



Best Execution Policy – Circulus Asset Management AB

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Policy owner:	Head of Custodian and Fund Operations
Independent reviewer:	Chief Compliance Officer
Classification:	External distribution allowed

Background

This Policy has been established by the Board of Directors of Circulus Asset Management AB (“the Company”), an investment firm authorized under the Swedish Securities Market Act to provide portfolio management and foreign exchange services where these are connected to investment services, with the purpose of promoting compliance with best execution and order allocation regulations, inter alia, Art 68 c of the MiFID II Delegated Regulation.

Policy Objectives

The objective of this Policy is to assist in its efforts to take all reasonable steps to achieve the best possible result when the company trades on behalf portfolios that The Company has been assigned to manage.

Applicability and Scope

This rule applies to everyone in the Company who is responsible for transmitting orders, or transactions for discretionary portfolios and portfolio transactions for UCITS funds, or AIF funds in financial instruments, or other assets for which best order execution is relevant.

Definitions

Speed refers to the time from investment decision to execution.

Promptness refers to doing the trade quickly and without risk of any delay.

Nature of the transaction refers to the characteristics of the trade such as size, timing, and promptness.

VWAP is the Volume Weighted Average Price over the time of the order.

Arrival Price is the last price at the time when the order is sent to market.

Roles and Responsibilities

Portfolio Managers and other employees executing orders, or transactions for discretionary portfolios and portfolio transactions for mutual funds, or AIF funds in financial instruments, or other assets for which best order



execution is relevant, are responsible for reading and complying with this Policy and staying informed of any updates.

Compliance, led by the CCO, is the function responsible for reviewing compliance with this Policy. Compliance is also responsible for monitor and follow up the routine of controls, and to report to the board of directors.

The Board of Directors is responsible for ensuring that the Company has appropriate policies governing best execution in accordance with external, regulatory requirements.

Fund Operations is responsible for the post-trade controls and to monitor on a regular basis the effectiveness of the Company's best execution procedure, in particular, the quality of the execution by its counterparties and, where appropriate, correct any deficiencies.

Policies

Execution of portfolio transactions

When executing portfolio transactions, the Company takes all reasonable steps to achieve the best possible result in terms of:

- price
- cost (transaction cost)
- speed
- likelihood of execution and settlement
- transaction size
- the nature of the transaction, and
- other conditions essential to execution, such as access to liquidity

The Company takes the following into account to determine the relative importance of these factors:

- objectives, investment focus and risk profile of the portfolio
- nature of the transaction
- distinctive characteristics of the financial instruments included in the portfolio transaction,
- market conditions and access to liquidity; and
- distinctive characteristics of the trading venues where the portfolio transaction may be executed

The Company considers these factors at the time of execution based on the financial instrument in question and prevailing market conditions. The Company will normally attach the greatest importance to price when executing portfolio transactions, which means that the company is committed to seeking to achieve the best possible result in terms of the total amount to be paid or received by the client or fund. However, the Company may pay greater attention to other factors if the nature or size of the order may have a significant impact on the price or the



likelihood of execution, for example, in instruments with limited accessibility or in times of high volatility, or if there are other relevant reasons to ascribe greater importance to factors other than price. The Company has compiled a list for each of the UCITS- and AIF funds managed by the Company where best execution is relevant. In each case the characteristic of the fund is taken into consideration when looking at the importance of the different factors. This list is updated once a year. An overview of the factors that are typically decisive for the Company when executing portfolio transactions are presented below.

<i>Type of financial instrument</i>	<i>Dominant factor</i>
Equity (liquid)	1. Price 2. Cost 3. Likelihood of execution and settlement
Interest-bearing instruments	1. Price 2. Likelihood of settlement 3. Liquidity
Futures	1. Promptness 2. Price 3. Cost
Listed derivatives and OTC derivatives	1. Price 2. Access to liquidity 3. Likelihood of settlement
Venture capital funds	1. Price 2. Likelihood of settlement

Placement of orders with third parties

The Company has specific instructions for the selection of counterparties for the placement and forwarding of orders for financial instruments (brokers). These instructions aim to ensure that the interests of UCITS fund shareholders and clients are protected by selecting the counterparty that will provide the best possible results for the funds and clients in accordance with this Policy. As part of this process, the Company must continuously evaluate the counterparties used for this purpose.

Evaluation of brokers

The company considers the following criteria when approving and continuously evaluating counterparties (brokers) for the placement and forwarding of orders:

- Size and type of orders generally handled by the counterparty
- Cost/price



- Operational efficiency, i.e. execution and settlement capacity
- Soft factors such as economic and political risk, reputation of the counterparty, etc.
- General service and the counterparty's previous experience
- The counterparty's policy for best order execution

Potential conflicts of interest attributable to the company's choice of broker

The company must make an overall assessment based on the above criteria before approving a broker as a counterparty for executing orders in respect of financial instruments. The company's priority must be to select brokers who are deemed to be able to achieve the best possible result for the client and the fund upon execution.

The best possible result in the execution of orders by third parties is normally defined as the price but can also be measured in other terms, such as speed. Only brokers that have been evaluated and approved according to the above criteria and included in the Broker List (the Company's list of approved trading counterparties) applicable at the time may be used to execute portfolio transactions or orders. More detailed information on the rules and processes applicable to the selection and evaluation of brokers is described in the Company's internal rules applicable at the time for broker evaluation.

Execution of orders relating to equity and exchange-traded funds, etc.

The Company has access to a few regulated markets and other marketplaces (MTFs) through Direct Market Access (DMA) provided by the Company's partners. Shares, exchange-traded funds (ETFs) and other exchange-traded instruments can be traded directly through DMA. The Company's DMA links use Smart Order Routing (SOR), which means that the order is automatically executed at the trading venue where it can be executed at the best price.

In other situations, such as when an instrument is traded at a trading venue to which the Company does not have access through DMA, or when the order is deemed to be executable with more favorable terms as a block order, the order is forwarded to one of the Company's brokers that has been approved and included in the Company's broker list. The order is then executed in accordance with the broker's best execution policy.

Execution of orders regarding fund units

Subscriptions and purchases of units in non-exchange-traded funds will normally be made directly against the fund manager managing the fund in question at the price or rate set by the fund manager. The Company will then be considered to have achieved the best result for the fund or client. Redemption of fund units will be made in the same way at the price or rate set by the fund manager.



Execution of orders in respect of bonds, derivatives, etc.

Corporate bonds, money market instruments, currencies and derivatives are traded OTC, i.e. directly with the broker. The choice of broker for each individual transaction in these cases is based primarily on an assessment of the best price for the fund or client, followed by the volume available and the promptness of execution.

Execution of orders regarding private equity funds

Subscriptions and purchases of shares or similar financial instruments in private equity funds take place when the private equity fund in question conducts a new issue. The subscription will therefore normally be made directly against the fund in question and at the price or rate set by the fund in question. The Company will then be considered to have achieved the best result for the fund or client. Disposal of the shares or similar financial instruments takes place when the private equity fund is liquidated, which means that the final price is set by the private equity fund through the liquidation procedure. The Company will then be considered to have achieved the best result for the fund or client.

Order management, aggregation and distribution

The Company's objective is to execute portfolio transactions quickly, efficiently, and fairly. Comparable orders will be executed promptly and in the order in which they are received if this is possible given the nature of the orders or transactions or the prevailing market conditions and clients' interests. Comparable transactions must be conducted simultaneously for all portfolios concerned when the portfolios form part of the same product group, i.e. they are either discretionary investment portfolios or funds.

The Company's principle involves equal treatment of similar portfolios. However, funds and discretionary management are treated as two separate products, which is why orders will not be aggregated. If both a fund and a discretionary investment portfolio are to undertake a comparable transaction, the Company must take all reasonable steps to ensure that trading can nevertheless take place simultaneously. If this is not possible, the fund will normally be given priority but trading in the discretionary portfolio must then take place as soon as possible thereafter.

When transactions are conducted simultaneously on behalf of different portfolios (block orders), the volume of trades must be allocated fairly between them. All portfolios for which transactions are conducted must receive an average price. The portfolios are treated according to the same allocation principle in the case of partially executed orders. Generally, the distribution principle is pro rata, which means that the volume of trades is distributed as a percentage of the size of the orders included in the block. However, investment limits and restrictions on individual portfolios may mean that this general rule cannot be fully complied with in some cases. Deviations from the distribution principle must be approved in writing by the CEO and the reasons for the deviation documented.



If pro rata cannot be applied fully because the number of instruments in the volume of trades does not even out, the excess instruments must be allocated to the portfolios representing the largest order volumes in the block.

Follow-up controls and monitoring

The Company is using Bloomberg BTCA for post trade monitoring. The follow up controls are performed monthly and reported to the board of directors on a quarterly basis. The post trade monitoring is done by comparing the trades to a benchmark. Each fund has a benchmark that's decided by the portfolio manager and compliance to be the best fit for the funds' trading strategies. The primary benchmarks used include VWAP, Bloomberg RFQ pricing, and spread comparison, depending on the market instrument.

Procedures and Work Instructions

The Company shall continuously follow the procedures outlined below to comply with this Policy:

- Procedure for evaluating brokers
- Procedures for follow-up controls

Record-keeping Policies

Each subsequent transaction must be documented in sufficient detail to allow the entire chain of transactions to be reconstructed retrospectively, in accordance with the Company's procedure applicable at the time for the documentation of transactions. This is accomplished via our portfolio management system Broadridge and Bloomberg BTCA which records an audit log of all actions done with the transaction and all fills.

Related Policies

- Conflicts of Interest Policy

Version History

Policy version	Date	Author	Description of updates
Version 1	2023-10-23	Fredrik Bergling	New Policy template; clarification of roles and responsibilities
Version 2	2024-10-17	Markus Palsander	Revised, no updates.
Version 3	2025-09-24	Markus Palsander	Revised, formatting updates and minor content updates.