venues are available, the ManCo is required to explain that there is no choice of different execution venues.

7 Control framework

The Control framework will apply at two levels:

Level 1: Middle Office

The Middle Office ensures that the Clients' orders are transmitted to the Custodian in accordance with the current procedure. It gathers the Best Execution Report provided by the various Custodians and submits it to the Compliance Officer for review.

Level 2: Compliance Officer

The Compliance Officer will ensure that the control is integrated in its supervision tool and that a review is organised to assess if the Best Execution factors are properly followed based on the information received from the Middle Office.

8 Recording and allocation

Orders executed on behalf of the Clients must be promptly and accurately recorded and allocated.

The recording of the order is done in order to track its details. The following details are recorded:

- Date;
- Exact time of the transmission of the order;
- Name or other designation of the person to whom the order was transmitted;
- Name of the person transmitting the order, where applicable;
- The reasons for the revocation of an order, where applicable.

As regards to the aggregation, the ManCo can only carry out an AIF order in aggregate with an order of another AIF, a UCITS or a client or with an order made when investing their own funds where:

- it can be reasonably expected that the aggregation of orders will not work overall to the disadvantage of any AIF, UCITS or Clients whose order is to be aggregated;
- an order allocation policy is established and implemented, providing sufficiently precise terms for the fair allocation of aggregated orders, including how the volume and price of orders determines allocations and the treatment of partial executions.

The following conditions are to be respected:

- Where an AIFM aggregates transactions for its own account (if the case may be) with one or more orders of AIFs, UCITS or Clients, it shall not allocate the related trades in a way that is detrimental to the AIF, UCITS or a client;
- Where an AIFM aggregates an order of an AIF, UCITS or another client with a transaction for its own account (if the case may be) and the aggregated order is partially executed, it shall allocate the related trades to the AIF, UCITS or to Clients in priority over those for own account.

However, if the ManCo is able to demonstrate to the Clients on reasonable grounds that it would not have been able to carry out the order on such advantageous terms without aggregation, or at all, it may allocate the transaction for its own account proportionally, in accordance with the policy referred above.

9 Policy review

This policy will be reviewed at least once a year and approved by the Board of Directors.

The ManCo is monitoring on a regular basis the effectiveness of the best execution rules and of the selected intermediaries, implementing changes as deemed necessary. The review will be also carried out whenever a material change occurs that affects the Management Company ability to continue to obtain the best possible result for the managed Funds. Where no update is required, the Policy will be applied consistently over time.

Appendix 1 – Financial intermediaries for the execution of orders

Appendix 2 – Execution venues