

BEST EXECUTION POLICY

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Application	Company, any appointed investment managers, portfolio managers and investment advisors, and any trading counterparties.
Owner/author	Portfolio Management Team
Sponsor	Portfolio Management Team
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Version	[2.3]

OVERVIEW

The purpose of this policy is to ensure that the Company and its Delegates take all the reasonable steps to obtain the best possible result when placing or executing orders.

Policy changes			
Date	Responsible	Change	Approval/Ratification Date
December 2023	PM Team	Review and minor updates	5/12/2023
May 2023	ECO	Formatting Broker selection	15/06/2023
June 2022	ECO	Formatting	July 2022
May 2021	ECO	Review of the approach	May 2021
July 2020	ECO	Completion of the policy	July 2020
June 2019	MTFdR	Change of address	June 2019
December 2016	LNI	First version	December 2016

1. Purpose

Gen II Management Company (the “Company”) is licensed by the Commission de Surveillance du Secteur Financier (the “CSSF”) as a Management Company pursuant to Chapter 15 of the 2010 Law (the “UCITS ManCo”), as an Alternative Investment Fund Manager pursuant to Chapter 2 of the AIFM Law (the “AIFM”), and as EuVECA Manager under European Regulation (EU) N° 345/2013 on European venture capital funds.

Where acting as an AIFM, the Company has been authorised to manage AIFs with the strategies listed in Annex IV of the Regulation 231/2013, except for the investment strategy “commodity”.

In respect to the funds under its management (the “Funds”), as UCITS ManCo, the Company assumes three core functions: (i) investment management, (ii) administration, and (iii) distribution. As a third-party UCITS ManCo, the Company always delegates the investment management function.

As an AIFM, the Company has two core functions: (i) portfolio management, and (ii) risk management. For Funds investing in Financial assets (for the purposes of this document, defined as daily traded assets), the Company tends to delegate the portfolio management function. For Funds investing in non-financial assets, depending on the Fund’s model, the PM function may or not be delegated.

The relevant laws and regulations (UCITS V law, CSSF 10-4, AIFMD Level II And CSSF 18/698) require management companies to act in the best interest of the Funds they manage (and, accordingly, of their investors) when:

- Executing decisions to deal on behalf of the Funds in the context of the management of their portfolios;
- Placing orders to deal on behalf of the managed Funds with other entities for execution, in the context of the management of their portfolios.

The purpose of this policy is to ensure that the Company and its Delegates take all the reasonable steps to obtain the best possible result when placing or executing orders.

2. Application and scope

This policy is applicable to the Company and to any of its appointed investment managers, portfolio managers and investment advisors (the “Delegates”), and to any trading counterparties (e.g., securities broker).

In case of Delegates and other counterparties, the Company has to ensure that the delegate / counterparty compliances with this policy.

3. Policy

1. Best Interest

In order to act in the best interest of the Funds, the investors and the integrity of the market, the Company and/or its Delegates have to ensure that:

- a) Neither the Funds, nor their investors are charged undue costs;
- b) All reasonable steps are taken to obtain, or ensure to obtain, the best possible result for the Fund and its investors taking into account the following factors:
 - price;
 - costs;
 - speed of order execution;
 - likelihood of execution & settlement of trades;
 - order size;
 - Nature of financial instruments or assets; or
 - Any other consideration relevant to the execution of the order.

3.2. Relative Importance of factors

The relative importance of the above factors shall be determined by reference to the following criteria:

- The objectives, investment policy and risks specific to the Fund, as indicated in the Fund's management regulations or articles of association, prospectus or offering documents of the Fund;
- The characteristics of the order;
- The characteristics of the financial instruments or other assets that are the subject of that order;

The characteristics of the execution venues to which that order can be directed.

3.3. Broker selection and appointment

The Company places significant reliance on its approved brokers in executing its obligations to take all reasonable steps to obtain, on a consistent basis, the best possible result for the execution of the orders received.

As a result, the Company has adopted a selection process to appoint brokers based on their capacity to provide consistent and reliable best execution results.

This selection is undertaken with reference to the following criteria (alongst others):

- Commission rates and spreads;
- Access to markets;
- Clearing and settlement capabilities;
- Quality of service (incl. assistance to provide regulatory reporting);
- Past history in executing orders;
- Perceived reputation and financial stability.

The list of selected brokers will be approved by the governing body of each fund, the list being resubmitted (and amended) for approval at each Board meeting.

In case a broker would have to held custody of the assets owned by one fund, then this broker will be considered as a delegate of the depositary of the Fund, with all the impacts in terms of acceptance by the Depositary of the Fund and in terms of Due Diligence.

4. Order execution policy

1. Handling of orders

The Company (or its Delegates) shall implement procedures and arrangements to:

- Ensure that orders executed on behalf of Funds are promptly and accurately recorded and allocated;
- Ensure that orders are executed sequentially unless prevailing market conditions make this impracticable or the interests of the Funds require otherwise;
- Ensure financial instruments/sums of money received in settlement of the executed orders shall be promptly and correctly delivered to the appropriate account;
- Ensure that there will not be a misuse of information relating to pending orders and take all reasonable steps to prevent the misuse of information.

4.2. Allocation and aggregation of orders

The Company (or its Delegates) shall maintain an order allocation/order aggregation policy identifying, for each class of instrument, the relevant entities with which orders may be placed.

Arrangements are only permissible when they are consistent with the obligations detailed in this policy. When delegating portfolio management, the Company shall obtain a copy of such order allocation/order aggregation policy from Delegates prior to concluding an agreement with such Delegates.

The Company (or its Delegates) can only carry out an order on behalf of a Fund together with the order of another client or its own orders if:

- it can be reasonably expected that the aggregation of orders will not have a negative impact on, or generate a disadvantage for the Fund;
- an order allocation/order aggregation policy is established and implemented at the level of the Company (or its Delegate), providing in sufficiently precise terms for the fair allocation of aggregated orders, including how the volume and price of orders determines allocations as well as the treatment of partially executed orders.

Where the Company (or its Delegates) aggregates an order on behalf of a Fund with one or more orders on behalf of other Fund or clients and such aggregated order is partially executed, it shall allocate the related trades in accordance with this order allocation/order aggregation policy.

When performing the portfolio management function of a given Fund, the Company will execute and place orders diligently, efficiently and fairly. Comparable orders will be executed promptly. The Company may have the possibility to combine a specific order with other similar orders.

Where the Company (or its Delegates), aggregates transactions for its own account with one or more orders on behalf of Funds or clients, it shall not allocate the related trades in a way that is detrimental to the Funds or a client. Where the Company (or its Delegates) aggregates an order on behalf of a Funds or another client with a transaction for its own account and such aggregated order is partially executed, it shall allocate the related trades to the Funds or clients in priority over those trades for its own account.

However, if the Delegate is able to demonstrate to Company on reasonable grounds that it would not have been able to carry out the order on such advantageous terms without aggregation, or at all, it may allocate the transaction for its own account proportionally, in accordance with the order allocation/order aggregation policy described in the second bullet point above. Accordingly, the Company shall be entitled to request and obtain on an ongoing basis relevant information and evidence from the Delegate in such respect.

Related Policies and Procedures

Portfolio Management procedure

This policy serves to describe the scope of duty of the PM Function of the AIFM.

Definitions

Company, ManCo	Gen II Management Company S. A.
Gen II Group or Gen II or Group	means Gen II Corporate Holdings Limited and all legal entities which are direct or indirect subsidiaries of Gen II Corporate Holdings Limited
PM	Portfolio Management
UCITS V Law	Law of 10 May 2016 (the “UCITSV Law”) transposing Directive 2014/91/EU (the “UCITS Directive”) of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions; amending: the law of 17 December 2010 relating to undertakings for collective investment, as amended; and the law of 12 July 2013 on alternative investment fund managers, as amended;
CSSF Regulation 10-4	CSSF Regulation 10-4 transposing the commission directive 2010/43/EU of 1 July 2010 implementing directive 2009/65/EC of the European Parliament and of the council as regards organisational requirements, conflict of interest, conduct of business, risk management and content of the agreement between a depositary and a management company;
AIFMD Level II	The Delegated Regulation 231/2013/EU (“AIFMD Level II”)
CSSF 18/698	CSSF circular n°18/698 on Alternative Investment Fund Managers (the “CSSF 18/698”)



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Gen II

The Gen II Limited Affiliation is regulated by the Jersey Financial Services Commission.

Gen II S.A. and Gen II Management Company S.A. are regulated by the Commission de Surveillance du Secteur Financier.

Gen II Property Partnerships Limited is authorised and regulated by the Financial Conduct Authority.

Gen II Operator Services Limited is authorised and regulated by the Financial Conduct Authority.

Gen II Corporate Services (Ireland) Limited – Authorised Trust or Company Service Provider by the Department of Justice in Ireland. Gen II Nominees (Ireland) Limited – Authorised Trust or Company Service Provider by the Department of Justice in Ireland. Gen II Fund Administration Services (Ireland) Limited – Regulated by the Central Bank of Ireland. Authorised as an Investment Business Firm under Section 10 of the Investment Intermediaries Act, 1995 (as amended).