

**Best Execution Policy**

*Effective from 03 July 2023*

**1. Duty to act in the best interests of a Fund<sup>1</sup>**

Trigon Asset Management (hereinafter: “**Trigon**”) as a fund management company has the duty to act in the best interests of Fund when executing orders or placing orders to third parties for execution.

In order to comply with the referred obligation, Trigon has adopted and implements this Best Execution Policy (hereinafter: “**Policy**”) and takes all other reasonable steps to obtain the best possible result while executing orders.

There is however no guarantee that Trigon can comply with this obligation with regards to each and every transaction made on behalf of a Fund. In case an order relates to an instrument with low liquidity or an instrument not tradable on a regulated market then Trigon may not be able to follow the best execution principles set in the Policy and likely high price volatility should be considered.

**2. Executors and execution venues**

Trigon itself does not have access to any trading venue. Therefore, Trigon shall place an order for execution with another entity (brokerage firm) with whom Trigon has entered into a relevant agreement and where Trigon can on a consistent basis obtain the best possible result for the execution (hereinafter “the Executor”). The Executor transfers the order to the trading venue.

However, when transmitting the order to the Executor then it is not in Trigon’s power to control how each individual transaction is executed by the Executor and the Executor follows its own principles set for executing the Orders. Trigon nevertheless applies all reasonable measures to ensure that the Executor executes the order with the best possible result. For this purpose the orders are transmitted to the Executors who Trigon believes to meet the minimal requirements set for the Executors. The Executors are to meet the principles for best execution that Trigon deems effective. Trigon’s supervision over the Executors is further detailed in point 5 of this Policy.

The Executor has direct access to trading venue such as a regulated market, a multilateral trading facility, a systematic internaliser, market makers, other liquidity providers of the EEA member states or a third-country person (including countries outside EEA) that performs a similar duty or function to the duties or functions performed by any of the foregoing persons. The list of approved Executors to whom Trigon places orders is **an appendix to this Policy**.

Securities not tradable on a regulated market or on a multilateral trading facility (e.g. bonds, money market instruments, fixed income instruments, OTC derivatives and other instruments not traded on a regulated market) are executed outside regulated market or multilateral trading facility. Trigon then transmits the order to the Executor who further sends the order to the execution venue for execution.

An order can be executed between Funds if it is in accordance with Investment Fund Act and in the best interests of all Funds.

**3. Factors to consider to achieve the best execution of orders**

To achieve the best execution result Trigon shall take into account the following factors:

- price of the security and costs of the execution (total expenses);
- speed of execution and settlement;

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<sup>1</sup> Fund is defined as each investment fund Trigon manages or renders fund management services.

- likelihood of execution and settlement;
- size and nature of the order (its effect on the market); and
- any other consideration relevant to the efficient execution of the order (including liquidity and the effect that the order could have on market price).

The most important factor for some orders could for example be the speed of execution whereas for other orders with illiquid financial instruments the fact of execution may itself constitute the best execution.

When evaluating the relative importance of the factors referred to in the previous paragraph Trigon shall take into account the following criteria:

- the objectives, investment policy and risks specific to the Fund, as indicated in fund rules;
- the characteristics of the order;
- the characteristics of the financial instruments that are the subject of that order; and
- the characteristics of the execution venues to which the order can be directed.

Normally, an important weight of an order is placed on the total consideration of the order, representing the price of the financial instrument and the costs related to execution, which shall include all expenses incurred which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order. In addition to total consideration of the order, the best possible result may also be determined based on the full range and quality of the service of the Executor.

Where an order can be executed through a single Executor it is assumed that Trigon has satisfied its best execution obligation when placing the order to the referred Executor.

When there is more than one competing Executor that are capable of executing an order and with whom Trigon has entered into a relevant agreement, Trigon shall assess and compare the results for the Fund that would be achieved using each of the Executors. Thereby, Trigon shall take into account Trigon's own commissions (if any) and costs for executing the order on each of the eligible Executors. Trigon shall not structure or charge its commissions in such a way as to discriminate unfairly between Executors.

## **4. Execution of orders**

### **4.1. General principles**

Trigon shall execute orders on behalf of Funds promptly and impartially.

Otherwise comparable orders shall be carried out sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the Fund require otherwise.

Depending on the size of the order, characteristics of the order or general market conditions and if it is in the interests of the Fund then the orders can be executed or transmitted for execution in parts or their execution may be postponed.

### **4.2. Aggregation and allocation of orders**

Trigon may aggregate orders with other orders and the Executors to whom the orders are transmitted may aggregate the orders with other orders according to the rules of the execution venues and their own internal principles.

Orders may only be aggregated by Trigon if Trigon believes that it is unlikely that the aggregation of orders will work to the disadvantage of any Fund whose order is to be aggregated. Even if it is unlikely that the aggregation of orders is disadvantageous for the

Fund, the Fund must take into account that in certain cases when executing a particular individual securities transaction the aggregation may be less favorable for the Fund than if the order was executed separately.

Aggregated order shall be allocated based on the initial orders and applicable average price (*pro-rata*).

If an aggregated order is executed partially, no Fund shall be given preferential treatment when allocating the order. In such case all shall be treated equally and the order shall be allocated to Funds *pro rata* with the initial order (rounding up to the nearest trading lot is allowed).

In certain situations it might be unreasonable to allocate the order *pro rata* (e.g. when *pro-rata* allocation would be economically unreasonable or when a Fund would accordingly receive an unreasonably small amount of securities; due to different investment strategy of the Funds). In such situations Trigon may disregard the rule of *pro rata* allocations but will still strictly follow the principle that all Funds should be treated fairly.

If Trigon aggregates Fund's order with an order made on Trigon's own account or employees personal transaction and the order is partially executed, as first priority the order shall be allocated to the Fund and only then to Trigon/employee. Only in case Trigon is capable of proving that it was the only way that the order could be executed in such good terms or the only way that the execution of the order was possible at all, the allocation of the order could be done *pro-rata*.

Each *non-pro rata* allocation must be motivated, documented and the allocation should be reviewed by the compliance officer.

### **5. Supervision of Executors**

In determining whether an Executor is likely to enable Trigon to obtain the best possible result among others Trigon shall consider:

- Whether the Executor itself is subject to best execution requirements valid in the European Union;
- Whether the Executor has undertaken in the agreement entered into with Trigon to comply with any or all of the best execution requirements;
- Whether the Executor can demonstrate that it delivers a high level of execution quality and has appropriate execution arrangements in place.

In case the Executor has not implemented a relevant best execution policy (e.g. non-EU service providers), it should still comply with minimum requirements relating to acting in the best interests of the Funds and Funds' order execution. When placing orders with such Executors, Trigon shall provide specific instructions to the entity and exercise additional control over how its orders are executed, in order to meet its own obligation to achieve the best possible result.

Trigon assesses the capability of the Executors to achieve the best possible result and the effectiveness and quality of execution on an ongoing basis. In case of any deficiencies, Trigon does its best to eliminate the deficiencies.

### **6. Review of the Policy**

The Policy is reviewed and updated at least once a year or more often, if Trigon finds it necessary. The Policy is available on Trigon's web page [www.trigoncapital.com](http://www.trigoncapital.com) and at the location of Trigon.

Changes in the Policy become effective as of publishing the changed Policy on Trigon's web page, unless Trigon provides a later date.

**Appendix:**

Listed below are the broker-dealers with whom Trigon places security transaction orders for execution. The list below includes the subsidiaries and other companies of the respective group. The list does not prohibit Trigon using other brokerage companies not shown in this list.

<b>Broker-dealer</b>
Ak Yatırım Menkul Değerler A.Ş.
AS LHV Pank
AS SEB Pank
AS Swedbank
Atonline Ltd.
Bank Zachodni WBK S.A.
BCS Prime Brokerage LTD
Concorde Értékpapír Zrt.
Dragon Capital
DZ Privatbank S.A.
Erste Group Bank AG
Eurobank Equities Investment Firm S.A.
FIMA Securities Ltd.
Garanti Securities
First Financial Brokerage House OOD
ILIRIKA borznoposredniška hiša d.d.
InterKapital Vrijednosni Papiri
IPOPEMA Securities S.A.
IS Yatırım Menkul Değerler A.Ş.
mBank S.A.
Patria Finance
Pekao Investment Banking S.A.
PKO Bank Polski S.A.
Raiffeisen Bank International
Santander Brokerage Poland
Swiss Capital S.A.
Wood & Company Financial Services A.S.