

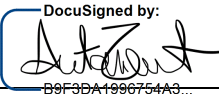
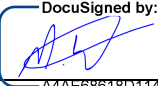
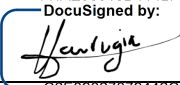


# BEST EXECUTION POLICY

## Static Data

Version	4.1
Last Update	Q1 2024

## Approval and Review

Approved by	Board of Directors
Antonia Zammit	 DocuSigned by: B9F3DA1996754A3...
Michael Vella	 DocuSigned by: A4AE68618D114BA...
Kevin Farrugia	 DocuSigned by: C6E09027079442C...

## Revision History

VERSION	DATE	REVISION AUTHOR	SUMMARY OF CHANGES
4.1	2024.06.04	Eliza Montebello	Annual Update

## Contents

A. Introduction .....	3
B. Execution Factors and Criteria & Execution Venues.....	3
Orders executed outside regulated markets or multilateral trading facility (MTF): .....	4
Specific instructions received from clients .....	4
Mandatory Trading Obligations .....	4
Tranches.....	5
Programme trades .....	5
Relevant product trades on a Trading Venue .....	5
Execution venues .....	5
C. On-Going Monitoring.....	7
D. Record Keeping .....	7
E. RTS 28.....	8
F. Amendment and review of the Policy .....	8

## A. Introduction

Praude Asset Management Limited (“the **Company**” and “**We**”) is committed to ensuring that when providing portfolio management services, the Company shall carry out its activities with utmost good faith and integrity and in accordance with the best interests of its Clients. This Best Execution Policy (the “**Policy**”) will tackle the function of placing orders with other entities for execution (“executing orders on behalf of clients”) and sets out the arrangements that the Company has implemented to ensure that this is achieved. We have established and implemented policies and procedures, including this Policy, which are designed to be sufficient to obtain the best possible results for our clients, subject to and taking into account any specific instructions, the nature of the orders and the nature of the markets and the products concerned.

We do not owe our clients any fiduciary responsibilities as a result of the matters set out in this Policy, over and above the specific regulatory obligations placed upon us or as contractually agreed with our clients.

The Policy applies to the execution of orders on behalf of clients whom we have classified as our Professional Clients as we are only licensed to provide investment services to professional clients. This Policy does not apply to retail clients.

## B. Execution Factors and Criteria & Execution Venues

When executing orders on behalf of clients, the Company shall take all sufficient steps to obtain the best possible result for its clients, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, market impact, any other implicit transaction costs or any other consideration relevant to the execution of the order. Whenever there is a specific instruction from the client, the Company shall execute the order following the specific instruction.

When executing orders on behalf of a client, we must take into account the following criteria for determining the relative importance of the execution factors:

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

When executing orders on behalf of clients, the Company shall also take into account the following criteria for determining the relative importance of the factors noted above:

- The execution price without any costs charged to our client;
- The speed and /or likelihood of execution and settlement;
- The impact on market prices of displaying and/or executing an order or part of an order;
- Liquidity of the instrument;

- Any other consideration relevant to the efficient execution of the order; and
- The creditworthiness and market expertise of the execution venue.

### Orders executed outside regulated markets or multilateral trading facility (MTF):

The Company may, from time to time, execute orders on behalf of clients outside a regulated market or a MTF. In relation to the clients under which MIFID II provisions would apply, the Company shall obtain the express consent of that particular client prior to executing any such orders, unless such a clause is stipulated in the general agreement between the Company and the client.

Subject to any specific instructions, taking into account the criteria above we will generally give the highest priority to net price and speed of execution. The remaining execution factors are generally given equal ranking. Net price is the total consideration paid by the client, representing the price of the financial instrument and the costs 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. We try to ensure that the least possible fees are charged by the execution venue used.

Where a single venue is used for a particular client, we will explain the different commissions and fees to our client in sufficient detail in order to allow the client to understand the advantages and the disadvantages of the choice of a single venue.

### Specific instructions received from clients

Specific instructions from a client may prevent the Company from taking the steps designed and implemented in the Policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

Notwithstanding the above, any specific orders received from clients must be given in writing and will be executed according to the specific request of the client.

Where the client instructs us to execute an order at a particular price, we will not be responsible for selecting the best price for the transaction.

Where the client instructs us to execute the order on a particular venue, we will not be responsible for selecting the venue.

Where the client instructs us to execute an order at a particular time or over a particular period regardless of the price available, we will not be responsible for the best execution.

### Mandatory Trading Obligations

In respect of services provided by the Company to clients that would fall within the parameter of the Investment Services Rules for Investment Services Licence Holders which qualify as MIFID Firms, the Company must adhere to certain trading obligations when undertaking trades in shares traded on a

trading venue. Such a requirement may limit the Company's access to execution venues that may be used to execute orders in various securities..

We are also subject to derivative trading obligations for investment firms under MIFIR and where required will conclude derivative transactions on a relevant trading venue so as to be in line with the Directive.

## Tranches

Orders may be executed in tranches over a period of time (up to several days) on more than one execution venue in order to minimize market impact and achieve the best result. Where the client has specified parameters, the Company will endeavor to execute a transaction or a series of transactions such that the overall execution is achieved within the specified parameters.

## Automated trades

Where the Company executes automated trades on the client's behalf, the Company will endeavor to provide the best overall result across all individual transactions executed in this manner.

## Relevant product trades on a specific Trading Venue

Where the relevant product trades on a specific trading venue, the Company will not execute relevant orders outside this trading venue unless such execution is beneficial to the client especially in relation to less liquid securities. Executing orders on behalf of clients outside a specific trading venue enables the Company to access additional liquidity sources but doing so may give rise to additional risk from executing outside regulated venues, such as counterparty risk.

The client is able to request additional information from us regarding the consequences of orders being executed outside a trading venue.

## Execution venues

The Execution Venues used by the Company are included under Appendix A.

This list includes the venues we believe enable us to obtain a consistent basis the best possible result for the execution of orders on behalf of our client base. Execution Venues are selected by the portfolio management team according to the needs of the Company. A rigorous due diligence exercise is undertaken prior to onboarding, and supplemented with frequent ongoing monitoring which also takes into account the effectiveness of our execution arrangements, this Policy and execution results. As general practice, the Company enters engagements with well-established and reputable venues.

The Company, through various execution venues, has direct access to the market through the systems made available by the brokers used. This means that the risk that the Execution Venue executes an order at a different price to the one inserted by the Company's traders is considerably minimized. The Company's traders have full control on the price at which the trade is executed be it the prevalent current market price or the limit prices set by the traders when placing the orders, which would have been agreed with the Portfolio Manager beforehand. In the same way, consideration is given so as not to move the share prices when volumes available are not very high.

Consideration is given to commission. Following research into brokerage commissions, the Company has agreed fixed commissions across the various venues. This means that irrespective of the venue selected for execution, the commission will be equal for the same asset class. In order to ensure that these commissions are competitive against industry average, the Company continually assess commissions of alternate venues. If more competitive commissions are being offered, then negotiations are entered into with the execution venues to review the cost of trades. With respect to any block trades, a specific commission is set prior to execution with the various venues, again keeping in conformity with the competitive commission pricing.

With respect to speed of execution and settlement, as the Company places trades directly onto the market, there is no consideration for speed of execution by the Execution Venues. In this regard, the Company's traders endeavor to act with utmost efficiency and promptness on every order that is placed in the market. With respect to settlement, the Company ensures that it trades on venues where settlement is correct and within the requirements of the CSDR where applicable.

When trading block trades or large trade volumes, the liquidity of the particular security is taken into consideration.

We may from time-to-time execute orders on behalf of our clients on venues that are not included in our current list of venues with a view to satisfying the best execution obligation.

Where the order is passed through an execution broker based outside of EEA they may not be subject to best execution requirements. We may nevertheless pass the order to them unless either (i) the circumstances require otherwise or (ii) the client explicitly instruct us otherwise.

As the execution venues are set, the characteristics of the execution venue are considered prior to executing any trades on behalf of our clients. The agreements between the Company and the brokers refer to fixed costs for executing trades, therefore the Company does not consider the variable costs of executing trades.

When placing orders with other entities for execution, the Company shall determine whether the other entity is likely to enable the Company to obtain the best possible result for its clients, in particular by considering whether:

- The entity itself is an investment firm within the meaning of Directive 2014/65/EU (MiFID) executing or receiving and transmitting orders on behalf of the Company and the entity has agreed to treat the Company as a retail or professional client;
- The entity will undertake by contract to comply with any or all of the best execution requirements in relation to the relevant business with the result that it has contractual but not regulatory responsibilities for best execution; and
- The entity can demonstrate that it delivers a high level of execution quality for the kind of orders that the Company is likely to place with or transmit to it.

## C. On-Going Monitoring

The Board is responsible for ensuring that sufficient steps have been taken to achieve the best results for its clients by implementing appropriate and accurate order execution frameworks and policies. For this reason, the Company will ensure that the intended outcomes of this Policy can be successfully achieved on an on-going basis.

The Company will also ensure that there are no deficiencies and where these are noted, action will be taken to ensure that they are remedied.

The Company will assess the methods of execution depending on the characteristics of:

- (i) the client;
- (ii) the order (including where it involves a securities financing transaction);
- (iii) the financial instrument; and
- (iv) the execution venues.

The Company will not receive payments for order flows which would result in a conflict of interest or receive banned inducements.

In relation to OTC products, the Company currently does not trade OTC products. Should the situation change, this Policy will be updated accordingly.

Therefore, the Company and /or Compliance Officer will monitor not only the execution quality obtained but also the quality and appropriateness of the execution arrangements and policies on an ex-ante and ex-post basis to identify circumstances under which changes may be appropriate.

Any deficiencies shall be escalated to the Board of Directors who shall have the duty to ensure that amendments or arrangements are made to improve the process.

## D. Record Keeping

The Company shall retain records to be able to demonstrate the steps taken to obtain the best possible result in accordance with this Policy. In addition, the Company shall keep a documented record of any annual or ad hoc review and any corrective actions taken, where necessary. A copy of the agreements with the execution venues and an updated list of approved venues laid out in this Policy shall also be retained. These records are retained at the Company's Business office.



## E. RTS 28

The Company will, with respect to its 'MiFID clients' publish reports on an annual basis of the top five investment firms in terms of trading volumes where it transmitted or placed client orders for execution in the preceding year and the information on the quality of execution obtained and take account of that information and the information published by execution venues on execution quality in their policies on best execution. This report is published approximately 3-4 months following the previous year end on the Company's website: [Best Execution Policy \(praude.com.mt\)](http://www.praude.com.mt)

## F. Amendment and review of the Policy

The Company shall review the Policy whenever a material change occurs that would affect the Company's ability to continue to obtain the best possible result of the execution of client orders on a consistent basis. Notwithstanding the above, the Policy shall be reviewed at least annually.

In respect of services provided by the Company that would fall within the parameter of the Investment Services Rules for Investment Services Licence Holders, the review of this Policy and procedures shall ensure that an assessment is made of the RTS 27 data reported by execution venues and RTS 28 data reported by brokers, regarding the quality of execution. The Company will not assess published data from further along the execution chain other than the broker.

Any changes to this Policy are subject to Board approval together with the consent of clients where changes are material or have an impact, directly or indirectly, on the client. Records of such consent shall be maintained.

## Appendix 1 – Execution venues

The Company makes use of the following execution venues which are listed in no particular order:

Alantra Capital

Ambrosia Capital Hellas

Axion Swiss Bank SA

Banca Akros SPA

Bond Partners Limited

Ashenden Finance SA

ABG Sundal Collier ASA

Baader Bank Aktiengesellschaft

Bankhaus Metzler

Bryan Garnier

Caceis Bank

J&E Davy

Equita SIM SPA

Fearnley Securities AS

Goodbody Stockbrokers Unlimited Company

Intermonte SIM SPA

JB Capital Markets S.V., S.A.

J.P. Morgan Securities plc

Kepler Cheuvreux

KNGMedioBanca Banca di Credito Finanziario SPA

MM Warburg

Quirin PrivatBank

SFI Markets B.V.

UBS Europe SE

Pantelakis Securities S.A.

ÜNLÜ Menkul

This list may be updated from time to time without the approval of the Board. For the sake of clarity, the provisions in clause F do not apply when updating this list.