



## Best Execution and Order Allocation Policy

### Best Execution Policy

Gamax Management AG (“GMAG”) in its function as management company of GAMAX Funds FCP and as alternative investment fund manager of Mediolanum Specialities SICAV-SIF (jointly the “Funds”, each a “Fund”) has implemented and maintains appropriate arrangements to ensure:

- that the placing of orders and the execution of decisions to deal on behalf of the Funds in the context of the management of the portfolios of their sub-funds (jointly the “Sub-Funds”, each a “Sub-Fund”) obtain the best possible result for the unit- or shareholders of the Sub-Funds concerned on a consistent basis;
- that all potential conflicts of interest in relation to order execution are avoided and, if they cannot be avoided, effectively managed;

in compliance with CSSF-Regulation 10-4 and Commission Delegated Regulation (EU) No. 231/2013.

In order to obtain the best possible results for the Funds and their unit- or shareholders, respectively, the price, costs, speed, likelihood of execution and settlement, order size and nature as well as any other consideration relevant to the execution of the order are taken into account based on the following importance of these factors:

- a) the objectives, investment policies and risks specific to the Funds and their Sub-Funds as described in the prospectus and management regulations or offering document and articles of incorporation, respectively, of the Funds;
- b) the characteristics of the order;
- c) the characteristics of the financial instruments (or other assets) that are the subject of that order;
- d) the characteristics of the execution venues to which that order can be directed.

GMAG reviews at least on an annual basis the effectiveness of its arrangements and policy concerning the execution of orders in order to identify and, where appropriate, correct any deficiencies. Such review will also be carried out whenever a material change occurs that affects GMAG’s ability to obtain the best possible result for the Funds and their unit- or shareholders, respectively.

GMAG has appointed Mediolanum Asset Management Ltd (“MAML”) as the investment

manager of the Sub-Funds. Both GMAG and MAML are part of the Mediolanum Banking Group. Ongoing oversight is exercised over the investment management activities of MAML in accordance with the GMAG Due Diligence Policy. This entails, among other things, the assessment of the adequacy and effectiveness of MAML's order execution arrangements, including review of material updates to MAML's policy and risk-based ongoing monitoring of adherence to its policy.

MAML in turn may sub-delegate its investment management activities for the Funds to sub-investment managers subject to satisfactory initial and ongoing due diligence conducted in line with its Due Diligence Policy and Order Execution Policy as well as with the GMAG Due Diligence Policy and the best execution arrangements of GMAG. MAML must be satisfied with the adequacy of the order execution arrangements of the sub-delegates and their ability to obtain best execution on a consistent basis. MAML must be able to demonstrate the satisfactory outcome of such due diligence process as well as the adequacy of the best execution arrangements of any sub-delegate at any time. MAML must escalate details to GMAG of any material concerns or deficiencies in its Due Diligence Policy, its Order Execution Policy or in the order execution arrangements of any sub-delegate concerning the Funds in order to enable GMAG to assess if its overarching arrangements to consistently obtain best execution remain adequate.

Due to the nature of MAML's business activities as a portfolio manager, it will primarily place orders with brokers for execution where it is not directly facing the market; it also executes decisions to deal directly with an execution venue (for example, a fixed income dealer / market maker or certain OTC counterparties). The nature, scope and methodology of the monitoring performed by MAML reflect where it sits in the chain of execution.

Best execution considerations differ depending on - among other things - the nature of the portfolio of the respective Sub-Fund, the nature of the financial instrument, order type and market conditions. Orders are placed or executed at the discretion of MAML with reference to the investment objectives, investment guidelines and risk profile of the Sub-Fund in question and always taking into account the factors described above in compliance with CSSF-Regulation 10-4 and Commission Delegated Regulation (EU) No. 231/2013. This is notwithstanding the right of GMAG to issue specific instructions in respect of a particular order to MAML where it deems this to be appropriate, although GMAG is aware that MAML cannot guarantee best execution in respect of any element of the order to which the specific instruction relates.

While price and costs will generally merit a high relative importance, MAML may have regard to other execution criteria on a case-by-case basis where MAML, in good faith, determines that this is in the best interests of the relevant Sub-Fund's portfolio and its unit- or shareholders, respectively. For example, liquidity will also count as a significant factor whereas price volatility may mean that timeliness of execution is a priority. Orders above standard market size in less liquid instruments may require special consideration. Therefore, the specific type of financial instrument, the nature of the order, liquidity, market volatility and the particularities of the portfolio of the relevant Sub-Fund will be determinative in the process for obtaining best execution on a consistent basis on behalf of the Funds and their unit- or shareholders, respectively.

In summary, MAML will consider a range of execution factors when determining the best outcome of the trade. Some of the below factors are considered to be more important than others; however, there are situations where the relative importance of these factors may change in accordance with instructions provided or broader market conditions.

The execution factors that MAML will consider are:

- Price – this is the price a financial instrument is executed at;
- Costs – this includes implicit costs such as the possible market impact, explicit external costs e.g. exchange or clearing fees and explicit internal costs;
- Speed – time it takes to execute a transaction;
- Likelihood of execution and settlement – the likelihood that we will be able to complete a transaction;
- Size – this is the size of the transaction executed for a client accounting for how this affects the price of execution; and
- Nature of the transaction or any other consideration relevant to the execution of the transaction – this is how the particular characteristics of a transaction can affect how best execution is received.

MAML keeps an up-to-date indicative list of the relative importance of order execution factors for all relevant classes of financial instruments. It also maintains a list of approved execution entities (and execution venues where applicable) to which it places orders for execution for each type of financial instrument. OTC counterparties are approved based on the Risk Management Policy of GMAG. The policies of the execution entities indicate the execution venues which they rely on.

MAML uses monitoring tools such as Bloomberg Transaction Cost Analysis and BestX to apply appropriate benchmarks to identify outliers that require investigation. Quarterly meetings are conducted with the trading team to assess the execution quality obtained and to review targets with the brokers/counterparties that have proved to be most reliable for the implementation of its strategy to consistently obtain best execution.

MAML reviews its policy on at least an annual basis and more frequently where it is required to do so due to a material change in its arrangements. MAML discloses any material updates of its policy or framework to GMAG in order to obtain prior consent.

GMAG ensures on an ongoing basis that MAML's order execution arrangements are always compliant with the requirements of CSSF Regulation 10-4 and Commission Delegated Regulation (EU) No. 231/2013. Further, GMAG may at any time request MAML to demonstrate that it has adhered in practice to the Order Execution Policy of GMAG. Scheduled risk-based assessments take place regularly in line with GMAG's Due Diligence Policy.

## **Aggregation and allocation of orders**

In compliance with CSSF Regulation 10-4 and Commission Delegated Regulation (EU) No. 231/2013, orders concerning the assets of the Sub-Funds are not permitted to be carried out in aggregate with an order of another fund or another party or an order made when investing GMAG's or MAML's own assets, unless the following conditions are met:

- a) it must be unlikely that the aggregation of orders will work overall to the disadvantage of any of the Funds or their unit- or shareholders, respectively;
- b) an order allocation policy must be established and implemented, providing in sufficiently precise terms for the fair allocation of aggregate orders, including how the volume and price of orders determines allocations and the treatment of partial executions.

GMAG has performed due diligence on MAML and its order allocation policy in accordance with the GMAG Due Diligence Policy and ensures on an ongoing basis that MAML as investment manager of the Sub-Funds complies at all times with the aforementioned conditions. This entails, among other things, the assessment of the adequacy and effectiveness of MAML's order allocation arrangements, including review of material updates to MAML's policy and risk-based ongoing monitoring of adherence to its policy.

Therefore, GMAG reviews on an at least annual basis MAML's order allocation policy in order to ensure its compliance with CSSF Regulation 10-4 and Commission Delegated Regulation (EU) No. 231/2013 and to identify and, where appropriate, correct any deficiencies. Such review will also be carried out whenever a material change occurs that affects GMAG's ability to obtain the best possible result for the Funds and their unit- or shareholders, respectively.

In particular, MAML's investment decisions in relation to the Sub-Funds are always taken independently from those on behalf of other portfolios managed by MAML (MAML does not deal on its own account) and always in the best interests of the Sub-Funds and their unit- or shareholders, respectively, and in compliance with the objectives, investment policies and risks specific to the Funds and their Sub-Funds as described in the prospectus and management regulations or offering document and articles of incorporation, respectively, of the Funds.

MAML may sub-delegate its investment management activities for the Funds to sub-investment managers subject to satisfactory initial and ongoing due diligence conducted in line with its Due Diligence Policy and Order Allocation Policy as well as with the GMAG Due Diligence Policy and the order allocation arrangements of GMAG. MAML must be satisfied with the adequacy of the order allocation arrangements of the sub-delegates and their ability to obtain best possible result for unitholders or shareholders on a consistent basis in such a way as to ensure that potential conflicts of interests are effectively managed. MAML must be able to demonstrate the satisfactory result of such due diligence process as well as the adequacy of the order allocation arrangements of any sub-delegate at any time. MAML must escalate details to GMAG of any material concerns or deficiencies in its Due Diligence Policy, its Order Allocation Policy or in the order allocation arrangements of any sub-delegate concerning the Funds in order to enable the GMAG to assess if its overarching arrangements to consistently obtain best possible result for unitholders and shareholders remain adequate.

However, because security selections may frequently be potentially beneficial to more than one portfolio - and insofar as they respect the investment guidelines of each portfolio - it may be desirable to acquire the same security for more than one portfolio at the same time since simultaneously placing a number of separate competing orders on behalf of several portfolios may adversely affect the price of the security. MAML may determine that the purchase or sale of a particular security is appropriate and beneficial for more than one portfolio. Orders in the same security transacted on behalf of more than one portfolio may thus be aggregated in an

effort to achieve best execution. Orders will not be aggregated unless MAML reasonably believes such aggregation is in the best interests of the respective Sub-Fund and its unit-or shareholders, respectively, and will improve execution.

It would be improper to give one portfolio priority over another or to make an allocation that was in the interests of one portfolio but to the detriment of another, therefore MAML has an order allocation policy in place to obtain an equitable allocation. MAML carries out otherwise comparable client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or where the interests of the client require otherwise. Where an order is completed as a partial fill, allocation between participating portfolios will be undertaken on a pro-rata basis. Where the liquidity available is too limited for all participating portfolios to benefit in a meaningful way, the liquidity available will be allocated in such a manner which MAML, in good faith, shall determine to be a fair and equitable allocation in the best interest of the unit- or shareholders, respectively, of the Sub-Fund involved.

MAML's order allocation policy is reviewed on an annual basis or more frequently where required due to material changes in the arrangements in place.