

Best Execution Policy

06 August 2021



Calamatta Cuschieri
YOUR PARTNER IN FINANCIAL SERVICES

Calamatta Cuschieri Investment Services Ltd is part of the Calamatta Cuschieri Group. Registered Office: Ewropa Business Centre, Triq Dun Karm, Birkirkara, Malta. Calamatta Cuschieri Investment Services Ltd is licensed to conduct investment services by the Malta Financial Services Authority (MFSA) and is a founding member of the Malta Stock Exchange. Company No: 13729, Vat No 13219224.

ORDER EXECUTION POLICY FOR FINANCIAL INSTRUMENTS

1. Purpose

This Best Execution Policy (“the Policy”) outlines the process that Calamatta Cuschieri Investment Services (‘CCIS’) will follow in executing trades or transmitting orders for execution to a third party on behalf of the Company’s clients. This Policy integrates the Company’s obligations under the best Execution Obligations as governed under the Markets in Financial Instrument Directive (MIFID 11) and the MFSA conduct of business rules. It applies for all financial instruments that can be traded through CC.

This policy document sets out information on arrangements for order execution based on the interpretation of key provisions of the Markets in Financial Instruments Directive (MiFID), the conduct of business rules issued by the Malta Financial Services Authority and any other applicable laws and regulations, by Calamatta Cuschieri Investment Services Ltd (hereinafter referred to as “Calamatta Cuschieri”, “CC”, “we”, “our” or “us”).

2. Scope

Best execution under MiFID applies to retail and professional clients and to all financial instruments dealt in the course of carrying out investment services business in the European Union. It requires Calamatta Cuschieri to take all reasonable steps to consistently obtain the best possible result for clients through the Order Execution Policy. Best execution is a multifactor test, with a requirement for CC to take all reasonable steps to consistently obtain the best possible result for clients through its Best Execution Policy. The Company’s Policy ensures that both regulatory and industry best practices are followed in the criteria that it includes in its definition of best execution, and therefore in the execution venues it uses.

3. Execution Factors

When executing trades or transmitting orders for execution, we will take into account various execution factors whilst taking all reasonable steps to obtain the best possible result. Whilst it is acknowledged that the market for different asset classes may put stress on different aspects of transactions, the below list contains all those execution factors which our traders consider and take into account in its analysis of whether it, or its execution venues, are delivering best execution. Within this context, best execution is viewed holistically, taking account of both quantitative and qualitative factors. In addition, our traders will routinely consider the available execution venues as part of the order execution process. The relative importance of the execution factors are determined by using industry practice and experience, expertise and judgement in light of available market information with the prime aim of prompt, fair and expeditious execution of trades. This applies to all types of financial instrument dealt. Execution factors include, but are not limited to:

- Price
- Cost of execution
- The current liquidity for the relevant instrument
- The size and nature of the order

- Market impact of the transaction
- The quality of order execution
- Execution capability
- Financial status, responsibility and solvency of the counterparty
- Responsiveness of the broker or venue
- The quality and efficiency of the settlement process post execution

4. Execution Criteria

When evaluating the relative importance of the factors referred above of a client's order, CC shall take into account the following criteria:

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

5. Client Categorisation

In general, and particularly for Retail Client Orders, Calamatta Cuschieri will endeavor to achieve the best economic value when executing orders, that is, price of the financial instrument and the expense incurred by the Client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to agents involved in the execution of the order.

In the case of order executions on behalf of Professional Clients and or Eligible Counterparties, price and costs may not necessarily be the determining factors for achieving best execution. Other factors, such as speed, likelihood of execution and settlement size, and market impact, may determine the achievement of best execution.

6. Specific client instructions

In spite of the foregoing, where a Client gives a specific instruction with respect to the execution of an Order, the Order will be executed in accordance with those instructions. Clients should be aware that providing specific instructions may preclude us from taking the steps we have established to enable us to obtain the best possible result for the execution of such Order.

7. Execution Venues

A list of the Trading Venues and Execution Venues used by CC in respect of each class of Financial Instruments is available upon request. The list is reviewed and may change periodically in line with business and regulatory requirements. The Company does not always access Trading Venues directly

but may rely on third party participants (approved counterparties), with whom an agreement is held for the execution of orders to take place. Approved counterparties have to be governed under the same best execution regulatory obligations. Further, with effect from 3 January 2018 the top 5 execution venues we have used to execute orders as well as the top 5 counterparties to which orders were placed or transmitted in terms of trading volumes, in the preceding year, together with information on the quality of execution obtained is made public and available on our website.

8. Choosing an Execution Venue

In order to choose an Execution Venue for a Client Order, CC shall use the following methodology:

- I. When placing Client Orders, CC is required to choose an Execution Venue that CC considers the most appropriate. In doing so, CC must assess the Execution Venues available to identify those that will enable it, on a consistent basis, to obtain the best possible result for executing Client Orders.
- II. When placing a sale Order for Financial Instruments traded on Foreign Stock Exchanges, CC is required to use, as Execution Venue, the services of the correspondent broker holding custody of that Financial Instrument.
- III. CC will not structure or charge its commission in such a way as to discriminate unfairly between Execution Venues.
- IV. CC can also act as the Execution Venue for orders. In such circumstances, we will execute the deal for you by entering into the deal on our own account (as principal) and entering into another deal with you, either matching or improving upon the execution price available from an alternative Execution Venue.

9. Execution Methodology

CC will execute a Client Order by one of the following methods or combination of methods:

- I. *On Exchange* Directly with a Regulated Market or Multilateral Trading Facility or, where CC does not have a direct market access to the relevant Regulated Market or Multilateral Trading Facility, with a correspondent broker with whom CC has entered into an agreement for the execution of Client Orders.
- II. *Outside of a Regulated Market or Multilateral Trading Facility ("Off-Exchange")* Trading a Client Order directly with a Systematic Internaliser or Market-Maker with whom CC has established trading arrangements, or by placing Client Orders with a correspondent broker with whom CC has an agreement for handling Client Orders. CC will obtain the Client's prior express consent before proceeding to execute such Client Order's outside a Regulated Market or Multilateral Trading Facility.
- III. When acting as intermediary in respect of the purchase and/or redemption of units in a collective investment scheme, the procedures indicated in the relative fund's prospectus will apply for Best Execution purposes.

10. Reception and Transmission of Orders

Subject to any specific instructions that clients may give CC, pursuant to the above clauses, CC may transmit an Order received from a Client to a correspondent broker, for the execution of that Client Order. In so doing, CC will act in your best interest in accordance with the terms of this Policy.

11. General terms of Order Handling

CC is required to execute Client Orders in a prompt, fair and expeditious manner. CC will execute comparable Client Orders sequentially in accordance with the time of their reception unless:

- I. Otherwise instructed by the Client;
- II. The characteristics of the Client Order or prevailing market conditions make this impracticable; or
- III. The interests of the Client require otherwise. CC may combine a Client Order with its own and/or orders of other Clients. We will do so only if we believe that the aggregation works overall to the advantage of the clients concerned. However, the effect of aggregation may on some occasions work to your disadvantage. When we aggregate a Client Order, we will promptly allocate the order and will not give an unfair preference to any of those for whom we have dealt.

CC maintains an order allocation policy to provide for the fair allocation of aggregated orders and transactions.

Under no circumstances shall any obligation to you under our best execution policy amount to a condition of any transaction and failure to comply with this best execution policy which is not attributable to fraud, willful default or gross negligence on behalf of CC shall not entitle you to cancel, terminate or rescind any transaction.

12. Review

CC will review its Order Execution Arrangements regularly and it will review its Order Execution Policy at least annually, and whenever a material change occurs that affects CC's ability to continue to obtain the best possible result for its clients. CC will only inform its clients of any material change to its Order Execution Arrangements and/or to this Policy. Alternatively, clients are invited to contact their usual Investment Advisor to obtain the latest copy of CC's Order Execution Policy.

13. Consent

MiFID requires us to obtain your consent to our Order Execution Policy. Prior consent to this policy will be deemed to have been received when a client places an order for execution after the date of this policy.