

# **BEST EXECUTION POLICY**

**Ver. 09/2026**

(approved by the Board of Directors on 21/09/2026)

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## 1. Introduction

Carthesio SA (hereafter CTH, we, our and us) it's a Swiss company regulated by the Swiss Financial Market Supervisory Authority ("FINMA") as Collective Asset Manager. CTH is subject to Swiss law and, as a financial service provider within the meaning of art. 2 para. 1 let. a FinSA, to the conduct rules set out in the Federal Act on Financial Services (FinSA/LSerFi) and its implementing Ordinance (FinSO/OSerFi).

This document (hereafter the "Policy") sets out how CTH discharges its best execution duty. Its primary legal basis is art. 18 FinSA, read together with art. 26 para. 3 FinSA and the relevant provisions of FinSO, as interpreted by FINMA Circular 2025/2 "Rules of conduct under FinSA/FinSO", in force since 1 January 2025.

As a Swiss company, CTH is not subject to Directive 2014/65/EU ("MiFID II"). Where CTH deals with counterparties established in the European Economic Area, it applies the standards described in section 8 on a contractual basis, in order to meet the regulatory expectations of those counterparties. Nothing in that section derogates from the FinSA regime, which prevails.

The Policy also states the division of responsibilities that follows from CTH's operating model, under which client assets are held with custodian banks and CTH acts under an administrative power of attorney.

Please note that by conducting business with us following receipt of this document, the counterparty will be deemed to have consented to the Policy.

## 2. Definition

Best execution is the requirement to take all reasonable steps to obtain, on a consistent basis, the best possible result for our clients in financial, temporal and qualitative terms, as required by art. 18 FinSA. In assessing the best possible result CTH takes into account:

- Price
- Cost
- Speed
- Likelihood of execution and settlement
- Size
- Nature or any other execution consideration.

Specifically for individual portfolio management, in addition to the price of the financial instrument and the elements listed above, CTH also takes into account the costs associated with the execution of the mandate and the remuneration of third parties pursuant to art. 26 para. 3 FinSA. The selection of the financial instrument itself is not governed by this Policy but by the Product Selection and Governance Policy; this Policy governs how a transaction in an admitted instrument is carried out.

### 3. Scope

The Policy applies to clients classified under FinSA as private clients and professional clients. Pursuant to FinSA, the conduct rules, including the best execution duty, do not apply to institutional clients; CTH nevertheless applies the operational standards of this Policy to all mandates, including the collective investment schemes whose management has been delegated to it, in accordance with the contractual and regulatory limits of each scheme.

The Policy covers transactions in financial instruments within the meaning of art. 3 let. a FinSA, including equity securities, debt securities, units in collective investment schemes, structured products and derivatives. It does not cover, for example, FX spot transactions, deposits and physical commodities.

The regulatory obligation to obtain the best possible result applies whenever we execute an order on behalf of a client or receive an order from a client for transmission to a third party for execution.

We owe a duty of Best Execution when we execute transactions on behalf of the client. CTH will be executing transactions on behalf of the client where the client legitimately relies on us to protect its interests in relation to the pricing and other elements of the transaction (such as speed and/or likelihood of execution) that may be affected by the choices we make. This may occur either where we execute a transaction directly or where we place a transaction with (or transmit it to) brokers or other third parties.

#### 3.1 Operating model and division of responsibilities

For individual portfolio management mandates, client assets are held in accounts opened with custodian banks and CTH acts under an administrative power of attorney. CTH does not hold client assets, does not operate accounts and does not settle transactions. Where the custodian bank executes the order, the choice of execution venue lies with that bank and not with CTH even when trades are executed via FIX connection even when trades are executed via FIX connection. In such cases CTH discharges its best execution duty by: assessing, at the outset of the mandate and periodically thereafter, the execution conditions applied by the custodian bank; informing

the client where those conditions appear materially unfavourable; and, where the mandate so permits, transmitting the order to a broker selected in accordance with section 4.

This division of responsibilities limits the scope of the controls CTH is able to perform; it does not limit its duty towards the client. Where CTH is unable to verify a component of the execution quality, it states so and does not represent otherwise.

## **4. How we provide Best Execution**

### **4.1 Selection and monitoring of brokers**

In order to obtain the best possible result for our counterparties, we select and monitor brokers with which we want to execute trades.

At least once a year, the Investment Fund Committee reviews and verifies the credit profiles and the offered services of each brokers in order to establish a selection of brokers.

Risk Manager, with the support of the Compliance Officer, is responsible to draw up a broker list in accordance with the decision of the Investment Committee.

Taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the orders, the Portfolio Manager decides which broker contact without initial preference of any brokers.

For any executed order related to OTC markets, the Portfolio Manager makes an enquiry to different brokers and keeps records of quotes enquired (through Bloomberg functions or asking a written quote).

Risk Manager is responsible to check all enquires are duly stored.

The archive must be made available on request of the client or of the audit firm.

If the Portfolio Manager executing an order performs an enquiry to less than three brokers, he must explain the reason why he does it using the appropriate function on Guardian (Asset Manager Suite).

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

Where an order is placed on behalf of more than one mandate, or on behalf of both a collective investment scheme and one or more individual mandates, CTH aggregates the order in the best interest of the clients.

Partial fills are allocated pro rata to the quantities ordered when it is possible and always in the best interest of the clients. Allocation may not be determined after the outcome of the transaction is known, and may not favour a collective investment scheme managed by CTH over an individual mandate, or the reverse.

### 4.3 Specific client instructions

Where a client gives a specific instruction as to the handling of an order, CTH follows that instruction. To the extent of the instruction, CTH is discharged from its duty to obtain the best possible result, and the client is informed of that consequence before the instruction is acted upon. The instruction and the information given are recorded.

## 5. Monitoring and review

We will monitor the effectiveness of the policy and its implementation in order to identify and correct any deficiencies.

We will undertake a review of the Policy at least annually and will notify the client of any material changes

In line with our commitment to ensuring the effectiveness of our Best Execution Policy, Carthesio performs a quarterly review of best execution, in accordance with applicable regulations requiring intermediaries to periodically monitor the effectiveness of their order execution and transmission strategies, in order to achieve the best possible result for clients.

This quarterly control and review aims to verify that the counterparties used (e.g., brokers, markets) comply with execution quality criteria such as price, costs, speed, and likelihood of execution. In this context, instances of inefficiency identified in both discretionary mandates and investment funds are analysed. The outcome of each quarterly review is recorded in a written report indicating the sample examined, the deficiencies identified and the corrective measures taken, and is submitted to the General Management. Furthermore, with regard to the fund business, a sample-based review of transactions executed during the quarter is conducted.

For each bond selected, justification is required through either BLOT, ALLQ, or documented evidence of Best Execution provided by the broker. Additionally, broker activity is assessed, including any cases involving derivatives and the fulfilment of EMIR obligations where applicable.

## 6. Relationship with other internal policies

This Policy governs how transactions are carried out. The choice of the financial instrument, its admission to the investable universe and the limits applicable to its use are governed by the Product Selection and Governance Policy. Conflicts of interest arising in connection with the selection of brokers, the aggregation and allocation of orders and the remuneration received from third parties are governed by the Conflict of Interest Policy and recorded in the conflict of interest register.

## **7. Ratification and governance**

This Policy is approved by the Board of Directors. The cover page states the version number; the approving resolution states its date and the approving body.

The Policy is reviewed at least annually and whenever relevant regulatory developments or material changes in CTH's activity occur. Superseded versions are retained with an indication of their period of validity, so that it can be established which version was in force at any given time during a period under review.

The Policy is distributed to the staff concerned and acknowledgement of receipt is recorded. The subject matter is covered in the annual training programme.

## **8. Counterparties established in the European Economic Area**

Where CTH deals with counterparties established in the European Economic Area, it applies on a contractual basis the execution standards those counterparties are required to observe under MiFID II, in particular as regards the execution factors listed in section 2 and the monitoring described in section 5. This section is provided for the information of those counterparties and creates no obligation towards them beyond what is agreed contractually. In case of divergence, the FinSA regime prevails.

## Attachment 1

### Operational steps - Fixed Income (collective investment):

1. when possible for each potential trade, launch a price request to the counterparties via the Bloomberg ALLQ function.
2. the trade can be confirmed directly on ALLQ, or left to a counterparty respecting the best execution principles.
3. regardless of how the trade is executed, the counterparty must send the VCON to Carthesio for allocation