



BIL Manage Invest S.A. ("BMI") – Best Execution – Summary of internal policies and procedures

Best execution is the term used to describe the obligation to ensure that all reasonable steps are taken to achieve the best possible result for the client, when either authorizing execution of trades or passing orders to a broker to be executed. In that respect, BMI has set up a set of policies and procedures outlining the principles applicable to the execution of orders on behalf of the funds under its management.

These policies and procedures apply to all funds for which BMI acts as investment fund manager ("IFM"). However, the differences between the various types of assets which BMI's clients are invested in should be taken into account, given that best execution may not be relevant, for instance, when a fund invests in real estate or partnership interests and the investment is made after extensive negotiations on the terms of the transaction documents (i.e., where there is no choice of different execution venues). More particularly:

1. Financial Assets

- For those funds for which portfolio management is delegated to a third-party: Brokers and counterparties are chosen by the third-party/delegate according to its own policies and procedures subject to applicable regulatory provisions. The third-party/delegate shall oversee the investment activities performed by brokers and counterparties with a view to the general principles of best execution as reflected in BMI's best execution policies. To that end, BMI performs due diligence towards the third-party/delegate in relation to the selection of and instruction to brokers and counterparties, while has also established a set of key performance indicators ("KPIs") for the purposes of monitoring whether the brokers and counterparties chosen by the third-party/delegate are subject to policies and procedures that are equivalent to BMI's best execution policies and procedures.
- For those funds for which portfolio management is performed by BMI in-house (i.e., no delegation): BMI uses external brokers and counterparties for the purposes of trading. Given that in these circumstances BMI is not a market facing entity and brokers/counterparties ultimately control the execution of orders through their systems, BMI is owed best execution by them. The broker shall have an execution policy that is consistent with BMI's best execution policies and procedures and that enables BMI to satisfy its obligations or orders transmitted for execution. BMI monitors the quality of brokers and counterparties used and verifies their execution approaches (notably, through specific reporting that is collected from such brokers/counterparties on a monthly basis).

2. Alternative Investments

For alternative investments, in most cases, BMI performs the portfolio management function in-house (i.e., no delegation). BMI's portfolio managers perform a thorough analysis of the valuation assumptions and report on the price drivers of each transaction *vis-à-vis* market practice and comparables before BMI can proceed to the execution of any transaction.