Shelter Investment Management

Best Execution Policy

Best Execution, Best Selection and Execution Venue Monitoring
for UCITS, AIFs, DPM, Advisory and RTO Services

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1. Objective

The purpose of this document is to set out SIM's Best Execution Policy. This Best Execution Policy includes a determination of the scope of the Policy as well as a determination of the criteria and process for the selection of brokers and financial intermediaries to whom orders are delegated for execution on behalf of Clients and Funds (hereafter referred to as "Execution Delegates").

SIM has a MiFID and Luxembourg law based duty to offer Best Execution services when executing transactions for Clients and Funds. This Best Execution Policy applies to:

- the UCITS and AIF investment funds SIM manages;
- certain type of Clients (as described infra) where SIM invests under discretionary portfolio management (DPM) mandate or executes transactions as part of its reception and transmission of orders (RTO) services or offers advisory services.

The "Best Execution" duty means that SIM must take all the reasonable steps to obtain the best possible trade execution results for Clients and for funds it manages, taking into account the factors listed in this Policy, including price, costs, speed, likelihood of execution and settlement, size, nature and any other relevant consideration.

SIM adheres to the most stringent standards of integrity in executing Fund and Client's orders. SIM always takes sufficient steps to obtain the best possible result for its Clients, while taking into consideration the relevant execution factors mentioned above.

2. Information to Investors

SIM provides investors with up-to-date information on this Best Execution Policy:

- For DPM and advisory mandates and RTO services, this Best Execution Policy is accepted by the Clients under the contract signed at the start of the business relationship. Clients are also informed about material changes to this Policy.
- For funds, the Best Execution Policy can be requested via SIM's website and is described in the offering documentation available for investors (Shelter Funds SICAV prospectus).
- SIM produces the annual RTS28 reports (top 5 venues + quality of execution) as required by MiFID regulations and makes this available through its website.

3. Legal Background

SIM has aligned its Best Execution Policy with the current best practices and in accordance with the following applicable regulations:

3.1 For UCITS

- CSSF Regulation 10-04
- CSSF Circular 18/698

3.2 For DPM & RTO

- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (MiFID II)
- Commission Delegated Regulation (EU) 2017/565 supplementing MiFID II

3.3 For AIFs

- European Directive 2011/61/EU (AIFMD) – Article 12
- Luxembourg Law of 12 July 2013 transposing the AIFMD (Articles 25 and 27)
- EU Commission Delegated Regulation of 19 December 2012 supplementing the AIFMD
- EU Commission Delegated Regulation of 25 April 2016 supplementing MiFID II regarding organisational requirements and operating conditions for investment firms
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014
- CSSF Circular 07/307
- Luxembourg Law of 5 April 1993 on the financial sector

4. Scope

This Best Execution Policy applies to:

- Financial instruments according to annex I of MiFID Directive 2004/39/CE (i.e. equities, bonds, derivatives, money market instruments, financial contracts for differences, etc.).
- All Non-Professional and Professional Clients, excluding Eligible Counterparties, regarding SIM's discretionary management mandates and RTO services. Eligible counterparties may specifically request to be treated as a Professional or Non-Professional client and thus be covered by SIM's best execution duty.
- All Funds managed by SIM whether in UCITS or AIF format, also in case SIM delegates the management of such funds to an investment manager.

This Policy is to be read in conjunction with SIM's MiFID and MAR and SIM's UCITS and AIF Policies for a complete understanding of all the relevant procedures and its scope of application.

5. Responsibilities

This section sets out the responsibilities of each governance level with respect to Best Execution oversight.

5.1 Board of Directors

Topic	Responsibility	Frequency / Trigger
Best Execution Policy	Approve the Best Execution Policy and any material amendments	Annual / Ad hoc
Oversight of Execution Quality	Review and challenge Exco reporting on best execution monitoring results	Annual
Execution Delegate List	Approve the list of authorised Execution Delegates	Annual / Ad hoc

RTS 28 Report	Review annual RTS 28 reports before publication	Annual

5.2 Executive Committee (Exco)

Topic	Responsibility	Frequency / Trigger
Policy Maintenance	Responsible for the monitoring and updating of the Best Execution Policy	Annually / Ad hoc
RTS 28 Production	Ensure production of annual RTS 28 reports (top 5 venues + quality of execution) and publication	Annually
Trading Procedures	Implement trading procedures including systematic review, reporting and escalation by the investment team of the quality of Best Execution	Ongoing
Execution Delegate Selection	Apply selection criteria and perform due diligence when onboarding a new Execution Delegate and annually on existing delegates	Initial + Annually
Trade Records	Ensure that trade records are kept that allow for controls on Best Execution at any stage	Ongoing
Execution Venue Monitoring	Monitor the execution venues used by Execution Delegates to ensure alignment with Best Execution requirements	Annually
Escalation	Escalate to the Board of Direcrtors any identified material breach of Best Execution obligations by an Execution Delegate	Ad hoc

5.3 Head of Investments / Trade Execution Team

Topic	Responsibility	Frequency / Trigger
Order Execution	Execute and transmit orders to Execution Delegates in accordance with this Policy	Per transaction
Post-Trade Checks	Perform systematic random post-trade checks on execution quality (price, cost, speed)	Daily / Weekly
Execution Factor Analysis	Analyse execution factors and report deviations from	Quarterly (as of Q3 2026)

	expected benchmarks to Exco	
Market Intelligence	Monitor market conditions and advise on execution venue selection	Ad hoc
Trade Documentation	Maintain complete trade records including timestamps, venues, and execution parameters	Per transaction
Best Execution Controls	Perform quantitative controls on best execution factors against defined thresholds	Annually

5.4 CO in Charge of Compliance

Topic	Responsibility	Frequency / Trigger
Policy Compliance Review	Review this Policy for regulatory compliance and alignment with MiFID II / UCITS / AIFMD	Annual
Execution Monitoring	Independently verify the quality and consistency of best execution monitoring performed by the investment team	Semi-annual
Client Communication	Ensure clients are duly informed of this Policy and any material changes thereto	Ad hoc
RTS 28 Oversight	Oversee the completeness and accuracy of RTS 28 reports	Annual
Regulatory Reporting	Coordinate any regulatory reporting or responses related to best execution queries	Ad hoc

5.5 Internal Audit

Topic	Responsibility	Frequency / Trigger
Policy Effectiveness	Assess the effectiveness of the Best Execution framework as part of the annual audit plan	Annual
Controls Testing	Test the design and operating effectiveness of best execution controls and thresholds	Annual
Recommendations	Report findings and recommendations to the Board of Directors	Annual

6. Internal Setup

This Best Execution Policy is approved by the Board of Directors of SIM who is ultimately responsible for this Policy.

The Exco of SIM:

- is responsible for the monitoring and updating of the Best Execution Policy and the production of the RTS 28 reports on an annual basis. SIM's Compliance function reviews this Policy;
- has implemented trading procedures that include a systematic review, reporting and escalation by the investment team of the quality of the Best Execution for Orders;
- ensures that the selection criteria are applied and a due diligence is performed when onboarding a new Execution Delegate and annually on the existing Execution Delegates;
- ensures that trade records are kept that allow for controls on Best Execution at any stage.

SIM's internal setup includes a dedicated trade execution team that is reporting to the Head of Investments.

In the absence of any internal or external major event requiring an earlier update, this Policy is reviewed annually. In case of significant changes in market practice or regulation, the Best Execution Policy will be updated without delay.

7. Best Selection

7.1 Best Selection Concept

SIM's duty of Best Execution means that SIM has to take all sufficient steps to obtain the most favourable terms possible when executing orders for its Clients and Funds. This is often referred to as "Best Selection" in the context of an investment manager that doesn't directly place orders on an Execution Venue itself.

Implementing "Best Execution" doesn't guarantee the best possible result for each individual order at all times, but is a requirement to be able to obtain the best possible result and to be able to demonstrate the steps taken if requested by the regulator, Client or investor.

SIM doesn't execute orders itself and delegates the order execution to a selection of authorized financial intermediaries, such as brokers, other execution venues or financial intermediaries (the "Execution Delegates"). In this specific context, SIM has an obligation of Best Selection of Execution Delegates.

7.2 Delegation of Order Execution to Execution Delegates

As mentioned above, SIM does not execute orders itself as this activity is outsourced to duly selected Execution Delegates, such as brokers, other execution venues or financial intermediaries.

SIM is authorised to appoint one single Execution Delegate for order execution for certain Funds or Clients. However, SIM is only authorised to do so if:

- there is no other possibility; or
- if this is in the view of SIM in the best interest of the Client or Fund; or

- this is the best option to achieve the best execution result for the Clients or Funds.

SIM has established a list of Execution Delegates (see Appendix to this Best Execution Policy).

- SIM ensures that these Execution Delegates observe Best Execution and that SIM is so complying with its best execution obligations (by delivering the best possible result for its Clients and Funds).
- SIM applies a formalized process for the selection of Execution Delegates based on the selection criteria as described infra that relate to their ability to obtain best execution results for Clients and Funds.
- SIM conducts initial due diligence and ongoing due diligence on the Execution Delegates as outlined in its Due Diligence Policy and this Best Execution Policy.

SIM will make a regular assessment when selecting Execution Delegates in order to ensure the compliance of the Execution Delegate with applicable legislation and SIM's Best Execution Policy. SIM will regularly assess, including through random post-trade best execution checks, on the Execution Delegates to:

- ensure the Execution Delegate at all times complies with the rules established through this Best Execution Policy and;
- the Execution Delegate is itself at all times subject itself to Best Execution duties and has an acceptable Best Execution Policy and Procedure in place; and
- monitor the activities of the Execution Delegates, via regular random post-trade checks, to control the Execution Delegate's compliance with Best Execution obligations.

When SIM suspects that an Execution Delegate is in breach with the Best Execution framework agreed, it will inform the Execution Delegate and ask for a cure of the issue. If the situation persists, the Exco of SIM will reconsider the relationship with the Execution Delegate in question.

8. Execution Factors

8.1 Monitoring of Execution Factors (Best Selection)

In order to ensure its Best Selection, SIM will review the Best Execution Policy of Execution Delegates and analyse the Execution Factors described therein.

The Execution Factors that Execution Delegates have to apply and that SIM reviews include:

- Price: this is the price of the instrument underlying the order and will determine often the final cost of the financial instrument. Price is generally the most important factor and will have the most impact on the cost of execution and/or the final price.
- Cost of execution: the cost of execution refers to broker fees and taxes on some stock exchanges.
- Speed: this is the speed at which an order can be executed.
- Likelihood of execution: this is the probability that the order will be properly executed, or at least a significant proportion of the order. The importance of this factor can fluctuate based on the liquidity of the instruments involved.
- Optional : Likelihood of settlement: SIM expects that the transactions it executes for its customers to be settled in good time.
- Size of the order: this is the size of the order relative to the average volume of trades in a specific financial instrument. The size of the customer's order may influence the execution of the order.

Under normal circumstances the total price will play an important role in obtaining the best possible result for the Clients. Other factors can assume a more important role than total price in some situations:

- For Equities: the speed of execution, as some orders need to be filled in the shortest possible time to avoid a possible adverse impact on the price of the relevant instrument if the order is not filled quickly and thereby affecting the final cost of the trade.
- For Fixed Income: the likelihood of execution, as in some cases the order represents a significant portion of the market size. In the case where all other factors are equal, cost of execution will be used as the final determinant.

8.2 Monitoring of Execution Venue Selection

SIM itself is not a market member and therefore does not execute orders on any Execution Venues defined by MiFID II (encompassing Regulated Markets, Multilateral Trading Facilities (MTF), Organised Trading Facilities (OTF), Systematic Internalisers (SI) and other execution venues outside these categories). For SIM, the selection of the Execution Venues is delegated to the Execution Delegates.

When SIM transmits/executes orders to Execution Delegates on behalf of its Clients or Funds, it pursues Best Execution in terms of the factors mentioned above. It is the duty of the Execution Delegates to find the best Execution Venue and in connection obtain the best execution result taking into account the Execution Factors set out in this Best Execution Policy.

The selection of such Execution Venues by Execution Delegates happens taking into account:

- Price and costs are according to the experience of SIM the most important factors in determining the quality of Execution Venue.
- Speed and quality of reporting, the general quality of service, the technology, the availability, etc.

SIM allows the Execution Delegates to operate on different Execution Venues, based in the European Economic Area, or elsewhere, including trading venues, market makers, other liquidity providers, Systematic Internalisers or entities in a third country, where appropriate and in the best interest of the Clients and Funds.

It should be noted that when SIM delegates orders in relation to some depositary banks or insurance companies, it has no decision power over the Execution Venue and accepts the rules and Execution Venues used by the Execution Delegates.

8.3 Selection Criteria for Execution Delegates

Before selecting an Execution Delegate SIM considers among others, the following relevant factors in relation to the Execution Delegate, besides the relevant execution factors outlined above:

- MiFID regulated and confirmation to apply Best Execution for SIM
- Confidentiality of the trading activity
- Reputation
- Ability to commit capital (healthy capitalization)
- Quality of the execution of orders: accuracy and timeliness, clearance and error/dispute resolution
- Operational facilities, including the back office efficiency
- Overall costs of trades including commissions, mark-ups, mark-downs and/or spreads
- Research and custodial services provided

- Ability to handle large or difficult trades and block trading & positioning capabilities
- Access to deal flow
- Quality of fixed income and (where applicable) derivative offerings
- Nature of the security and the available market makers
- Desired timing of the transaction and size of trade
- Market intelligence regarding trading activity

9. Best Execution Controls and Thresholds

This section describes the quantitative and qualitative controls that SIM performs to monitor best execution, as well as the thresholds applied for each execution factor. Where the relevant thresholds are breached, the matter is escalated to the Exco for investigation and remediation.

9.1 Price Controls

SIM performs ad hoc post-trade price analysis by comparing the execution price against relevant benchmarks. The following benchmarks and thresholds are applied:

Price Control Framework

Asset Class	Benchmark	Threshold	Escalation
Listed Equities	VWAP (Volume Weighted Average Price) on execution day	Committee	Report to Exco
Fixed Income – Government	Mid-market price at time of execution (Bloomberg/Reuters)	Committee	Idem
Fixed Income – Corporate (not in scope)	Indicative bid/ask from minimum 2 market makers	Committee	Report to Exco; document rationale if outside threshold
FX (hedging)	ECB fixing rate or WM/Reuters benchmark	Committee	Report to Exco

9.2 Cost Controls

SIM monitors execution costs (broker commissions, exchange fees, taxes, settlement costs) and compares them against agreed fee schedules and market averages.

- Broker commissions are compared against the contractual fee schedule.
- Any commission charged above the contractual rate triggers an immediate inquiry with the Execution Delegate.
- Total execution costs per Execution Delegate can be benchmarked annually against peer average costs for comparable order types and sizes.

9.3Speed Controls

SIM monitor the time elapsed between order transmission and execution confirmation from the Execution Delegate. Delays beyond agreed thresholds are logged and reviewed. Recurrent delays by an Execution Delegate are escalated to Exco.

9.4 Likelihood of Execution Controls

SIM can monitor the fill rate of orders transmitted to each Execution Delegate.

- A fill rate below 80% for market orders over a rolling quarter is flagged for review.
- Partial fills: any order that is less than a % filled as is defined in the Committee, within the expected timeframe is documented with the reason provided by the Execution Delegate.
- Rejected or cancelled orders are logged with the reason and reviewed monthly.

9.6 Order Size Controls

SIM monitors the impact of order size on execution quality only if the order passes % against implementation shortfall or arrival price benchmark.

- Large orders should be executed using appropriate strategies (e.g. VWAP, TWAP, iceberg) to minimise market impact. The strategy used must be documented.
- Any slippage exceeding 50 bps on large orders is documented and reported to Exco.

9.7 Consolidated Best Execution Scorecard

As of 2027, SIM will produce a quarterly Best Execution Scorecard that consolidates the results of the above controls across all Execution Delegates. The scorecard includes:

- Execution quality score per Execution Delegate (composite of price, cost, speed, fill rate, settlement)
- Number and nature of threshold breaches in the period
- Trend analysis compared to prior quarters
- Recommended actions (e.g. enhanced monitoring, warning letter, termination consideration)

The scorecard is reviewed by Exco quarterly and presented to the Board of Directors annually as part of the best execution annual report.

10. Reporting

10.1 RTS 28 Report

SIM produces the annual RTS 28 reports as required by MiFID II regulations. The report covers the top 5 execution venues per asset class and includes a summary of the analysis and conclusions regarding the quality of execution obtained. The RTS 28 report is made available through SIM's website.

10.2 Internal Reporting

The following internal reports are produced on best execution:

Report	Frequency	Produced by	Reviewed by
Post-Trade Best Execution Check	Daily / Weekly	Trade Execution Team	Head of Investments
Best Execution Scorecard	Quarterly	Head of Investments	Exco
Execution Delegate Due Diligence	Annual	Exco	Board of Directors
RTS 28 Report	Annual	Exco / Compliance	Board of Directors
Best Execution Annual Report	Annual	Exco	Board of Directors

11. Review and Update

This Policy is reviewed at least annually by the Exco and submitted to the Board of Directors for approval. An earlier review will be triggered by:

- Material changes in the applicable regulatory framework (MiFID II, UCITS, AIFMD)
- Significant changes in market structure or execution venue landscape
- Findings from internal audit or regulatory inspection
- Material breaches of best execution obligations identified through monitoring
- Changes to the list of authorised Execution Delegates

Appendix: Authorised Execution Delegates

The Execution Delegates currently authorised by the Exco of SIM are:

Counterparty	Country	Equity	Bond	Option	Fund
Banque de Luxembourg SA	LUX	Yes	Yes	Yes	Yes
Banque de Luxembourg SA, Belgian branch	BE	Yes	Yes	Yes	Yes
Intesa Sanpaolo Wealth Management SA	LUX	Yes	Yes	Yes	Yes
KBC Securities NV	BE	Yes	Yes	Yes	Yes
KBC Securities Services NV	BE	Yes	Yes	Yes	Yes
Quintet Private Bank (Europe) SA	LUX	Yes	Yes	Yes	Yes
Puilaetco, a Quintet Private Bank (Europe) SA branch	BE	Yes	Yes	Yes	Yes
CACEIS Investor Services Bank SA	LUX	No	No	No	Yes
CACEIS Bank, Luxembourg Branch	LUX	Yes	Yes	Yes	Yes