

# PLENISFER INVESTMENTS SGR S.P.A.

## EXECUTION POLICY

### Document Summary

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|----------------|---|
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# 1 GLOSSARY AND DEFINITIONS

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| Acronym/Term      | Explanation / Definition  |
|-------------------|---|
| AuM               | Assets under Management   |
| BoD               | Board of Directors of the Company   |
| CEO               | Chief Executive Officer of the Company  |
| Company           | Plenisfer Investment SGR S.p.A.   |
| Co-CIO            | Co- Chief Investment Officer of the Company   |
| Head of...        | Heads of investment areas (or operational departments) of the Company   |
| Senior Management | The CEO, the General Manager (if any) and the Head of those functions that carry out management supervision duties including, at least, the first reporting line of the CEO (CEO – 1) (first line of defence) |

## 2 INTRODUCTION

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### 2.1 SCOPE

This document set out Plenisfer Investments SGR S.p.A. (the “Company”) order execution policy, in accordance with the requirements of the applicable laws, in particular MIFID II, with respect to the activity of management of collective investments undertakings.

The Company indeed is licenced for individual portfolio management, but currently the service has not yet been activated.

### 2.2 APPLICABLE LAWS AND REGULATIONS

The Objective of the Policy (“the Best Ex Policy”) is to outline the process and the measures that the Company has adopted, which seek to provide the best possible result for its clients, when executing or transmitting orders to the market, market counter-parties and / or other investment companies.

The document follows the provisions of the UCITS Directive, the MIFID II directive, and the related regulations at European and country level.

In particular, the Best Ex Policy is designed to ensure compliance with requirements of the following:

- Article n. 25 of the Commission Directive 2010/43/UE regarding the execution of decisions to deal on behalf of the managed UCITS and Article 26 of the same directive in relation to the placement of orders to deal on behalf of UCITS with other entities for execution and
- Article n. 27 of the Directive 2014/65/UE of the European Parliament and of the Council regarding the obligation to execute orders on terms most favourable to the client and of the related regulations;
- Intermediaries Regulation adopted by resolution No 20307 of 15 February 2018
- Delegated Regulation (EU) No. 231 of 2013
- Delegated Regulation (EU) No. 2017/565

The document has been approved by the Company Board of Directors.

## 3 BEST EXECUTION STRATEGY

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### 3.1 GENERAL PRINCIPLES

The main objective of the Company, while supplying the management of UCITS funds, is to adopt all the sufficient measures to obtain the best possible result for its clients. This does not imply that the best possible result will be achieved in every execution.

The Company defines the Policy with impartiality.

In order to achieve the before-mentioned result, the Company will consider the following relevant factors:

- price,
- market impact,
- market liquidity,
- nature and size of the order,
- costs,
- speed of execution,

- probability of execution and
- settlement as following described.

The Company will determine the relative importance of each factor according to the following criteria:

- As a manager of a CIU, the investment policy, objective, the management style, and the specific risks of the fund;
- The order characteristics (including the case of securities financing transaction);
- The characteristics of the financial instrument being traded;
- The characteristics of the trading venues on which such trade can be executed.

For clarity, the costs referred to above include all the costs directly involved with the order execution including, but not limited to, commissions for the trading venues and counter-parties, costs for matching and settlement and any other cost paid to third party in relation to the order execution. The Best Execution factors will be considered for any security financing transaction.

The Company aggregating transactions on its own account with one or more orders from UCITS, does not allocate related transactions in a manner detrimental to the UCITS. The Company aggregating transactions on its own account with one or more orders from UCITS does not allocate related transactions in a manner detrimental to the UCITS or the client.

About the aggregation of orders with provisions on its own account, the Company have to introduce of safeguards that allow to demonstrate with reasonable arguments the fact that, without the aggregation, the Company could not have executed the order or could not have executed it under the same conditions

The Company will not structure or charge its commission in any way that discriminates unfairly between execution venues.

The Company's Board of Directors may request reporting from Risk and Compliance to evaluate the effectiveness of the Company's order execution strategy and control measures. If appropriate, the Board of Directors may suggest or request management to recommend enhancements to the controls associated with the Company's order execution strategy and / or control measures.

## **3.2 TRADING VENUES**

Client orders may be executed on or outside trading venues.

Trading venues are:

- Regulated markets;
- Multilateral Trading Facilities (MTF);
- Organize trading Facilities (OTF).

Transaction may be executed Over the Counter (OTC) with counter-parties who are one of the following:

- Systematic internalisers;
- Market Makers or other liquidity providers;
- Equivalent trading venues of an extra-European country (which perform in a third country a function similar to those performed by the aforementioned entities).

The Company shall always consider the best interest of the client in the selection of the trade Counter-party.

Since the transactions made outside regulated venues are not subject to the rules defined by the trading venues, execution of orders outside a regulated venue may involve added risks associated with counterparties, settlement and other aspects related to the execution process.

The Company does not receive remuneration by channelling orders to a particular trading or execution venue, nor discounts or non-monetary benefits that violate the rules on conflicts of interest or incentives.

Moreover, the Company does not structure or apply its commissions in a way that leads to undue discrimination between one execution venue and another.

All the locations on which customer orders are executed according to the specific type of financial instrument are listed in Annex B, "List of locations", of this Execution Policy.

### **3.3 BEST EXECUTION FACTORS**

The main factors the Company considers for the purpose of ensuring the best execution of orders are the **price** at which the order is executed and the **costs** in which the Company will occur for the execution of the transaction.

In order to seek Best Execution, the Investments team may consider other factors which, in relation to the size (quantity to be negotiated and estimated value) and the characteristics of the order to be executed (e.g. order related financial instrument listed or unlisted), may be relevant since they influence the determination of the price itself:

- Market impact;
- Liquidity;
- Size and nature;
- Speed of execution;
- Likelihood of execution and settlement.

#### ***Price***

Price is usually the starting point of any negotiation with any counter-party, across trading venues.

As such, the selection of the trading venue for the execution of the trading orders by the Investments team starts with the evaluation of the quality of the prices expressed on or by the available venues and the price action observed, always considering the liquidity and the market depth. For very liquid and standard instruments, price is a larger determinant of best execution, but still there are other factors to consider.

For more complex orders and instruments (including products like OTC derivatives), less liquid instruments or large orders relative to the market depth, other factors than price play more of a role in determining best execution. Where possible, the Investments team will seek out comparative prices, look for additional market volumes or evaluate alternative execution venues or strategies to ensure best execution.

Beyond price, the following factors, among others, play a key role in determining best execution:

#### ***Costs***

With reference to each potential execution venue, the Investments team considers the costs associated with the transactions. In particular:

- the expenses incurred for the remuneration of any third party services (e.g. the stock exchange, the reference intermediaries in the regulated market, the costs related to the activity of a clearing house, the custodian bank), the costs of access to trading venues and generally all expenses directly and indirectly related to the execution of the customer's order (e.g. execution fees, including costs for subscribing, modifying or cancelling orders or expenses for the reimbursement of fund units, as well as any expenses relating to the access to market data or the use of terminals, expenses for clearing or settlement); and
- the costs and commissions connected to the services provided by any external intermediaries used for the transmission of orders to the execution venues.

#### ***Market Impact***

Market impact refers to the effect market participants generate when they buy or sell a financial instrument within the market itself for the specific instrument(s) in question. In the execution of trading orders, the Investments team considers the possible impact on the market, especially for those orders of relevant size.

#### ***Liquidity***

In the execution of orders, the Investments team considers the purchase and sale volumes typically available on the different trading venues and through which liquidity is guaranteed.

### ***Size and Nature of the Order***

In the execution of trading orders, the Investments team analyses the specific characteristics of the proposed orders. In particular, the Investments team takes into consideration the size of the transactions and any particular characteristics of the order, such as purchase order, sales order, order with price limit, order with facilitation, order with scheduled negotiation, order for a security financing transaction or any other characteristic which may be relevant to determine for the execution.

### ***Speed of execution***

The speed indicates the time that elapses between the transmission of the order and its execution in the context of a trading venue. The execution speed, for each trading venue, is mainly determined by the operational characteristics of the trading venue itself.

### ***Execution and settlement risks***

The likelihood an order will be executed in a trading venue depends largely on the liquidity of the financial instrument and the depth of the trading venue. The Investments team takes into account the risks that trading orders may be only partially executed. The Investments team also takes into account settlement risks associated with the financial instrument being traded (so-called "Technical fail").

## **3.4 INTERMEDIARY SELECTION**

The Investments team selects entities with an execution policy consistent with the Best Execution strategy referred to in this document (see Appendix A for the list of intermediaries, which may change from time to time).

In order to verify potential counter-party's execution policies, the Investments team evaluates:

- Whether the entity in question is subject to the MiFID II requirements (or in the case of an entity from outside the EU, if the methods adopted in the provision of order execution services comply with the MiFID II requirements regarding Best Execution) concerning the obligation to execute orders at the most favourable conditions for the customer and
- Whether the entity is able to demonstrate the high quality of execution of orders for the types of transactions envisaged.

Subject to the above criteria, the Investments team may select an entity based on the following criteria:

- Commissions:
  - The Investments team considers the commissions applied by the entity for the execution of the intended orders;
- Organizational structure and Conflict of interest management:
  - The organizational structure and the management of the conflict of interests must ensure the correct and optimal execution of the transmitted orders, as well as comply with the relevant regulations;
- Quality and efficiency of the services provided and in particular, in relation to order execution;
- Capacity of the entity to minimize the total transaction costs, without impacting on the financial strength of the entity itself.
- Level of specialisation in the type of transactions envisaged:
  - The Investments team considers the speed of execution and the capacity to work with unusual volumes;
- Access to the primary market;
- Quality of the settlement phase;
- Financial Strength:
  - The Investments team verifies the financial strength of the entity including, where available, the entity's credit rating.

The Investments team will review its list of approved Intermediaries annually and may add entities to or remove entities from the approved list with the approval of the CEO. Any such changes will be communicated to the Board at the next Board Meeting.

## 4 EXECUTION POLICY

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### 4.1 GENERAL PROVISIONS

In relation to the different type of financial instruments, the Company has identified different models with which to pursue the Best Execution.

In particular, the Company has identified different transmission approaches or execution strategies for each of the following categories:

- Transferable securities:
  - o Equity instruments (company shares and other securities equivalent to company shares, partnerships or other entities and shares depositary receipts);
  - o Money Market Instruments and Debt Instruments (bonds and other debt securities as well as money market instruments, including certificates of deposit relating to these securities);
  - o Any other transferable security that can be acquired or sold or that entails a spot settlement determined with reference to transferable securities, currencies, interest rates or yields, commodities or other indices or measures;
- Derivatives traded on regulated markets of trading venues;
- Derivatives traded OTC;
- Undertakings of Collective Investment units or shares;

#### 4.1.1 Equity Instruments

For this category of financial instruments, the Company adopts the following TRANSMISSION STRATEGY:

- For the transmission of orders to the market, the Investments team leverages on one of the brokers included in the List of Intermediaries (see Annex A, which may change from time to time), according to the related Best Execution Policy (see paragraph 3.4).
- The Investments team will give particular emphasis to monitoring and auditing activities, to document how the Company believes the choices put in place are the most advantageous to the interests of its clients.
- In accordance with Article 23 of Regulation (EU) No. 600/2014 (MiFIR), the Investments team ensures that trades made in equity instruments, admitted to trading on a regulated market or traded on a trading venue, will have a place in a regulated market, multilateral trading facility, systematic internalisers, or in an equivalent third country trading venue.
- Although regulated, equity markets can present some of the challenges regularly faced in OTC markets. Therefore, occasions may arise where approaching more counterparties or using multiple venues might not be appropriate in order to avoid information leakages.

#### 4.1.2 Money Market Instruments and Debt Instruments

For this category of financial instruments, the Company adopts the following EXECUTION STRATEGY:

- The Investments team executes orders on the venues indicated in Annex B (which may change from time to time) to this Execution Policy, according to the protocol defined on the trading venue for each type of financial instrument and considering the Best Execution factors referred to in the previous sections.
- in relation to the nature of the order, the Investments team may rely on an adequate number of intermediaries (chosen among the aforementioned List of Intermediaries), which will be asked for a "quote" on the financial instrument subject of the transaction. In other situations, a broad approach to market venues / counterparties might jeopardise the achievement of the trade objective. In these cases, the trader can adopt different approaches in order to achieve best execution.

- When the Intermediary acts as a "dealer", negotiating on its own positions in an RFQ mode ("request for quote "). Following the pricing communication, on the basis of the criteria indicated in the previous sections, the Investments team will proceed to the subsequent execution of the transaction under the best conditions received.
  - In such a case, the Investments team should not have any expectation on the application of the Best Execution by the Intermediary and on the protection of the Company interests by the dealer.
  - Therefore, it is duty of the Investments team to guarantee the transaction will be carried out under the best possible conditions.
- In certain situations, the abovementioned strategy may not be applied due to the nature of the instrument or the contingent market conditions. In these cases, the trader can adopt different approaches in order to achieve best execution.
  - In particular, a transmission of order strategy may be adopted where an intermediary may be selected (from the list in Annex A) to act as agent of the Company for the transaction. In such case, the Investments team has a legitimate expectation that the Intermediary will act on the basis of its own Best execution strategy, protecting the interests of the Company with the respect to the price, costs and other elements in the execution of the order transmitted.
  - When prices, volumes traded are not available daily and it is therefore impossible to assess a string of relevant prices and volumes, the Company will still seek a reliable price by asking selected counterparties for quotes. If this RFQ process does not produce any viable result, the Investments team can apply to a single counterparty (agency trade) to execute the trade.

#### **4.1.3 Other Transferable securities**

For this category of financial instruments, the Company adopts the following TRANSMISSION STRATEGY:

- The Investments team transmits the orders relating to the instruments listed above to one or more reference intermediaries, selected in accordance with the principles of this Policy.

#### **4.1.4 Derivatives traded on regulated markets or trading venues**

For this category of financial instruments, the Company adopts the following TRANSMISSION STRATEGY:

- Any orders related to this category of financial instruments are transmitted by the Investments team to one or more reference brokers, selected in accordance with the principles of this Policy.
- In accordance with article 28 of Regulation (EU) No. 600/2014 (MiFIR), transactions involving derivatives that are subject to the obligation to be negotiated on a trading venue<sup>1</sup>, will be executed on a regulated market, multilateral trading systems, organized trading systems, or in a third country trading venue assessed as equivalent.

#### **4.1.5 Derivatives traded on OTC**

For this category of financial instruments, the Company adopts the following EXECUTION STRATEGY:

- The Investments team will execute transaction only with authorised counterparties.
- In relation to the type of transaction and bearing in mind the factors and criteria referred to in the previous sections, the Investments team will request quotes and trading conditions for the instrument in question in such a way as to ensure the fairness of the conditions proposed for execution to execute the transaction under the best conditions possible.

#### **4.1.6 UCI units**

For this category of financial instruments, the Company adopts the following TRANSMISSION STRATEGY:

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<sup>1</sup> The complete list is published on the ESMA Public Register for the Trading Obligation for derivatives under MiFIR according to the provision of Commission Implementing Regulation (EU) 2017/241.

- As part of its operations relating to Collective Management, the Investments team operates in units and shares of collective investment undertakings.
- In this regard, the Investments team subscribes the units or shares of collective investment undertakings directly from the corresponding entities or carries out their purchase and sale in the context of secondary markets.
- Such transactions are carried out on the basis of the NAV of the subscription / trading day. The Investments team always seeks, in relation to each transaction and the type of customer, the best commission class applicable to it.

## **5 PERIODIC REPORTING ON THE EXECUTION POLICY**

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Limited to the management of UCITS, the Investments team makes available appropriate information about the order execution strategy and any material changes thereto.

## 6 MONITORING AND REVIEW OF THE EXECUTION POLICY

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The Company's Compliance Function and the Investments Functions verify, during the onboarding phase, that a perspective broker complies with the best execution requirements.

The Company's Risk Function verifies, on a sample basis, that the executed trades prices met the best execution criteria. In the event of a possible violation, the Risk Function reports it to the Investment Committee.. The Company will review the policy at least on an annual basis or whenever a significant event occurs that may materially impact the effectiveness of the policy. An event is considered to be material when it affects the Company's ability to continue to obtain the best possible result for the orders of its client on an ongoing and lasting basis. Annually, the Middle Office updates Annex A) containing the list of authorised brokers.

Updates to this Execution Policies will be approved by the Board of Plenisfer Investments SGR.

## ANNEX A

### LIST OF INTERMEDIARIES / BROKERS

| Broker Name   | Cash and FX Instruments | OTC Trading | Clearing Broker for Listed Derivatives | Executing Broker for listed Derivatives (Give up Agreement) |
|---|-------------------------|-------------|--|---|
| Goldman Sachs Bank Europe, Frankfurt                      |                         | X           |  |   |
| Goldman Sachs International, London                       | X                       |             |  | X   |
| Morgan Stanley Europe SE, Frankfurt                       | X                       | X           |  | X   |
| JP Morgan AG, Frankfurt                                   | X                       | X           | X                                      |   |
| UBS AG, London  | X                       | X           |  |   |
| UBS ESE, Frankfurt  | X                       |             |  | X   |
| Jefferies GmbH, Frankfurt                                 | X                       | X           |  |   |
| Credit Suisse Securities Sociedad De Valores S.A., Madrid | X                       |             |  | X   |
| HSBC France, Paris  | X                       |             |  |   |

|  |                |  |  |   |
|--|----------------|--|--|---|
| Bank of America Securities Europe, Paris     | X              |  |  | X |
| Stifel Europe Bank AG, Frankfurt             | X              |  |  |   |
| StoneX Financial Europe                      | X              |  |  |   |
| Imperial Capital (International) LLP, London | X              |  |  |   |
| Banca Akros, Milan                           | X              |  |  |   |
| BCP Securities LLC, London                   | X              |  |  |   |
| Balanz Capital LLP                           | X              |  |  |   |
| Deutsche Bank AG                             | X              |  |  |   |
| Oppenheimer Europe Limited                   | X              |  |  |   |
| The Seaport Group Europe LLP                 | X              |  |  |   |
| State Street Luxembourg SA (Depository)      | X <sup>2</sup> |  |  |   |

<sup>2</sup> For Fx trading.

# ANNEX B

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## LIST OF EXECUTION VENUES

| Venues               |      |          |     |    |     |
|----------------------|------|----------|-----|----|-----|
|                      | Bond | Equities | ETF | FX | ETD |
| Bloomberg MTF Europe | X    | X        | X   |    | X   |
| FX ALL               |      |          |     | X  |     |
| Tradeweb MTF Europe  | X    |          |     |    |     |