

SARANAC

PARTNERS

SARANAC PARTNERS EUROPE, AGENCIA DE VALORES, S.A.

Execution Policy

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Execution Policy

This document sets out the Execution Policy (the “Policy”) developed by SARANAC PARTNERS EUROPE, A.V., S.A. (“Saranac Partners” or the “Entity”) to comply with the provisions of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments (“MiFID II”) and its implementing and transposition regulations in Spain.

In accordance with the above regulations, entities providing investment services, including custodians, when executing or transmitting to other intermediaries client orders for subsequent execution, are required to take sufficient measures to obtain the best possible result for their clients’ operations taking into account factors such as price, costs, the speed, probability of execution and settlement, volume, nature of the transaction and any other element relevant to the execution of the order.

In this context, this Policy sets out the necessary actions carried out by Saranac Partners to meet the requirements of the MiFID II regulations, according to the classification of its clients and the type of financial instruments with which it operates.

1. Scope

This Policy applies to orders from clients of the Entity who have received the classification of retail or professional client.

The Policy applies to the service of receiving and transmitting client orders, as well as to the portfolio management service when it is the Entity that makes investment decisions on behalf of the clients, and to the following financial instruments: exchange traded equities and fixed income, Collective Investment Schemes, Structured Deposits, structured products, derivatives, unquoted shares and OTC products. To this end and given that it is not authorized to provide the service of execution of client orders, the Entity transmits the orders to custodians, these being the ones who, directly or through other intermediaries, select the execution venues in which the orders are executed, in accordance with the provisions of this document.

For the purposes of the Policy, a customer is defined as any individual account that has been opened with Saranac Partners and is authorized to operate under the customer recruitment policy. An order, for the purposes of the Policy, is an instruction to buy or sell a financial instrument, when Saranac Partners acts as a portfolio manager of a client or as directed by a client. Saranac Partners acts as the recipient of all client orders for policy purposes and does not trade on its own account.

2. Procedure in the case of specific instructions

It will be understood that the Entity has taken all sufficient measures to obtain the best possible result for the client, to the extent that it transmits an order following the specific instructions given by the client. For this purpose, any instruction given by the client, which specifies prices, form of execution of the order (including limit orders, *stop-loss*, etc.), at which time it is indicated to place the order in the market, execution venue or intermediary where the order is to be placed or currency of the order (in case of financial instruments listed in different currencies) will be considered specific instructions.

In all the cases indicated, the measures and mechanisms established in this Policy will cease to be applicable, as long as they are incompatible with the particular instructions, although the client is warned that their instructions may have as a consequence the non-achievement of the best possible result for it in the terms established in this document. However, the Entity shall not be exempt from its obligation of best execution with respect to other parts or aspects of the order not covered by those instructions.

That is, in the event that there is a specific instruction from the client, the Entity will transmit the order following the instruction given by the client, considering the requirements regarding the execution of orders with respect to the factors affected by said instruction being fulfilled.

Finally, in the event that Saranac Partners gives specific instructions to a third party to execute in a certain way on behalf of a client, Saranac Partners assumes responsibility for this instruction and its impact on the quality of execution.

3. Order execution factors considered by the Entity

Subject to any specific instructions accepted from the customer, the factors that Saranac Partners considers in determining how an order will be executed are as follows:

- the price
- transaction costs
- the time of the order
- the volume of the order
- the speed of execution
- the type of execution
- the probability of execution
- the liquidation process
- the type of financial instrument
- any other consideration that is key to the execution of the order

However, the importance that the Entity assigns to each of the factors must be determined, taking into account the following criteria:

- The characteristics of the client, including their classification as retail or professional.
- The client's investment policy, in the case of collective investment undertakings.
- The characteristics of the client's order, including whether the order involves a securities financing transaction.
- The characteristics of the financial instruments covered by that order.
- The characteristics of the intermediaries or execution venues to which such an order may be addressed.

In the case of retail clients, the best possible result will always be determined by the "total consideration", this being the price of the financial instrument and the costs and expenses related to the execution, which will include all the expenses to be borne by the client and that are directly related to the execution of the order, including the commissions of the execution venue, those of clearing and settlement and those others paid to third parties involved in the execution of the order.

In the case of professional clients, to determine the best execution, the Entity may assess other additional factors such as speed, probability of execution and settlement, volume, nature of the operation, etc.

Therefore, in the absence of specific instructions from the client, Saranac Partners will exercise its discretion to determine which of these factors, or the combination of them, will be relevant to achieve the best result.

Although Saranac Partners will strive to obtain the best possible result in the execution of each client order, this does not mean obtaining the best possible result for each individual order in each trade. Notwithstanding the foregoing, Saranac Partners is obliged to apply these policies to each order to obtain the best possible result in accordance with this Policy.

4. Criteria for the selection of intermediaries

Subject to any specific instructions accepted from the customer, the Entity will select those intermediaries that allow it to comply at all times and in the best possible way with this Policy. To this end, Saranac Partners will assess, among others, that the policies of best execution of the intermediaries it intends to select comply with the provisions of the Policy.

The obligation of best execution in the transmission of orders to other entities for execution shall be satisfied by an initial and periodic assessment of the intermediary or intermediaries to whom the orders are transmitted for execution, based on the following parameters:

- i. **Provision of a policy of best execution of its own.** Only intermediaries that have a formally constituted best execution policy that meets all the requirements established by MiFID II or equivalent regulations and that is aligned with the criteria and factors of best execution established in this Policy will be considered.
- ii. **Total consideration.** As indicated above, for the Entity's retail clients the key factors are, under normal conditions, price and cost (which determine a total consideration for the client) and liquidity, since the execution venue that has the greatest liquidity will reasonably be the one that can provide the best prices.
- iii. **Quality of execution.** Intermediaries will be selected that are able to obtain in a systematic and consistent manner, in the relevant execution venues contemplated in its best execution policy, the best possible result for the orders of the clients of the Entity.
- iv. **Access to execution venues.** Access by intermediaries to execution venues that are considered relevant at all times for each financial instrument. This analysis shall take into account:
 - The execution venue is a regulated market, a multilateral trading facility, an organised procurement system, a systematic internaliser or market makers or liquidity providers performing a similar function.
 - The way in which the intermediary accesses them either directly (directly executing the orders) or indirectly (resorting in some cases to other intermediaries) by establishing the corresponding execution agreements.
 - The particular financial instrument for which the intervention of the intermediary is required for the purpose of executing the client's order is traded on one or more trading venues.

Therefore, the selected intermediaries should include in their best execution policy the execution venues that are considered relevant for each type of financial instrument, and, in addition, they should justify how they access them and why they consider one way or the other to be more appropriate.

In the evaluation of the execution venues carried out by the intermediaries likely to be selected, the following elements should be assessed, inter alia:

- Liquidity: priority is given to execution venues that provide significant and sufficient liquidity, measured on the basis of historical data of number of operations and average volumes traded daily, with the aim that the execution of client orders is carried out at the best prices available at all times.
- Clearing and settlement: priority is given to execution venues that clear and settle transactions executed on them through central counterparties recognised for the purposes of payment and securities settlement rules or highly credit-rated clearing and settlement systems.

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- v. **Connectivity.** The operational capacity of the intermediary will be taken into account, as well as the technological means used to execute the operations transmitted from the clients of the Entity in an environment of reduced operational risk.
 - vi. **Reputational aspects.** The choice of intermediaries is made between entities of recognized solvency and good reputation in the market.
 - vii. **Other factors:**
 - The operational capacity to execute the volume instructed by the Entity's clients in an environment of reduced operational risk;
 - The level of service that each intermediary is able to offer in the execution of orders.

The purpose of the above evaluation will be to verify that the selected intermediaries have execution systems in place that allow Saranac Partners to comply with its best execution obligations when they transmit an order to that intermediary.

The Entity will annually review the quality of the execution obtained by the different intermediaries in terms of speed and operational agility. That analysis shall include a review of the total costs (including price and commissions) for the execution of the operations and the different execution venues in which the intermediaries used operate.

5. Selected intermediaries

Saranac Partners is not authorised to execute transactions in the market but instead will pass any trading instructions to the client's chosen custodian. Each custodian will be subject to the regulations of the territory in which they operate and will be required to comply with Best Execution Standards set by their regulator and will owe the duty to secure best execution to the client. Whilst all custodians are required to comply with the concept of best execution there are likely to be small differences in their capabilities and service levels across different markets. Saranac Partners will endeavor to provide the clients with insights on the most appropriate custodian for them and will update them should Saranac think that the client's needs may be better met by an alternative provider.

Both for the service of receiving and transmitting client orders and for the portfolio management service, Saranac Partners will transmit the orders of its clients or the investment decisions taken by the Entity for its execution to the custodian they have selected through the use of the technological platform, owned by Saranac Partners, Ltd., which allows a high degree of mechanization of order transmission processes and, as a consequence, a significant reduction in operational risks and an increase in the quality and speed of service.

Annex I to this Policy includes the custodians that Saranac Partners Europe partners works with across all financial instruments. The choice of execution venues used by these custodians to execute client orders rests with those custodians in accordance with their best execution policies. This list shall be updated periodically as the intermediaries used change.

Where Saranac Partners is constrained in choice of execution venue by client's choice of custodian Saranac Partners is reliant on those venues taking all sufficient steps outlined in their order execution policy. These orders will be considered as Directed Orders, that is Saranac Partners does not have discretion to route these orders to any party other than the one client have selected to act as their custodian.

For these purposes, the existence of a policy of best execution of Saranac Partners, Ltd., which complies with all the requirements established in European regulations, has been taken into account. The aforementioned policy is reviewed and updated periodically to adapt its operations to new circumstances and situations. Finally, the technological and operational integration that will exist between both entities has been taken into account, which allows, among others, (i) the development of synergies in the processing of orders by the use of the technological platform of Saranac Partners, Ltd. and (ii) an easier resolution of the incidents that may arise in relation to the transmission of client orders.

Saranac Partners will monitor the effectiveness of the agreements it has with the various intermediaries and the Policy on an ongoing basis.

6. Consent of customers

Saranac Partners is obliged to inform clients prior to the provision of investment services about the Best Execution Policy.

Se establishes that a client has given his consent to the Policy if the client operates after receiving the communication of the Policy, that is, it will be considered sufficient to obtain a tacit consent.

Additionally, the Entity must obtain the client's express consent to execute orders outside trading venues (OTC). In this sense, as part of the general conditions of contract of Saranac Partners, all clients give their express consent for their orders to be executed on their behalf outside a trading venue.

In addition, Saranac Partners shall be able to demonstrate to customers, at their request, that it has executed their orders in accordance with this Policy.

7. Order management

Client's own orders will be processed to the financial intermediaries or custodians fairly and in due turn, with the aim of a punctual, fair and fast execution.

It may be the case that the absence of counterparty in the market prevents the crossing of an order, this aspect being outside the responsibility of Saranac Partners and the rest of the intermediaries that act in the markets.

The Entity carries out management of orders in the order in which they are received. The Entity will not usually aggregate two or more client orders, but it may do so, provided that it ensures that orders executed on behalf of clients are recorded and attributed quickly and accurately. Aggregated orders must be allocated fairly and in due turn, unless the characteristics of the order or the conditions prevailing in the market do not allow it, or the interests of the client require another way of acting. The Entity will inform retail clients of any significant difficulties relevant to the proper execution of orders promptly as soon as the difficulty is known.

When an order is aggregated with one or more orders from other clients and the aggregated order is partially executed, it will proceed to attribute the corresponding operations in accordance with the applicable regulations.

The orders that the Entity automatically transmits to intermediaries to be executed may in some cases be fragmented within the market itself to achieve greater speed or better price, without Saranac Partners being able to decide in this regard.

8. Publication of the top five entities to which client orders are transmitted

In compliance with the provisions of MiFID II, Saranac Partners will publish annually on its website, for each class of financial instrument, the five main entities that provide investment services, in terms of trading volume, through which it has transmitted client orders for execution, as well as information on the quality of execution obtained.

9. Policy Approval and Review

This Policy has been approved by the Board of Directors of Saranac Partners.

The Policy will be updated and/or modified, at least, in the following cases:

- When legal or regulatory changes take place that affect the established policy.
- At the proposal of those responsible for the internal control functions of the Entity, when it is understood that there are sections susceptible to improvement for the achievement of the proposed objectives or to adapt appropriately to the situation and business of the Entity at all times.
- On the proposal of the supervisory bodies.

ANNEX I – List of intermediaries used by Saranac Partners

Exchange Traded Equity

Intermediaries	Execution venues
Custodian 1	directed orders – execution venues selected by custodian
Custodian 2	directed orders – execution venues selected by custodian
Custodian 3	directed orders – execution venues selected by custodian

Fixed Income

Intermediaries	Execution venues
Custodian 1	directed orders – execution venues selected by custodian
Custodian 2	directed orders – execution venues selected by custodian
Custodian 3	directed orders – execution venues selected by custodian

Collective Investment Schemes

Intermediaries	Execution venues
Custodian 1	directed orders – execution venues selected by custodian
Custodian 2	directed orders – execution venues selected by custodian
Custodian 3	directed orders – execution venues selected by custodian

Derivatives

Intermediaries	Execution venues
Custodian 1	directed orders – execution venues selected by custodian
Custodian 2	directed orders – execution venues selected by custodian
Custodian 3	directed orders – execution venues selected by custodian

Structured products

Intermediaries	Execution venues
Custodian 1	directed orders – execution venues selected by custodian
Custodian 2	directed orders – execution venues selected by custodian
Custodian 3	directed orders – execution venues selected by custodian

OTC Products

Intermediaries	Execution venues
Custodian 1	directed orders – execution venues selected by custodian
Custodian 2	directed orders – execution venues selected by custodian
Custodian 3	directed orders – execution venues selected by custodian