

GFG Monaco

BEST EXECUTION POLICY v4

Table of contents:

1. Introduction.....	1
2. Best Execution Principles.....	3
3. Scope of the Execution Policy.....	3
4. Intermediaries Selection process	3
5. Bonds.....	4
5.1. Execution Process.....	4
5.2. Best Execution Principle.....	4
5.3. Current Intermediary List.....	6
6. Listed derivatives, Equity & FX.....	7
6.1. Execution process.....	7
6.2. Best Execution Principle.....	7
6.3. Current Intermediary List.....	7
7. Contract for Difference.....	7
7.1. Execution process.....	7
7.2. Best Execution Principle.....	7
7.3. Current Intermediary List.....	7
8. Reporting Tools.....	8
8.1. Reports Produced and their employ.....	8



GFG Groupe Financier de Gestion
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GFG Groupe Financier de Gestion (Monaco) SAM (The Company) has registered office at 74 Boulevard d'Italie, 98000 Monaco, and is authorised to carry out its business in Monaco in accordance with CCAF (Commission de Contrôle des Activités Financières) and subject to control by CCAF itself.

This Policy is applicable just in the scope of UCITS Fund Management carried out by GFG as Investment Manager.

Please note that The Company is not a MIFID II affected firm and therefore does not need any specific disclosure of research service fee.

Document Version	Last Update
Best Execution Policy v0	January 2018
Best Execution Policy v1	January 2019
Best Execution Policy v2	November 2020
Best Execution Policy v3	June 2021
Best Execution Policy v4	February 2022

1. Introduction

The Directive on Markets in Financial Instruments (Directive 2014/65/CE of the European Parliament and of the Council, Directive 2006/73/CE of the Commission and Regulation (CE) 1287/2006 of the Commission), ("MiFID") requires all financial institutions which provide investment services or carry out investment activities to develop an order execution policy (hereinafter, the "Execution Policy" or "Policy") with the aim of obtaining the best possible results for clients ("Clients") when executing orders relating to securities on their behalf, or arranging for any such orders to be executed with or through the agency of an intermediate broker (the "Intermediaries").

The Company has been delegated by Multiconcept Fund Management S.A (the ManCo) for the investment management of the following sub-funds:

FUND	SUB-FUND	INSTRUMENTS TRADED
GFG Funds	Euro Global Bond	Sovereign Bond Corporate Bond Listed Futures Listed Options UCITS Funds



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(Monaco) SAM

GFG Funds	Income Opportunity	Sovereign Bond Corporate Bond Listed Futures Equity Single Name Listed Options UCITS Funds CFDs
GFG Funds	Global Corporate Bond	Sovereign Bond Corporate Bond Listed Futures Listed Options
GFG Funds	Global Enhanced Cash	Sovereign Bond Corporate Bond Listed Futures Listed Options

In the present document, the Company hereby establishes its Best Execution Policy to integrate the “Procedure pour la transmission des orders – Gestion de fonds” (already in place), with the aim to ensure that each order performed by the Company (or in behalf of the Company) is executed in accordance with the Best Execution principles and, in particular, taking into account the following criteria:

- specific objectives, investment policies and risks of the Sub-funds managed (as detailed in the Prospectus)
- characteristic of the order;
- characteristic of the financial instrument underlying the order;
- characteristic of the execution venue to which the order can be directed.

The Company should moreover ensure that:

- appropriate information is available to investors on the Best Execution Policy and its amendments;
- it is in a position to prove, upon request, that orders have been executed in compliance with their execution policy, which aim to obtaining on a consistent basis the best possible result for the managed sub-funds;
- its Best Execution and Transmission Policy is periodically reviewed. Such review will take place on a yearly basis and whenever a material change occurs that affects the Company’s ability to continue to obtain the best possible result for managed sub-funds;
- it keeps all the trade details available, on demand, to the auditors, the compliance officer, the management company and the supervisory authorities (e.g. CSSF).



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(Monaco) SAM

2. Best Execution Principles

When receiving and transmitting or executing orders in relation to Financial Instruments on behalf of Clients, the Company will take all reasonable steps to achieve best execution. This does not mean that the Company must obtain the best possible result in the execution of every order it receives from its Clients but rather that its obligation is to apply this Execution Policy to every order from its Clients with the aim of achieving the best possible result in line with the criteria set out in it. It therefore has an obligation to act (to execute the orders of its Clients in accordance with an Execution Policy read and accepted in advance by its Clients) and not to achieve (i.e. to always obtain the best possible result for every order).

The Company needs to ensure to have records, documentation in place, to evidence ongoing monitoring of Best Execution, enabling to identify any potential efficiencies.

3. Scope of the Execution Policy

This Best Execution Policy applies to the following types of operations:

- transmission of orders on stocks
- execution and/or transmission of orders on bonds and money market securities
- transmission of orders on derivative instruments listed on regulated markets
- transmission of orders on UCITS shares or stocks.
- transmission of orders on CFD contracts

With respect to orders on stocks, listed derivatives and fund's shares, the Company does not execute orders on behalf of the UCITS, but it transmits orders, for their execution, to the intermediaries indicated herein or identified according to the criteria set out herein.

4. Intermediaries Selection process

The selection of Intermediaries (ex. Brokers) will proceed as follows:

- Before entering into a relationship with a new Intermediary the Company should perform a due diligence taking into account, amongst others, the following criteria: Intermediary's capacity to cover several markets and instruments, Intermediary's Best Execution policy, reporting capability in term of Best Execution (RTS27 or similar);



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(Monaco) SAM

- The Company should inform the ManCo on the new Intermediary identity and certify that the appropriate due diligence has been done with a positive result;
- The ManCo reserves the right to request a copy of the documentation gathered by the Company and if necessary, makes further investigations on the Intermediary;
- The list of Intermediaries shall be reviewed and ratified on a yearly basis by the Board of Directors of the sub-funds.

5. Bonds

5.1. Execution Process

The Company will trade bonds using the following Bloomberg functions:

- VCON;
- ALLQ as a price enquiry (ALLQ-ENQ in the following): when ALLQ function is used to actually request to a list of Intermediaries a price for a bond. In this case, the field Audit Trial of the Blotter will be often filled with the price offers (if available) received from Intermediaries which the trade was not executed with. It may also occur that the prices have been enquired previously to the execution. In that case the Audit Trial might be blank but on the Blotter there will be the full list of price enquiries performed;
- FIT;
- ALLQ as trade execution (ALLQ-EX in the following): when the price has been previously enquired through Bloomberg chat and ALLQ is used exclusively to execute the order. In this case, the field Audit Trial of the Blotter will be empty.

Sovereign Bonds traded by the Company are extremely liquid.

The company's traders usually request a list of quotes to at least 3 Intermediaries through ALLQ-ENQ or FIT Bloomberg functions. Then the best price is selected and the trade is executed.

For specific Government Bond, less liquid, the Company might trade Sovereign Bonds with VCON or ALLQ-EX Bloomberg functions.

On the other side, the pricing of the Corporate Bond is mainly defined through Bloomberg Chat.

The fairness of the price is implicitly embedded in the competition in place among different Intermediaries involved in the process.

5.2. Best Execution Principle

When the trade is executed with ALLQ-ENQ or FIT, the Intermediary that executed the trade as well as the Intermediary contacted (at least two more) are reported in



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(Monaco) SAM

the Bloomberg ticket (within Bloomberg Blotter) as shown in the below figure under “Audit Trail”.

Buy/Sell	Buy	ISIN	IT0005217390	Status	Accepted
Issue	BTPS 2.8 03/01/67				
Audit Trail	ALLQ:BARX@90.266 DZ@90.501 BBGX@90.655 BSGB@NA			Broker Name	GS Institutional
				Broker	GS
DirFutBrkr	--				
Quantity	250,000	Disc Rate		Principal	€ 225,645.00
Clean Price	90.258	Yield	3.219	Acc Int (88)	1,701.65
Settle Date	11/28/2017			Net	227,346.65
Entry/Exec Time	09:31:48 / 09:32:41	Seq No	74		
Trade Date	11/24/2017	TS Ticket			
User Name	ROBERTO SCISCI			Login	SCISCIRO
Customer	GFG GROUPE FINANCIER DE GESTION SAM			Account	
Term Cust	GFG GROUPE FINANCIER DE GESTION SAM			Serial No	265328 - 0

When the prices have been enquired previously to the execution, the Audit Trail might be blank but on the Blotter there will be the full list of price enquiries performed.

These data will be analysed and processed in order to assess for each issuer, when needed, which counterparty has been the more efficient.

For trades executed through FIT or ALLQ-ENQ the Company will store for each trade the Intermediary that executed it as well as the Intermediary contacted, in order to analyse the Intermediaries efficiency on a yearly basis.

Less liquid Sovereign Bond can be possibly traded through VCON or ALLQ-EX platform. In this case they will have to respect the procedure set in the following for these two functions.

When the trade is executed with VCON and ALLQ-EX, the best price must be selected among the ones provided by at least 3 different Intermediaries, contacted through the Bloomberg Chat.

As not necessarily all Intermediaries contacted are able to provide a quote of the bond, the Company might finally deal with just a single counterparty.

When dealing with just one counterparty, in order to assess the fairness of the price, the Company won't agree to buy/sell a bond if the spread applied is higher than 80bps (40bps for Governmental Bonds).

When enquiring the price via chat, if an Intermediary does not provide the requested quote within **20 minutes**, the Company is authorized to proceed with the execution using the available price/s, and to classify as “Not Available” the specific price for that Intermediary. Differently, the client's benefit descending for the best execution can be undone by a wrong market timing.

For trades executed through VCON or ALLQ-EX the Company will store for each trade the Intermediary that executed it in order to analyse the Intermediaries efficiency on a yearly basis. Moreover, the Company has to produce on a bi-monthly basis a report



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(Monaco) SAM

proving that the policy has been properly followed when executing trades with VCON or ALLQ-EX (rd. "Reporting tool" chapter).

In case of fund's redemptions/subscriptions or beneath exceptional market condition, the constraints listed above might be overruled in the best interest of the client.

Bonds trades do not have a specific cost of execution as it is embedded in the Price spread. No execution fee is applied by the Depository Bank. Therefore, no specific cost optimization will take place.

Bloomberg chat is available for consultation and printing with one year of history.

5.3. Current Intermediary List

Since January 2018 the Company collects detailed and consistent information regarding the efficiency of each Intermediary, with the aim to provide at the beginning of each year a list of quantitative and qualitative factors used to select them.

In the following the list of Intermediaries we are enabled to trade with.

Intermediary Name
BANCA IMI
BANCA PROMOS
BANCO BILBAO VIZCAYA
BANCO SANTANDER
BARCLAYS
CREDIT SUISSE
DZ BANK
EQUITA
GOLDMAN SACHS
INVERSEGUROS
ISP SECURITIES
JEFFERIES
JP MORGAN
MEDIOBANCA
MITSUBISHI UFJ
NATIXIS



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(Monaco) SAM

SOCIETE GENERALE
UNICREDIT BANK AG

6. Listed derivatives, Equity & FX

6.1. Execution process

All listed derivatives, equity, UCITS funds' shares and FX contracts are executed through Credit Suisse Luxembourg desk who will need to make sure that all trades are executed at the best available price.

Credit Suisse Luxembourg will act as broker for Cash Equity/Listed derivatives part and as a Counterparty for the Forex related activities.

6.2. Best Execution Principle

We will rely on Credit Suisse Luxembourg best execution policy.

6.3. Current Intermediary List

Intermediary Name
CREDIT SUISSE LUXEMBOURG

7. Contract for Difference

7.1. Execution process

All CFDs contracts are executed through Interactive Broker (IB) who will need to make sure that all trades are executed at the best available price.

7.2. Best Execution Principle

No specific running controls will be performed to check that Best Execution is applied from IB.

Nevertheless, IB publishes on a yearly basis RTS28 report (<https://www.interactivebrokers.co.uk/en/index.php?f=1552&p=disclosures1>) to grant that all the compliant procedures are in place.

7.3. Current Intermediary List



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Intermediary Name
INTERACTIVE BROKER

8. Reporting Tools

8.1. Reports Produced and their employ

On a bi-monthly basis the Company needs to provide a sample detailed report on a VCON or ALLQ-EX trade executed with the compliant process as the below one:



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Best Execution Bi-Monthly Report

A) Trade Details

<u>Security ISIN</u> XS1487495316	<u>Operation type</u> Buy	<u>Security Name</u> #N/A Connection
<u>Reference Fund</u> Income Opportunity	<u>Reference Month</u> January	<u>In detail</u> First Half

B) Best Execution Details

Brokers Contacted	Price	Elapsed Time(min)	Output
JEFFERIES	106.44	10	Booked
JP MORGAN	106.50	1	Refused
SOCIETE GENERALE	106.9	39	Refused
MITSUBISHI UFJ	N/A		Not Available

C) Chat Screenshots

JEFFERIES

Bloomberg Chat Screenshot

JP MORGAN

Bloomberg Chat Screenshot

SOCIETE GENERALE

Bloomberg Chat Screenshot

MITSUBISHI UFJ

Bloomberg Chat Screenshot