

# Best Execution Policy

## 1. Preamble

Intertrust Fund Management (Luxembourg) S.à.r.l. (the “Company”, “IFML”, the “AIFM”) is a Chapter 16 ManCo and authorized AIFM. The Company was incorporated under Luxembourg law on 7 December 2017 as a private limited liability company (société à responsabilité limitée) in accordance with the Luxembourg law of 10 August 1915 on commercial companies, as amended (the “1915 Law”), and is authorized by the Commission de Surveillance du Secteur Financier (“CSSF”) under chapter 2 of the Luxembourg law of 12 July 2013 on alternative investment fund managers, as amended (the “2013 Law”) and chapter 16 of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment (the “2010 Law”).

The CSSF’s prudential supervision aims to verify that Chapter 16 AIFMs subject to its supervision continuously observe all legal, regulatory and contractual provisions relating to their organization and operation, with the objective to ensure investor protection and stability of the financial system.

## 2. Applicable Regulations

<b>AIFM Law</b>	Luxembourg Law of the 12 July 2013 on alternative investment fund managers, as amended and Luxembourg Law of the 17 December 2010 on undertakings for collective investment
<b>AIFMD</b>	Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers, as amended
<b>Regulation</b>	Commission delegated regulation No 231/2013 of 19 December 2012 supplementing the AIFMD
<b>CSSF Circulars</b>	CSSF Circular 18/698 on authorization and organization of investment fund managers incorporated under Luxembourg law

### 3. Purpose

The Best Execution policy (the “Policy”) outlines the duties of the Company to ensure compliance with the regulatory requirements with respect to “Best Execution” and “Order Handling” and applies to the full range of alternative investment funds (“AIFs”) for which the Company acts as alternative investment fund manager “AIFM”).

Currently, the Company’s AIFs are funds that invest in private equity-, real estate- or hedge fund target funds. In principle, these target funds are not traded on a regulated trading market but can only be ordered at an unknown price (next NAV) or acquired through commitments. Comparative prices do therefore not exist at different trading venues.

In general, the order handling/best execution rules do not apply to an AIFM managing real estate or private equity type AIFs, which shall give the orders under a very detailed process and make the investment decisions after extensive negotiations on the terms of the agreement. In addition, there is no choice of different execution venues for the real estate transaction. In general, the AIFM shall organize the order handling in prompt and accurate way and ensure that all orders are executed sequentially and recorded together with the due diligence material of the investment. The AIFM shall always take reasonable steps to obtain the best possible result for the AIF and its investors and consider the relevant execution of the order. In private equity, best execution can be seen as a detailed due diligence evaluation of the counterparty and of the investment and as a well-established decision-making procedure.

A best execution policy in the classical sense of regulated trading markets is not applicable to this type of AIFs under management. However, the Company has decided to adopt a best execution policy in case of change of the nature of the AIFs to more liquid strategies.

### 4. Scope

The Company’s Best Execution policy applies to the trading decisions that the Company carries out for the AIF managed by it.

The investments governed by the Policy that may be acquired for an AIF are:

- securities,
- money market instruments,
- structured financial instruments,

- fund units,
- derivatives traded on a stock exchange,
- forward rate agreements and all other OTC derivatives relating to eligible assets, and
- alternative assets if these are included as eligible assets in accordance with the legislation.

## 5. Factors of best execution

A best possible result for investors is not just determined by the price of a financial instrument but through a combination of many factors. The factors that are of particular relevance depend on the type of transaction:

- Price of the financial instrument
- Execution costs
- Execution speed
- Likelihood of execution and settlement
- Size of the order
- Nature of the order
- Any other consideration relevant to the execution of the order

For financial instruments being defined as AIF, the best execution principle is not mandatory, but the AIFM promotes where feasible the best execution principle. Where it is not feasible, e.g. real estate investments, private debt, fund of funds, private equity, venture capital and where regulated market trading in the underlying instruments is not available, the principle cannot be implemented on the same basis. A detailed description of the various asset classes is outlined in Annex A of this Policy.

Nevertheless, the Portfolio Manager/Investment Advisor should be implementing the trades on the basis of these guiding principles. The AIFM ensures best execution obligations through a periodical review. Such review will take place on an annual basis and whenever material changes occur that affects the individual AIFs ability to continue to obtain the best possible result for the AIF itself.

Moreover, the AIFM shall ensure through a periodical review that the Delegated Portfolio Manager's best execution policy is effective and in compliance.

The board of directors / board of managers of the general partner of the administered funds shall ensure best execution obligations through a periodical review. Such review will take place on an annual basis and whenever material changes occur that affects the individual AIF's ability to continue to obtain the best possible result for the AIF itself.

Moreover, the board of directors / board of managers of the general partner of the administered AIF, shall ensure through a periodical review that the Portfolio Manager's best execution policy is effective and in compliance. In case the Portfolio Management function is outsourced to an entity which is not subject to a Luxembourg equivalent regulation, a specific mention of respecting best execution rules equivalent to Luxembourg regulation will have to be contractually agreed in writing by the respective parties, if any are missing.

It is the administered AIFs responsibility to ensure appropriate information to investors on the best execution policy and all material changes to such policy. Nevertheless, the Portfolio Managers' application of the best execution policy will be supervised by the AIFM.

## 6. Weighting of Factors

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

## 7. Broker selection process

The Company does not intervene directly in the selection of the financial intermediaries (brokers) who are in charge of executing the orders resulting from investment decision processes but the Company will ensure that the brokers that its clients intend to work with, meet certain pre-established minimum requirements in terms of regulatory supervision, organisational structure, experience, creditworthiness and additional services offered (such as research and market information). In such circumstances the financial intermediary will not be required to obtain the

best possible result for the client although it will always seek to do so within the constraints of the specific instructions.

## 8. Broker and best execution monitoring

The Company regularly checks its procedures in order to achieve the best possible result for the investor. Accordingly, the quality of execution by the selected trading partners (costs, speed and probability of execution) is checked in particular. Any weaknesses identified shall be dealt with and remedied as quickly as possible. In addition, a comprehensive check of the Company's Policy is conducted each year. Such a check is also conducted if a major change occurs that interferes with the ability of the Company to continue to achieve the best possible result for the AIF managed by it.

## 9. Delegation of Portfolio Management Function

In case the Company has delegated the management of the fund's portfolio to a third-party investment manager, the Company's role consists in supervising the investment manager and the way it fulfils its mission.

The Company will ensure that:

- Delegated portfolio management function is supervised by a public authority in their home country, unless the CSSF granted a derogation in accordance with Article 18(1)(c) and (d) of the AIFM Law;
- verify that the delegated portfolio management function is subject to similar obligations as ones in place in Luxembourg;
- a Memorandum of Understanding is signed between the CSSF and the supervisory authority of the country where the delegated portfolio manager resides;
- the delegated portfolio management function has a Best Execution Policy or equivalent in place or deal exclusively with brokers that provide the best execution to their own clients, if applicable; and
- if applicable, select on a periodic basis a reduced sample of transactions initiated by the delegated investment manager and to ensure that the execution of these transactions is satisfactory.

## 10. Annex A – Description per asset class

### - Direct Investments (Private Equity, Debt, Infrastructure, Venture Capital)

In case an investor/a fund invests directly, the dealing terms will be dictated by the price available at the time of the trade. The price is usually negotiated between the counterparties and is not comparable i.e. there is only one price available. Accordingly, it is the timing of the trade that is relevant for best execution purposes. Following a Portfolio Management decision, the transaction-and legal documents or purchase agreements are executed as soon as possible in order to prevent execution slippage or latency.

Direct investments belong to the core assets of the AIFMs clients, and the related investment decision is mostly but not exclusively performed by the AIFM. Such Portfolio Management decisions are not in scope of the classic best execution under MiFID.

### - Real estate

Direct property transactions are carried out either “on market” or “off market”.

On market is where the relevant property is widely or publicly marketed. From a best execution point, the sale price in such case will have been tested through the various offers the seller has received.

Off market is where the buyer and seller agree terms without going through a public marketing process. Transactions may be achieved at a lower cost and more quickly. These transactions are usually bilateral ones. Accordingly, it is again the timing of the trade that is relevant for best execution purposes. Also, the transaction/legal documents are executed as soon as possible after a Portfolio Management decision took place in order to prevent execution slippage or latency. Real estate assets belong to the core assets of the AIFM’s clients, and the related investment decision is mostly but not exclusively performed by the AIFM. Such Portfolio Management decisions are not in scope of the classic best execution under MiFID.

### - Fund Investments (Interest in Partnerships/Alternative Investment Funds, etc.)

Funds may trade via either the primary market or the secondary market.

In the primary market, potential investors will directly contact the fund. No classic purchase takes place since such transaction is commitment based, hence no price exists nor a trading venue etc. More important in this context are the costs associated with the investment, such as legal fees etc. Those fees will be made available upfront an investment decision in order to assess its fairness.

In the secondary market actual buyer and seller of a e.g. partnership interest exists. The price is usually negotiated between the parties. The price is mostly linked to the fair value of the fund/partnership, also possible with a discount or premium depending on the marked conditions. These transactions are bilateral ones and usually it is a single opportunity i.e. no other opportunities are available in order to make a comparison in terms of best execution.

In both cases following a Portfolio Management decision, the transaction and/or subscriptions agreements are executed rapidly in order to prevent execution slippage or latency.

Fund investments (commitment based) belong to the core assets of the AIFM's clients and the related investment decision is mostly but not exclusively performed by the AIFM. Such Portfolio Management decisions are not in scope of the classic best execution under MiFID.