

NOVA INVESTMENT MANAGEMENT LIMITED

BEST EXECUTION POLICY

Approval and Sign-off

Approved by	Position	Version	Date
Board of Directors		1	22 December 2023

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1 INTRODUCTION

1.1 INTRODUCTION

Nova Investment Management Limited (the “Company” or “Nova”) is authorised by the Central Bank of Ireland (the “**Central Bank**”) to act as a UCITS management company under the UCITS Regulations. The Company will, and will procure that any investment manager to whom it delegates portfolio management to, establish, implement and apply procedures and arrangements which ensure that it acts in the best interests of the UCITS under its management (“the Funds”) and the investors in the Funds when executing decisions to deal on behalf of the Funds and/or placing orders to deal with other entities for execution on the Funds’ behalf. “Best execution” means that the Company, or the investment manager where relevant, must take all reasonable steps to obtain, when executing orders, the best possible result for the Funds taking into account various criteria such as price, costs, speed, likelihood of execution and settlement, available execution venues, order size and nature or any other consideration relevant to the execution of the order. The Best Execution Policy (the “Policy”) sets out the procedures which the Company will employ to comply with the relevant legislation and regulatory guidance applicable to the Company.

1.2 SOURCES AND REFERENCES

- Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as may be amended, updated, or supplemented from time to time, (“**UCITS Directive**”);
- Commission Directive 2010/43/EU of 1 July 2010 implementing the UCITS Directive as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a Management Company;

1.3 PURPOSE

The purpose of this Policy is to ensure that:

- Decisions by the Company to deal on behalf of the Funds are executed on terms that are in the best interests of the Funds or the investors in the Funds (“**Best Execution**”);
- The Company or the delegated investment managers act in the best interests of the Fund or its investors when placing orders to deal on behalf of the Fund with other entities for execution (“**Counterparty Selection Process**”);

- Portfolio transactions carried out as part of collective portfolio management on behalf of the Fund are handled in a prompt, fair and expeditious manner (“**Order Handling**”).

1.4 SCOPE

This Policy applies to:

- The Company
- The members of the Board
- Designated Person with responsibility for Investment Management (“DPIM”)
- The staff and secondees of the Company involved in the execution of orders and transactions (including the portfolio management team).
- The delegated investment managers.

The best execution, broker selection and/or order handling requirements of this Policy apply to each Fund order in any type of financial instrument.

2 ROLES AND RESPONSIBILITIES

2.1 BOARD OF DIRECTORS

The Board of Directors is responsible for:

- Approving this Policy
- Maintaining this Policy
- Overseeing the implementation of this Policy

2.2 DESIGNATED PERSON WITH RESPONSIBILITY FOR INVESTMENT MANAGEMENT

The DPIM is responsible for:

- Participating in a regular review of this Policy and advising the Board on any updates;
- Oversight of the delegated investment managers (see section 5).

Where the portfolio management of the Funds is retained within the Company the DPIM is responsible for:

- Ensuring that any points of attention raised during the execution and handling of orders are analyzed;
- Maintaining the list of brokers and other authorised counterparties (“**intermediaries**”);

- Ensuring that the portfolio management team comply with this Policy;
- Defining and maintaining the criteria for the selection of intermediaries (subject to Board approval);
- Reviewing the list of intermediaries on a regular and, where relevant, *ad hoc* basis, and proposing:
 - ✓ The addition of an intermediary to the list of intermediaries
 - ✓ The removal of an intermediary from the list of intermediaries.

2.3 PORTFOLIO MANAGEMENT

The Nova portfolio managers are responsible for:

- Implementing Best Execution and Order Handling in accordance with this Policy;
- Raising any issues identified in the implementation of the Policy to the DPIM.

In the case where investment activity has been delegated, the above responsibilities will be performed by the portfolio managers of the delegated investment managers and supervised by the DPIM of Nova.

2.4 COMPLIANCE

The Compliance Function is responsible for ensuring that this Policy is regularly reviewed both annually and whenever a material change occurs that affects the Company's ability to obtain the best possible result for the Company's Funds.

2.5 RISK

The risk management function monitors the risks related to the execution of this Policy.

The risk management function is involved in the performance of due diligence on delegate investment managers, covering, *inter alia*:

- Best Execution;
- Counterparty Selection Process;
- Order Handling.

3 BEST EXECUTION

The Company shall act in the best interests of the Funds it manages when executing decisions to deal on behalf of the managed Funds in the context of the management of their portfolios. When deciding how and

where best to execute an order, the Company shall take all reasonable steps to obtain the best possible result for the Funds and it will take into consideration a range of factors including the following:

- **Price:** this is the price a financial instrument is or may be executed at;
- **Cost:** this includes all expenses to be incurred by the Fund which are directly relating to the execution of a transaction, and this may include implicit costs such as the possible market impact, explicit external costs e.g., exchange or clearing fees, and explicit internal costs which represent the Company's own remuneration through commission or spread;
- **Speed:** the potential time it might take to execute a transaction;
- **Likelihood of execution and settlement:** the likelihood that the Company will be able to complete a transaction;
- **Size:** this is the size of the transaction, and the Company may take this into account as to how this affects the price of execution;
- **Nature:** this is the nature of the financial instrument and the transaction; and
- **Any other relevant considerations** such as characteristics of execution venues or market impact.

When determining the relative importance of the execution factors, the Company will take into consideration the objectives, investment policy and risks specific to the Funds, as indicated in the Funds' 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 and the characteristics of the execution venues to which that order can be directed.

Where the Company appoints a delegate to carry out any investment management services it will obtain the prior consent of the investment company on the Policy.

4 ORDER HANDLING

The Company will carry out order handling in accordance with applicable requirements and this Policy. The handling of subscription and redemption orders has been delegated to the Administrator. Through its ongoing monitoring and oversight of its' delegates and through the regular reporting provided by the delegates to the Board and Designated Persons, the Company tests that such policy in place with the Administrator are being complied with and the Company has satisfied itself that relying on such policy will enable it to comply with its regulatory obligations.

The Company has established the following order handling procedures for the purposes of complying with its obligations under the UCITS Directive as transposed into Irish law.

The Company shall take all reasonable steps to implement and maintain current and effective procedures (as set out in Appendix I attached hereto) which provide for the prompt, fair and expeditious execution of portfolio transactions on behalf of the Funds under management in the context of collective portfolio management.

Handling of subscription and redemption orders

1. The Company or its delegate on its behalf, when it carries out a subscription or redemption order from an investor will notify the investor, by means of a durable medium applicable to the relevant Fund, confirming execution of the order as soon as possible, and in any event no later than the first business day following execution or, where the confirmation is received by the Company from a third party, no later than the first business day following receipt of such confirmation from the third party.
2. The notice referred to in paragraph 1 above where applicable, will include the following information:
 - (i) the name or other designation of the investor;
 - (ii) the date and time of receipt of the order and method of payment;
 - (iii) the date of execution;
 - (iv) the Fund identification;
 - (v) the nature of the order (subscription or redemption);
 - (vi) the number of units/shares involved;
 - (vii) the unit/share value at which the units/shares were subscribed or redeemed;
 - (viii) the reference value date;
 - (ix) the gross value of the order including charges for subscription or net amount after charges for redemptions;
 - (x) the total sum of the commissions and expenses charged and, where the investor so requests, an itemised breakdown.

3. Where orders for an investor are executed periodically, the Company must either take the action outlined in paragraph 1 above or provide the investor, at least once every six months, with the information listed in paragraph 2 above in respect of those transactions.
4. The Company will supply an investor upon request, with information about the status of its order or acceptance of the subscriptions offer, or both as the case may be.

5 OVERSIGHT OF DELEGATED INVESTMENT MANAGERS

The Company undertakes initial due diligence with respect to each delegated investment manager which shall include an examination of the delegate's best execution and order allocation procedures. The results of this process are then initially approved by the Board. The relevant delegated investment manager is not appointed unless the Board is satisfied that the entity is qualified and capable of undertaking the functions in question in compliance with this policy.

The Company requires in the contractual arrangement (Investment Management Agreement) with each delegate to implement procedures to ensure compliance with the best execution and order allocation requirements set down in the relevant UCITS legislation and this policy on an ongoing basis.

The Company shall carry out periodic onsite visits and/or virtual due diligence of the delegated investment managers. If there are any concerns or issues expressed with the results of an onsite visit, including with respect to compliance with this policy, additional information can be requested and/or onsite visits undertaken by the risk management function, the Organisational Effectiveness (OE) Person or any Director as required.

As part of the Company's investment management oversight programme, the DPIM will receive reporting from the delegated investment managers on an ongoing basis and will review and challenge, where appropriate such reporting in respect of best execution. In addition, the DPIM will carry out their own independent analysis of the delegates' best execution data, which is directly accessible to them as part of the Azimut Group.

The Board has oversight responsibility and shall, with the assistance of the risk management function, the DPIM, Head of Compliance and the OE Person, be responsible for ensuring that each delegated investment manager has taken the appropriate measures in order to comply with this policy.

6 COUNTERPARTY SELECTION PROCESS

The Company or its duly authorised delegate deals with most major broking houses, as well as specialist brokers in local markets. All counterparties must satisfy various credit, contractual and best execution standards to qualify for the list of approved brokers. The list is monitored and reviewed periodically or more frequently if required having conducted a risk assessment of the counterparty. The Company does not have commission targets for brokers used. Broker selection is driven only by the quality and cost of execution. In the case of primary market transactions, counterparty selection will be limited to the broker who presents the opportunity. Please refer to the Company' Due Diligence Policy for the Selection and appointment of Prime Brokers and Counterparties for further information.

7 PROVISION OF INFORMATION TO UNIT HOLDERS

The Company shall provide information to the Funds' unit holders on this Policy (and any material changes to it) upon request.

8 REVIEWS AND UPDATES

The Company will monitor on a regular basis the effectiveness of the Policy and, in particular, shall monitor the execution quality of the entities identified in the Policy and, where appropriate, correct any deficiencies. This Policy will be reviewed at least annually by the Head of Compliance and submitted to the Board of Directors of the Company for approval to ensure compliance with legal and regulatory requirements as well as with any recommendations for Compliance framework improvement (e.g., Internal Audit recommendations, self-identified issues) and whenever a material change occurs that affects the Company's ability to obtain the best possible result for the Company's clients. The Company shall assess whether a material change has occurred and shall consider making changes to the execution venues or entities on which they place significant reliance in meeting the overarching best execution requirement.

A material change shall be a significant event that could impact parameters of best execution such as cost, price, speed, likelihood of execution and settlement, size, nature, or any other consideration relevant to the execution of the order.

More frequent reviews can occur, whenever appropriate due any relevant circumstances (e.g., significant regulatory updates, indications from the industry or requirements by CBI, indications from gap analyses conducted for or by the Company, new national or international guidelines), or if required following the completion of any self-assessment performed by the Company in accordance with applicable legislation.

In the absence of any express amendment, requested by any Director or Head of Compliance, the Policy will be deemed renewed in its current version.