

SIM – Best execution Strategy

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Version control

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| Version | Approved on | Approved by |
|---------|--------------|--------------------|
| 1.0 | 14 July 2021 | Board of Directors |

1. Assumption

This Best Execution Strategy (hereinafter “**Strategy**”) was prepared by Hamilton Court Foreign Exchange Securities Trading Company - Società di Intermediazione Mobiliare S.p.A. (hereinafter also referred to as the “**HCFX**” or “**SIM**”), in order to comply with the rules concerning the obligation of investment firms to take all necessary steps and measures to obtain the best result for the clients when taking decision to deal with them, as regulated by MiFID II Directive and implementing provisions (so-called “**Best Execution**”).

Hamilton Court Foreign Exchange Securities Trading Company - Società di Intermediazione Mobiliare S.p.A. (hereinafter also referred to as the “HCFX” or “SIM”), is authorized to provide the following services:

- **dealing on own account, and**
- **investment advice,**

referred to in Article 1, paragraph 5, letters a) and f), of the TUF (hereinafter also referred to as the “Dealing on Own Account Service”, the “Investment Advice Service” and, altogether, the “Investment Services”), as well as ancillary “foreign exchange services when these services are connected to the provision of investment services” referred to in no. 4 of Section B of Annex 1 to the TUF.

More precisely, the SIM provides the Investment Services to professional clients, in relation to the following financial instruments:

- **Contracts for Differences (excluding spread bets and, rolling spot forex contracts and binary bets) – These are primarily utilised to offer Non-Deliverable Forwards.(NDF’s);**
- **Participating forwards;**
- **Options (excluding commodity options and options on commodity futures).**

HCFX intends to provide personal recommendations regarding one or more of the aforementioned financial instruments to those firms which, at their request, wish to hedge against FX risk and exposure or protect their balance sheet and expected future income, as opposed to when they have a specific obligation. The SIM will then trade on own account and against its proprietary capital with clients that derivative financial instrument they have chosen.

The Strategy has been approved by HCFX’s Board of Directors on 14/07/2021 .

2. Regulatory framework

The regulatory framework is:

Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 (hereinafter also “**MiFID II Directive**”);

- Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;
- Commission Delegated Regulation (EU) 2017/576 supplementing Directive 2014/65/UE of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution;
- Legislative Decree No 58 of 24 February 1998, as amended and supplemented (“**TUF**”);
- Intermediaries Regulation adopted by resolution n. 20307 of 15 February 2018.

3. Review of the Strategy

HCFX’s Board of Directors shall review the Strategy and periodically assess - at least once a year - whether any amendments are required in order to ensure the best possible result for the client.

Following request by the client, including through formal means of communication (fax, letter, e-mail), HCFX undertakes to provide written documentation that the order has been executed in accordance with this Strategy.

Any update to the Strategy will be published in full or in summary on HCFX website.

Upon request HCFX will also make available to clients a copy of the Strategy.

4. Communication to HCFX employees

The Strategy and any relevant update thereto is promptly made available to the staff of the SIM involved in the performance of the Investment Services.

5. Factors to be taken into account for determining the best possible result for the client

HCFX has identified the relevant factors on the basis of which clients' investment decisions should be executed, according to the particular characteristics of the Foreign Exchange market. The Foreign Exchange market is an "over-the-counter" (OTC) market where transactions take place as a result of trading directly between the parties involved.

It is important to clarify that HCFX will trade in the above-mentioned financial instruments on own account and against its proprietary capital and will cover its net market exposure with the parent company Hamilton Court Foreign Exchange Ltd. (hereinafter the "**Parent Company**"). The decision of the SIM to cover its net market exposure with the Parent Company will allow the SIM to benefit from an optimization of the treasury of the Group HCFX and the better pricing that the Parent Company may obtain from its institutional counterparties due to the larger volumes traded by it. The clients' trades will only match the corresponding trades of the Company with the Parent Company.

It shall also be considered that, in relation to the aforesaid dealing on own account and against its proprietary capital, clients shall never be charged with a previously disclosed commission for the transactions, and the SIM's revenues will derive solely from the price differential between financial instruments and foreign currency sold by it to (or purchased from) its clients and the relating hedging costs.

With regard to the above, it should be noted that HCFX, to ensure that the prices offered to its clients are comparable to average market prices, constantly checks the website www.bloomberg.com to collect general information on current market prices and derivative financial instruments' trends on FX comparable to those required by its clients.

Moreover, the SIM constantly checks, by accessing the computer system of the Parent Company, the economic convenience of the hedging costs practiced by the latter.

6. Trading venues

As mentioned above, the currency derivatives market is an "over-the-counter" market (OTC) where transactions do not take place within a formal stock exchange (i.e. Borsa) or other execution venue (i.e. MTF) but as a result of trading directly between the parties involved.

When taking decision to trade on own account, HCFX shall check the fairness of the price proposed to the client, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products. This involves research and analysis of the reference prices of the derivative on the basis of data acquired by HCFX institutional counterparties through their API's or through SIM staff contacts with the dealers of such institutional counterparties. A similar control is also carried out by the SIM on the hedging costs charged by the Parent Company.

7. Customer information and prior consent

In order to ensure that clients are adequately informed of the present Strategy adopted by HCFX, a document summarizing the present procedure is provided prior to the subscription of any framework agreement with the SIM. This Strategy is available at all times at the clients' request and on HCFX's website.

8. Phone recordings

All communications (telephone or electronic, minutes of meetings) relating to the dealing on own account and against its proprietary capital are recorded in accordance with MiFID II. The SIM will notify both new and existing customers that conversations or telephone communications between them and the SIM and which give rise or may give rise to transactions will be recorded.

Such notification may be made once, prior to the provision of investment services to new and existing clients. These records shall be retained for five years.

9. Roles, responsibilities and controls of the functions and bodies involved

The following is a brief description of the roles and responsibilities of the bodies and functions involved in the implementation of this Strategy:

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| Board of Directors | <ul style="list-style-type: none"> - monitors the effectiveness of the Strategy so as to identify and, where appropriate, correct any deficiencies in order to ensure that the Policy is capable of delivering the best possible result for the client |
| Chief Executive Officer | <ul style="list-style-type: none"> - ensures that the Strategy is promptly communicated to all personnel concerned - is responsible for compliance with this Strategy in the context of dealing on own account service |
| Single Second-Line Internal Control Function | <ul style="list-style-type: none"> - verifies, including by means of a random check, that the result obtained represents the best possible result for the clients. - draws up a quarterly summary report on the checks carried out which, in the event of serious anomalies, will be submitted to the Board of Directors for appropriate evaluation. |