

Crestbridge Management Company S.A.

Best Execution Policy

Version	1.2 effective as from July 28 th , 2020
Dates of review	July 2020 1.2 June 2019 1.1 December 2016 1.0
Approved by the Board on	July 28 th , 2020

1. Applicable Laws

- i) Markets in Financial Instruments **Directive 2014/65/EU** (known as "**MiFID II**") as subsequently amended;
- ii) **Law of 10 May 2016**, transposing Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions; amending: the law of 17 December 2010 relating to undertakings for collective investment, as amended; and the law of 12 July 2013 on alternative investment fund managers, as amended;
- iii) **CSSF 04/146**, of 17.06.2004, Protection of undertakings for collective investment and their investors against Late Trading and Market Timing practices;
- iv) **CSSF 14/585**, of 25.02.2014, Transposition of the European Securities Markets Authority's (ESMA) guidelines on remuneration policies and practices (**MiFID**) - Addition of Annex V to Circular CSSF 07/307;
- v) **CSSF 12/548 (as amended by CSSF 13/565)**, of 31.10.2012, Entry into force of Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps and details on certain practical aspects of notification, disclosure and exemption procedures;
- vi) **CSSF 13/560**, of 19.02.2013, Addition of an Annex IV to Circular CSSF 07/307, transposing the guidelines of the European Securities and Markets Authority (ESMA) concerning Chapter 6 - Suitability test - of Circular CSSF 07/307;
- vii) **Commission Delegated Regulation (EU) No 918/2012 of 5 July 2012**, 05/07/2012, supplementing Regulation (EU) No 236/2012 of the European Parliament and of the Council on short selling and certain aspects of credit default swaps with regard to definitions, the calculation of net short positions, covered sovereign credit default swaps, notification thresholds, liquidity thresholds for suspending restrictions, significant falls in the value of financial instruments and adverse events;
- viii) **Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012**, 14/03/2012, on short selling and certain aspects of credit default swaps;
- ix) **CSSF 14/598**, 02.12.2014, Opinion of the European Securities and Markets Authority (ESMA) on the review of the CESR Guidelines on a Common Definition of European Money Market Funds (CESR/10-049);
- x) **CSSF 14/592**, 30.09.14, Guidelines of the European Securities and Markets Authority (ESMA) on ETFs and other UCITS issues;
- xi) **CSSF 02/77**, 27.11.2002, Protection of investors in case of NAV calculation error and correction of the consequences resulting from non-compliance with the investment rules applicable to undertakings for collective investment.
- xii) **CSSF circular n°18/698** on Alternative Investment Fund Managers (the "CSSF 18/698")

2. Preamble

Crestbridge Management Company (the "**Company**") is licensed by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") as a management company pursuant to Chapter 15 of the 2010 Law (the "**UCITS ManCo**"), as an alternative investment fund manager pursuant to Chapter 2 of the AIFM Law (the "**AIFM**"), and as EuVECA Manager under European Regulation (EU) N° 345/2013 on European venture capital funds.

Where acting as an AIFM, the Company has been authorised to manage AIFs with the strategies listed in annex IV of the Regulation 231/2013, except for the investment strategy "commodity".

In respect to the funds under its management (the "**Funds**"), as UCITS ManCo, the Company assumes three core functions: (i) investment management, (ii) administration, and (iii) distribution. As a third-party UCITS ManCo, the Company always delegates the investment management function.

As an AIFM, the Company has two core functions: (i) portfolio management, and (ii) risk management. For Funds investing in Financial assets (for the purposes of this document, defined as daily traded assets), the Company tends to delegate the portfolio management function. For Funds investing in non-financial assets, depending on the Fund's model, the PM function may or not be delegated.

3. Purpose

The aim of the Best Execution Policy is to provide an overview of how the Company is ensuring that, when dealing with orders, the Company or its delegates act honestly, fairly and professionally, and taking into account the investors best interest.

As mentioned in preamble, the Company may or not delegate the PM function:

- In case of a delegation of the PM function to a Portfolio Manager / Investment Manager (“**IM/PM**”) and if the assets under management are financial assets, the Best Execution monitoring is the combination of Due Diligences (Initial and Ongoing) performed on the delegates along with an Ongoing monitoring of its activity. Refer to the section 4 – Delegated PM Function for more details.
- In case the PM function is not delegated (i.e. the assets under management are not financial assets) or in case of delegation where the assets under management are not financial assets, the Best Execution policy is not applicable except in some special circumstances such as the sales of listed shares of a Portfolio Company as a result of an IPO or after a M&A. Refer to the section 5 – In-house PM Function as applicable.

4. Delegated PM Function

In case of delegation of the PM function and whenever the assets under management are financial assets, the Company monitors the performance of its delegates through initial and periodic Due Diligences on them as well as Ongoing Monitoring of their activities, taking into consideration the following factors:

- Trading price;
- transaction costs;
- likelihood of execution & settlement of trades;
- speed of execution;
- size of the transaction vs market average traded volume.

1. Initial Due Diligence

In the context of the initial Due Diligence on Investment Manager / Portfolio Manager (IM/PM), an assessment of their Best Execution policy is performed by the Compliance team taking into consideration the Fund investment universe and the factors mentioned above.

The result of this assessment is reported to the Company Client Acceptance Committee and to the Company Conducting Officer.

2. Ongoing monitoring

On a quarterly basis, the verification of compliance of the delegate with their Best Execution policy is performed by the Risk Management team via the Quarterly Confirmation sent to the delegates and via the monitoring of the counterparty used as per the Fund’s governing body approval.

The result of this monitoring is reported to the Fund’s governing body by the Risk Management via the AIFM Reports and to the Company Conducting Officer meetings by the Portfolio Management team.

3. Ongoing Due Diligence

In the context of the ongoing Due Diligence on Investment Manager / Portfolio Manager (IM/PM), an assessment of their Best Execution policy is performed by the Compliance team taking into consideration:

- the Fund investment universe;
- the factors mentioned above;
- any change within the policy since the previous due diligence;
- the result of the ongoing monitoring
- a review of the transaction that occurred 6 months prior the Due Diligence

5. In-house PM Function

In case the PM function is kept in house – or in case of delegation of the PM function with assets under management not being financial assets, the Best Execution policy is not applicable.

However, on some special circumstances, a Fund may perform transactions for which the Company has to ensure that a Best Execution policy is applicable – such as the sale of shares of a Portfolio company following an IPO. In such circumstances, the following is applicable:

- Approval of the scope of the transaction (assets to be purchased / sold, minimum / maximum price, broker selected, and broker used...) in a dedicated AIFM Investment Committee and based on an IA recommendation;
- Review of the IA Best Execution policy as per the section 4.1 Initial Due Diligence and 4.3 Ongoing Due Diligence;
- Review of the executed broker's service agreements;
- On an ongoing basis, the monitoring is performed as per section 4.2 Ongoing monitoring.
- An analysis of the transaction is performed on a quarterly frequency at least (depending on the trade's frequency) and taking into consideration the above criteria.

The result of this monitoring is reported to the Fund's governing body by the Risk Management via the AIFM Reports and to the Company Conducting Officer meetings by the Portfolio Management team.