



SKANESTAS
INVESTMENTS

BEST EXECUTION POLICY

Appendix No 14 to the INTERNAL PROCEDURES MANUAL

1. INTRODUCTION

This Policy operates with the following notions:

'SKANESTAS'- SKANESTAS INVESTMENTS LIMITED;

'Execution of orders on behalf of clients' means acting to conclude agreements to buy or sell one or more financial instruments on behalf of clients and includes the conclusion of agreements to sell financial instruments issued by an investment firm or a credit institution at the moment of their issuance;

'Client' means any natural or legal person to whom an investment firm provides investment or ancillary services;

'Professional client' means a client meeting the criteria laid down in Annex II of MiFID ii;

'MiFID ii' - Markets in Financial Instruments Directive II (MiFID II) 2014/65/EU;

'Retail client' means a client who is not a professional client;

'Multilateral Trading Facility' or 'MTF' means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with Title II of MiFID ii;

'Organised Trading Facility' or 'OTF' means a multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of MiFID ii;

'Trading Venue' means a Regulated market, an MTF or an OTF;

'Direct Electronic Access' (DEA) means an arrangement where a member or participant or client of a trading venue permits a person to use its trading code so the person can electronically transmit orders relating to a financial instrument directly to the trading venue and includes arrangements which involve the use by a person of the infrastructure of the member or participant or client, or any connecting system provided by the member or participant or client, to transmit the orders (direct market access) and arrangements where such an infrastructure is not used by a person (sponsored access);: Art. 4(1)(41) MIFID II Directive.

Skanestas, under its regulatory duty, shall take all sufficient steps to obtain the best possible result for its Clients, taking into account the execution factors, on a consistent basis when executing, placing orders with or receiving and transmitting orders of clients to other entities, such as brokers, for transactions in Financial Instruments and when executing orders on behalf of Clients in the context of portfolio management. Unless specific instructions are given by the Client, Skanestas, as a matter of principle, executes orders on terms most favourable for its Clients and follows the same execution principles for orders given by Clients and for decisions taken by Skanestas in portfolio management. This **primary principle** to obtain best possible results for Clients is referred to as Skanestas' obligation of **Best Execution**.

A separate but related obligation is to implement procedures and arrangements, which provide for the prompt and expeditious execution of Client Orders. Skanestas' **Order Handling Policy** sets the basis on which Skanestas will provide Best Execution in compliance with applicable laws relating to investor protection.

Best Execution Policy and Order Handling Policy of the Company will be collectively referred to as the **Order Execution Policy**.

Skanestas will review at least on an annual basis its Order Execution Policy and its order execution arrangements.

In accordance with MiFID II and the Investment Services and Activities and Regulated Markets Law of 2017 (Law 87(I)/2017) as amended the Company is required to provide its Clients and potential Clients with its Order Execution Policy (hereinafter referred to as the "Policy"). This Policy provides the procedures and methods the Company applies to ensure the prompt, fair and expeditious execution with best trade

execution condition for their Clients, taking into account price, costs, speed, likelihood of execution, size, nature or any other consideration relevant to the execution of the order.

This Policy forms part of the Client's agreement with the Company.

2. BEST EXECUTION POLICY

2.1.1 Scope of Application

Only the Clients categorised as **Retail** or **Professional** fall within the scope of **Best Execution**. In case a client has been categorised as a Retail Client or as a Professional Client, when Skanestas executes orders on its behalf, receive and transmit its orders for execution to third parties and/or place orders with other entities for execution that result from Skanestas decisions to deal in Financial Instruments on the Clients' behalf while providing the service of portfolio management, Skanestas will follow the **Order Execution Policy**.

Skanestas will always apply the principles of Best Execution, where required under applicable law, unless specific instructions received from a Client restrict Skanestas' ability to apply the principles fully. Where there are specific instructions from the Client Skanestas will execute the order following the specific instructions.

In case a Client is categorised as an Eligible Counterparty, although the Order Execution Policy does not apply to this Client, Skanestas, in its relationship with the Client, will act honestly, fairly and professionally and communicate in a way which is fair, clear and not misleading, taking into account the nature of the Client and of the Skanestas business.

The following cases are exempted from the obligation of Skanestas to execute orders on terms most favourable to its Clients:

- a) The client has been categorised as an Eligible Counterparty.
- b) Skanestas executes a Client order or a specific part of that order following Specific Instructions of the Client which relate to that order or part thereof.
- c) The Client posts an order via a Direct Electronic Access (DEA) system: Orders transmitted to a trading platform by DEA are treated as Specific Instructions.

2.1.2 Transactions where Best Execution has Limited Scope

(i) Single venue transactions

The nature of a transaction may result in there being only one venue of execution and therefore the only pricing consideration is time of execution. It therefore precludes the use of comparable prices and the delivery of Best Execution.

(ii) Online trading system transmitting orders to a trading platform by DEA

According to Law L. 87(I)/2017, in the event that Client orders are transmitted via the online trading system to a trading platform by DEA, they will be treated as a specific instruction. To the extent that a client transmits an order by DEA through the systems and the client instruction only relates to part of the order, we will apply Best Execution in accordance with this Policy but only in respect of those aspects of the order not covered by the specific instructions.

(iii) Client Specific Instructions

Any specific instruction of the Client may prevent Skanestas from taking the steps that it has designed and implemented in its Order Execution Policy to obtain the best possible result for the execution of those orders. When the Client's instructions relate to a part of the order, Skanestas applies its Order Execution Policy in respect of the elements that are not covered by such instructions.

If the Client does not provide any instructions, Skanestas will exercise its own discretion regarding the order in accordance with this Policy. The receipt of specific instruction may affect the relative importance

assigned to the various execution factors and prevent Skanestas from taking the steps it has designed and implemented to obtain best execution in respect of the elements covered by such instructions.

2.1.3 Execution Factors and Criteria

Skanestas, in order to achieve the best possible result for the Client when executing orders, takes into account the following Execution Factors by reference to the Execution Criteria set out further below.

(a) Execution Factors

At least the following factors are considered when executing or transmitting orders:

- (i) Price : of the Financial Instrument;
- (ii) Costs: the costs related to the execution (i.e. execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order);
- (iii) Speed: the speed of execution
- (iv) Likelihood of execution and its settlement;
- (v) Size of the order;
- (vi) Type of the Financial Instrument including whether it is executed on a Regulated Market, Multilateral Trading Facility (MTF), or over the counter (OTC);
- (vii) Client's instructions for the execution of the order;
- (viii) Any other consideration relevant to the execution of the order at Skanestas' discretion, e.g. prevailing market conditions, the availability of price improvement (the opportunity of an order to be executed at a better price than way is currently quoted publicly).

Skanestas may take into account, at its discretion, additional factors, such as market conditions, considered at the time relevant for the execution.

Other relevant factors. The Company will take all sufficient steps to obtain the best possible result for its Clients but during times of high demand execution may cause delays in processing an order which in turn can have an impact on the price and speed at which the order is executed.

The Company does not consider the above-mentioned factors to be exhaustive and the order in which the above factors are presented do not reflect any prioritization. For retail and professional clients, the best possible result is determined in terms of the total consideration.

(b) Execution criteria

Skanestas, in order to determine the relative importance of each execution factor referred to above takes into account the following execution criteria:

- (i) The Client's categorisation;
- (ii) The Characteristics of the Client order;
- (iii) The type of the Financial Instrument being the subject of the order; and
- (iv) The characteristics of the execution venues to which the order can be directed.

2.1.4 Importance of Execution Factors in relation to Client Categorisation

Obtaining the best possible result requires prioritising different execution factors relevant to the specific order of the Client. Outcomes for Clients may vary depending on the prioritisation of execution factors in applying the primary principle.

(i) Retail Clients

When executing or transmitting on behalf of a Retail Client, the best possible result is determined in terms of:

- (i) the Total Consideration, which represents the Financial Instrument price and all costs related to the execution;
- (ii) the speed of the execution;
- (iii) the characteristics of the order and of the underlying Financial Instrument;
- (iv) the correctness of the execution.

(ii) Professional Clients

When providing Professional Clients with best execution, Skanestas is not required to prioritise the overall costs of the transaction as being the most important factor in achieving best execution. However Skanestas considers that the most important execution factor for its Professional Clients is also the **Total Consideration** (as defined above). Nevertheless, there may be circumstances where the primary execution factors may vary and price would no longer be the dominant execution factor; for example, for transactions in illiquid securities, likelihood of execution and market impact become more important. The importance of these factors and how they are treated may vary depending on the characteristics of the order, the type of the financial instrument which is the subject of the order and the characteristics of the execution venues to which the order can be directed.

Skanestas cannot guarantee that it will be always possible to execute an order at the best price available due to market conditions, liquidity of the market, but Skanestas will always strive to execute an order in accordance with this Policy.

2.1.5 Execution Venues

Appendix I shows a list of the Execution Venues on which Skanestas considers it enables it to obtain on a consistent basis Best Execution.

In cases where more than one competing venues exist for the execution of an order, Skanestas assesses and compares the results in each one of the execution venues in order to achieve the best possible result for the client. Skanestas will select an execution venue based primarily on the availability of best pricing for the specific Financial Instrument and the amount of accessible liquidity offered by the execution venue.

In some circumstances, depending on the nature and features of the Financial instruments, there may be only one and/ or limited execution venues, and in executing a trade Skanestas shall be deemed to have provided the best possible result in respect of these types of Financial Instruments. In other instances, the Client, may instruct Skanestas to route his order to a particular venue or to use certain order types or access certain liquidity events (e.g. auction or listed bonds or derivatives). In such case, Skanestas will consider additional execution venue criteria, considering but not limited the overall technical and operational offering of an execution venue, connectivity, reliability and clearing requirements as well as the costs of accessing such execution venue.

Skanestas may, subject to Client's express consent, execute orders in an execution venue that is not a Regulated Market or an MTF or OTF. There are consequences of executing transaction outside Regulated Market or an MTF or OTF, including counterparty risk.

Skanestas may execute a Client's order either at an execution venue in which it is a member or, in case it is not, through another broker which is a member and has access to the specific execution venue. In such a case Skanestas takes all reasonable measures to achieve the best possible result based on its order execution policy, ensuring that the other entity has those execution specifications that will allow Skanestas discharge its obligations deriving from its order execution policy.

Skanestas regularly assesses the Execution Venues available in respect of any Financial Instruments that it trades to identify those that will enable Skanestas, on a consistent basis, to obtain the best possible result

when executing Clients' orders taking into account execution factors and criteria. The list of Execution Venues may be updated, if considered necessary, following such assessment, and any changes or updates are posted either through durable medium or on Skanestas' website.

Reporting obligations. Based on the changes introduced by MiFID II and Markets in Financial Instruments Regulation (MiFIR) investment firms who execute Client orders must summarise and make public on an annual basis, for each class of Financial Instrument, the top five Execution Venues in terms of trading volumes where they executed Client orders in the preceding year and information on the quality of execution obtained.

2.1.6 Reception and Transmission of Orders to third parties

Skanestas will generally place or transmit clients' orders via third-party Brokers and Counterparties/ Intermediaries for execution.

The choice of Brokers or Counterparties has a direct impact on price and cost of the execution, thus on Total Consideration. For the selection of brokers and counterparties, Skanestas applies a due diligence process where we take into account the following factors, including but not limited to:

- (i) Whether the Broker or Counterparty is subject to, or has undertaken to comply with MIFID II provisions on Best Execution and its best execution policy;
- (ii) financial soundness and good reputation of the broker and counterparty;
- (iii) good coverage of market venues and mechanisms;
- (iv) access to execution venues or other brokers and counterparties;
- (v) reliability of execution and settlement process;
- (vi) lower cost of execution;
- (vii) broker connectivity, and
- (viii) market share;

Skanestas ensures that the best execution policies and practices of its associates Brokers or Counterparties are compliant with the best execution requirements under MiFID II. In addition, Skanestas regularly monitors and evaluates the quality of services provided by the third party associates during the term of their cooperation.

Skanestas is considered to have taken all sufficient steps so as to obtain the best possible result for its Clients to the extent that it follows specific instructions from its clients, when placing an order with, or transmitting an order to a third party for execution; in this case Skanestas is not required to take any additional measures.

The list of Skanestas' associates may be updated, if considered necessary, following such assessment, and any changes or updates are posted either through Durable Medium or on Skanestas' website.

2.1.7 Execution of orders over-the-counter (OTC)

Skanestas may execute or accept instructions to execute orders in financial instruments traded over-the-counter (OTC). A financial instrument or a transaction is an Over-the-Counter or OTC product or transaction when it is:

- (i) not admitted to trading, or
- (ii) not traded on a trading venue (i.e. a Regulated Market, an MTF or OTF), or
- (iii) traded on a trading venue but transacted on OTC.

When executing orders or taking the decision to deal in OTC products including bespoke products, Skanestas checks the fairness of the price proposed to the Client when executing orders or taking decisions to deal in OTC products, by gathering market data used in the estimation of the price of such products and, where possible, by comparing with similar or comparable products, checking the dealers involved and their firm quotes through ALLQ Bloomberg (All Quotes) function, checking onscreen quotes (Continental Capital, Tradition, GFI, etc), referring to the broker's distribution lists or electronic systems, chat messages (Bloomberg IB), discussing pricing with selected counterparties.

While execution of order over-the-counter may provide an improved execution price and faster execution, the Client shall take into consideration of additional risks may be incurred such as (not limited):

(i) A settlement risk may be incurred as transactions will be subject to counterparty risk and will not be covered by the relevant clearing and settlement rules of a Regulated Market or MTF or OTF and relevant central counterparty clearing house.

(ii) Transactions are not be subject to the rules of Regulated Market or MTF or OTF, which are designed to provide for a fair and orderly treatment of orders.

(iii) However, since most of the OTC transactions of Skanestas in global bonds, foreign bonds or Eurobonds are DVP transactions, the settlement risk is minimized.

Consent for OTC transactions

If the possibility for the execution of an order at over the counter exists, Skanestas will notify the Client of such possibility. However, before proceeding to execute any order for transactions outside a Trading Venue such as OTC, the **prior express client consent** should be received. This consent may be in the form of a general agreement or in respect of individual transactions.

The Client, upon signing Agreement for the provision of services will be deemed to have expressly given his consent to Skanestas for the execution of orders in Financial Instruments outside Regulated Market or MTF or OTF such as in OTC.

2.1.8 Exceptions /Limitations

Under certain circumstances Skanestas may be unable to fulfil its Best Execution obligations in full. However, irrespective of these circumstances Skanestas will make every effort to continue to act honestly, fairly, professionally and communicate in a way that is fair, clear and not misleading. Such circumstances, not exhaustively, are noted herein below.

(i) Extreme market conditions

During extremely volatile markets (e.g market disruption events such as technological failures, political events etc.) an order may be executed at a price substantially different from the quoted best bid or offer or an order may be executed only partially. In the case of a market disruption event, orders may be treated by the market as though Skanestas is acting as an agent with discretion.

In extreme market situations trading system constraints may require automated trading systems to be suspended. Such events may lead to execution delays and increased price volatility. If Skanestas is aware of such circumstances, it will notify its Clients prior to executing or transmitting their orders. Once the Client has agreed to proceed with its order, the most important execution factor becomes executing orders in time.

(ii) Illiquid markets

In case of less actively traded Financial Instruments, Skanestas may not be able to execute orders with the best possible result. Such situations can occur, for example, under the following circumstances:

- (a) supply and/or demand is limited for a given Financial Instrument;
- (b) determination of price is not fully transparent;
- (c) abrupt changes in market prices.

(iii) Extraordinary, unforeseen circumstances

In case of extraordinary, unforeseen circumstances (such as computer system failure, system unavailability at a specific execution venue) which do not permit Skanestas to execute orders on terms most favourable to the client and in line with its Best Execution Policy, the Company will execute orders in the most reasonable manner taking into account those factors which render compliance with its policy impossible.

APPENDIX I: EXECUTION VENUES / BROKERS

The list of execution venues and/or brokers (counterparties) set herein below is non-exhaustive but comprises only the venues on which Skanestas Investments Limited places significant reliance:

Top five execution venues*

Top five execution venues (Retail Clients)

Class of Instrument			Equities and Exchange Traded Funds		
Notification if <1 average trade per business day in the previous year			Y		
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Sberbank CIB (UK) Limited LEI: 549300BKWHXYEXPV0328	49.58 %	26.92 %	N/A	N/A	N/A
Alfa Capital Holdings (Cyprus) Limited LEI: 549300XTCMOUXC51WZ58	20.16 %	34.62 %	N/A	N/A	N/A
MeritKapital Limited LEI: 21380073P7J4PAD91E29	16.56 %	11.54 %	N/A	N/A	N/A
Renaissance Securities (Cyprus) Limited LEI: IK9CLH4U15AXJV22968	10.46 %	3.85 %	N/A	N/A	N/A
Saxo Bank A/S LEI: 549300TL5406IC1XKD09	3.23 %	23.08 %	N/A	N/A	N/A

Class of Instrument			Bonds and other forms of securitized debt		
Notification if <1 average trade per business day in the previous year			Y		
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Raiffeisen Bank Austria LEI: 9ZHRYM6F437SQJ6OUG95	56.14 %	7.84 %	N/A	N/A	N/A

MeritKapital Limited LEI: 21380073P7J4PAD91E29	10.07 %	10.29 %	N/A	N/A	N/A
Saxo Bank A/S LEI: 549300TL5406IC1XKD09	9.85 %	23.04 %	N/A	N/A	N/A
Continental Capital Markets Ltd LEI: 213800M3I5GUTKCDBU47	8.29 %	17.65 %	N/A	N/A	N/A
SIGMA BROKING LTD LEI: 2138004RRDC64K7UD291	4.81 %	13.24 %	N/A	N/A	N/A

Class of Instrument			Derivatives		
Notification if <1 average trade per business day in the previous year			N		
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Valbury Capital Ltd LEI: FJ25I6IOF0UFGIIP9G17	90.69 %	97.28 %	N/A	N/A	N/A
Renaissance Securities (Cyprus) Limited LEI: IK9CLH4U15AXJVV22968	8.99 %	1.51 %	N/A	N/A	N/A
BrokerCreditService (Cyprus) Limited LEI: 5493008C22FNIOQEEF10	0.32 %	1.22 %	N/A	N/A	N/A

Top five execution venues (Professional Clients)

Class of Instrument			Equities and Exchange Traded Funds		
Notification if <1 average trade per business day in the previous year			Y		
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Saxo Bank A/S LEI: 549300TL5406IC1XKD09	75.66 %	75.82 %	N/A	N/A	N/A
ITI Capital Limited LEI: 5493000WY2VYSE5KOS46	16.84 %	14.29 %	N/A	N/A	N/A
MeritKapital Limited LEI: 21380073P7J4PAD91E29	4.51 %	6.59 %	N/A	N/A	N/A
Alfa Capital Holdings (Cyprus) Limited LEI: 549300XTCMOUXC51WZ58	3.00 %	3.30 %	N/A	N/A	N/A

Class of Instrument			Bonds and other forms of securitized debt		
Notification if <1 average trade per business day in the previous year			N		
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Continental Capital Markets Ltd LEI: 213800M3I5GUTKDBU47	19.33 %	18.84 %	N/A	N/A	N/A
Saxo Bank A/S LEI: 549300TL5406IC1XKD09	16.53 %	14.82 %	N/A	N/A	N/A
Raiffeisen Bank Austria LEI: 9ZHRYM6F437SQJ6OUG95	9.95 %	4.27 %	N/A	N/A	N/A
Renaissance Securities (Cyprus) Limited LEI: IK9CLH4U15AXJV22968	9.06 %	5.28 %	N/A	N/A	N/A
SIGMA BROKING LTD LEI: 2138004RRDC64K7UD291	7.87 %	10.55 %	N/A	N/A	N/A

Class of Instrument			Derivatives		
Notification if <1 average trade per business day in the previous year			N		
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Valbury Capital Ltd LEI: FJ2516IOF0UFGFLIP9G17	87.55 %	93.76 %	N/A	N/A	N/A
Saxo Bank A/S LEI: 549300TL5406IC1XKD09	6.88 %	4.89 %	N/A	N/A	N/A
Renaissance Securities (Cyprus) Limited LEI: IK9CLH4U15AXJV22968	5.57 %	1.05 %	N/A	N/A	N/A
BrokerCreditService (Cyprus) Limited LEI: 5493008C22FNI0QEEF10	0.00 %	0.31 %	N/A	N/A	N/A

3.3. Top five execution venues (for all executed client orders in Securities Financing Transactions)

Class of Instrument		Securities Financing Transactions	
Notification if <1 average trade per business day in the previous year		N	
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	
Atonline Limited LEI: 213800PZWYFKIOAGQY35	31.52 %	17.60 %	
MeritKapital Limited LEI: 21380073P7J4PAD91E29	29.72 %	28.80 %	
Alfa Capital Holdings (Cyprus) Limited LEI: 549300XTCMOUXC51WZ58	18.06 %	25.33 %	
Bank Saint-Petersburg PJSC LEI: 253400BEVESMWQRXBQ11	15.19 %	17.87 %	
Loferen Investments Limited LEI: 213800CNFV881YJ6K908	5.18 %	9.33 %	

* - extract from the Annual Top Five Execution Venue Report and Summary of the analysis and conclusions (Reporting for the year of 2017)