



Best Execution Policy
CaixaBank Asset Management

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Party responsible: Investment Area (Execution desk)

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1. Scope and field of application

Directive 2014/65/EU on markets in financial instruments ("MiFID II") extended the requirements set down by Directive 2004/39/EC ("MiFID I", and both referred to jointly as "MiFID") to comply with customer protection and transparency objectives. MiFID II states that investment firms must take all sufficient steps to obtain, when executing orders, the best possible result for their customers ("Best Execution"), taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

Regulation 2017/565/EU, supplementing Directive 2014/65/EU, introduces the obligation to make available to customers information on the quality of executed transactions, as well as to publish, on an annual basis, for each class of financial instrument, the five main intermediaries through which orders have been executed.

In turn, section 8 of the Securities Markets and Investment Services Act (Law 6/2023 of 17 March; hereinafter also referred to as the "SMA")¹ and, in development, Article 141 of Royal Decree 813/2023 of 8 November on the legal rules for investment services firms and other entities providing investment services (hereinafter 'RD 813/2023') sets out the obligations relating to order management and execution.

In this regard, with respect to most of the marketable securities or financial instruments, CaixaBank Asset Management SGIIC, S.A.U. ("CaixaBank AM" or the "Management Company") will use the services of financial intermediaries to execute the investment decisions. When this occurs, the Management Company acts as a transmitter of its investment decisions by placing orders with the intermediary, which is ultimately responsible for the execution of the orders on the selected execution venues. In such cases, the Management Company's best execution obligation is understood as the obligation to select the best intermediaries to which it transmits its orders, in the terms indicated in the above-mentioned art. 141 of RD 813/2023.

The Best Execution Policy must contain the aforementioned measures, published by every investment firm that provides this service and be available to customers at all times. It shall apply to Financial Instruments as defined in MiFID II (Annex I, Section C of Directive 2014/65/EC).

CaixaBank AM is a Collective Investment Schemes (CIS) Management Company registered in the Special Register of Collective Investment Schemes Management Companies of the Spanish Securities Market Regulator (CNMV), under number 15. Its activity is subject to the supervision and control of this supervisory body and, in accordance with its programme of activities, is mainly focused on the following activities:

- The management of harmonised and non-harmonised CIS, directly or by delegation.
- Discretionary individualised management of investments², including Pension Funds.

This Best Execution Policy is therefore limited to the investment management activities of the CIS and the other portfolios under management (together referred to as "**portfolio management**"). The requirement to uphold this Policy implies that, in carrying out its portfolio management activity, CaixaBank AM:

¹ Article 65 of Law 35/2003 of 4 November 2003 on Collective Investment Schemes provides for the application to SGIICs of Title VII on rules of conduct of the Securities Market Act (LMV).

² The discretionary and individualised investment portfolio management service, in addition to being provided on the Bank's own behalf to institutional investors, is delegated by CaixaBank, S.A. to CaixaBank AM for all types of customers.

- shall take reasonable steps to consistently obtain the best possible result for customers, without making it mandatory to obtain such a result for each and every customer order and,
- shall take into account that such a result may not always consist of obtaining the best price, but requires an additional assessment of factors such as the costs associated with execution, the likelihood of execution and settlement, or the size of the order.

The present Policy will be governed by the pertinent legislation in force at all times and any legislation amending or replacing it in the future. The CaixaBank AM Best Execution Policy will be updated and available at all times on the website (www.caixabankassetmanagement.com).

The Management Company upholds, in its Code of Business Conduct and Ethics (“Code of Ethics”), its commitment to deal with all customers with absolute professionalism, honesty and transparency, even when the present Best Execution Policy is not applicable.

2. Best Execution

Best Execution shall be determined by the materiality of the factors set out below and will depend on the characteristics of the order to be transmitted to the intermediary for execution, the type of financial instrument and the market on which it is tradable.

2.1 Factors determining Best Execution

The main factors determining Best Execution are described below.

- **Price:** the best possible price of the financial instrument for the customer.
- **Transaction costs:** inherent transaction costs, including explicit costs referring to fees and commission expenses paid to intermediaries, and the costs for executing and liquidating financial instruments.
- **Liquidity and depth:** sufficient volume of orders at different prices, pricing spreads with consistent variations that significantly reduce the volatility.
- **Execution speed:** capability of rapidly executing transactions, including high-volume transactions.
- **Transaction settlement:** existence of efficient settlement centres and mechanisms that minimise counterparty and operational risk.
- **Reputation and professionalism of the intermediary or the execution venue:** coverage and access to relevant markets, capacity to execute orders, speed of order processing, capacity to resolve incidents and access to information on executed orders.
- Further aspects considered to be relevant for the order, such as **quality of the execution venues**.

Under normal circumstances, the key factors will be price and cost (understood as "Total Consideration"³) in addition to liquidity, with CaixaBank AM undertaking to act in the best interests of the customer, seeking to obtain the best possible result.

³ Total Consideration is defined as the sum of the price of the financial instrument concerned and the costs or expenses incurred by the customer and directly related to execution of the order. These expenses include the costs of the execution venue, clearing and settlement, and any other fee and commission expenses paid to third parties in relation to this execution.

Without prejudice to the above, the Management Company may, subject to the regulations in force, give greater weight to other factors, such as speed and likelihood of execution or efficiency in settlement, especially in certain specific situations such as, but not limited to, the following:

- Exceptional market conditions: liquidity difficulties, market disruption or suspension, failure of systems enabling market access, etc.
- Nature and characteristics of the financial instrument to which the order relates.
- Characteristics of the order: relatively high volume with respect to the supply and demand for a particular financial instrument in the available execution venues.
- Characteristics of the execution venues to which the order could be addressed.
- Client characteristics.

2.2 Execution venues and financial intermediaries

As indicated above, in the selection of financial intermediaries and execution venues, the Management Company will give priority to price, cost and liquidity factors. In this sense, liquidity could be seen as a relevant factor to the extent that venues with a higher degree of liquidity and depth (based on average daily trading volumes) will reasonably be those that can consistently provide the best prices.

Under the applicable regulations, an execution venue is a multilateral trading facility (MTF), an organised trading facility (OTF) and a systematic internaliser to which the Management Company may have direct recourse.

In the particular case of units and/or shares of CIS, there is no execution venue as such, but rather the management entity of the CIS that is the object of the investment is responsible for executing the subscriptions (purchases) and redemptions (sales) requested. The price corresponds to the net asset value (NAV), which is calculated and published by the Management Company itself in accordance with the applicable regulations in force, and the costs related to execution, if any, are expressly stated in the prospectuses (subscription or redemption fees). Investment decisions on CIS shall be transferred for execution to the most advantageous class for the customer in terms of fees and commissions, depending on the size of the transaction to be carried out and the minimum amounts and other requirements set out in the prospectus for each class.

As indicated in point 2.1 above, in view of certain specific circumstances and in order to act in the best interests of the customer, CaixaBank AM may give greater materiality to the speed and probability of execution or the efficiency of settlement.

CaixaBank AM will select financial intermediaries and venues in such a way that, based on the aforementioned factors, allows it to consistently comply with the Best Execution Policy and obtain the best possible result. For this purpose, the Management Company has a procedure for the Selection and Evaluation of Intermediaries and Execution Venues. The main intermediaries and venues are listed in the Appendix to this Policy and are subject to periodic review.

2.3 Review of the selected execution venues and intermediaries

At least once a year, CaixaBank AM shall review the intermediaries and venues used to date, ensuring compliance with the Best Execution Policy in the transmission of investment decisions adopted within the framework of portfolio management.

The review will be conducted immediately upon observation of circumstances at the selected intermediaries and execution venues that undermine compliance with the established selection criteria.

The review, irrespective of the timing thereof, shall be aimed at verifying that the selected intermediaries and venues comply with the above-mentioned Best Execution factors, following the established priority, in order to ensure compliance with this Policy.

3. Conflicts of interest

In certain circumstances, a potential conflict of interest may arise between CIS or between customers of the discretionary portfolio management service. In such a case, the highest priority shall be given to obtaining the best possible result for each of them, so that the Management Company shall:

- avoid favouring any of them.
- not provide customers with details of transactions involving other customers under any circumstances.
- not carry out a transaction for one customer for the purpose of benefiting another under any circumstances.

3.1 Management and aggregation of customer orders

When CaixaBank AM transmits orders to financial intermediaries or venues arising from the investment decisions taken, it shall ensure that the following requirements are met:

- Identification of the holder of the managed portfolio, in accordance with the requirements of the regulations in force.
- Adoption of the investment decision before transmitting the order and, therefore, before knowing the result of the transaction.

CaixaBank AM shall also ensure that customers whose orders are to be aggregated have been informed that such aggregation may be detrimental to them in relation to a particular order. For these purposes, this Best Execution Policy serves as a notice to the customer that investment orders placed on their behalf may be subject to aggregation, which may work against them in relation to a particular order.

In the event that investment decisions affecting several portfolios are taken and a global order is transmitted to the intermediary or venue for the benefit of customers, the Management Company, in addition to the pre-allocation, has objective and pre-established regulations for the distribution or breakdown of the result of the execution among the portfolios involved, which guarantee fairness and non-discrimination among them:

- If the global order is fully executed in a single act at the same market price, the result shall be allocated proportionally to each of the portfolios at that execution price.
- If the overall order is executed by tranches at several successive points in time at different execution prices, the total result will be allocated proportionally to each of the portfolios at the resulting average price.
- In the event that the entire order cannot be filled, a randomised algorithm will be applied, which always ensures that there is no discriminatory treatment of customers.

3.2 Transactions between customer portfolios

The Management Company shall under no circumstances carry out transactions internally between customer portfolios of the discretionary portfolio management service or CIS, channelling them always and in all cases through intermediaries or venues selected in accordance with the provisions of the Best Execution Policy.

4. Policy communication

CaixaBank AM, through its website (www.caixabankassetmanagement.com), will make available to its customers appropriate information on its Best Execution Policy and notify them of any significant changes to it.

All customers who commission the discretionary and individualised portfolio management service and, in particular, those who do so through CaixaBank, S.A., will receive a summary of this Best Execution Policy along with the other information required by the regulations.

The Management Company shall publish annually, on the above-mentioned website, the appropriate information on the top five entities to which orders are transmitted in respect of each type of instrument, within the framework of the discretionary portfolio management service, including information on the quality obtained.

5. Securing customer consent

CaixaBank, S.A. shall secure consent of its customers regarding the Best Execution Policy before commencing the discretionary portfolio management service.

After the information regarding the Best Execution Policy is made available to the customers, the customer's signature will mean express acknowledgement of the knowledge and application of the Best Execution Policy.

The customer expressly acknowledges that the contracting of the discretionary portfolio management service shall be considered acceptance of the Best Execution Policy of CaixaBank AM (the entity to which CaixaBank, S.A. has delegated the provision of the service), having the same effects and value as its formal acceptance.

6. Policy supervision

As established by MiFID II and the LMV, entities providing investment services must periodically check the effectiveness of their systems and order execution policy to detect and, where necessary, correct any deficiencies. In particular, they shall regularly check whether the intermediaries and execution venues included in the order execution policy provide the best possible results for the customer or whether there is a need to change their execution arrangements.

As indicated above, the Management Company has internal procedures for reviewing the Best Execution Policy and verifying compliance with it.

Supervision and control are carried out via two procedures:

6.1 Assessment of the Best Execution Policy.

The quality of execution of the selected intermediaries and venues will be assessed by reviewing the materiality of the factors determining Best Execution, as well as their compliance.

As a result of the assessment it will be concluded, for each instrument, to maintain or modify the list of intermediaries and venues to be used for order executions, as indicated in point 2.3 above.

6.2 Verification of compliance with the Best Execution Policy.

The existence of control mechanisms will be checked. It will be necessary to verify that the defined controls are in place, have been implemented and are effective.

Compliance with the Policy defined and implemented during the previous year will be verified through a process compliance review and associated controls.

This verification will not entail checking each order individually but rather confirm the existence of a process with a regular review demonstrating that the controls work properly.

7. Execution quality demonstration

CaixaBank AM will be able to demonstrate to customers that have commissioned the discretionary portfolio management service with CaixaBank, S.A., at their request, that the orders were executed in accordance with the established Policy by checking that the principles and aspects established in relation to the execution procedures were followed. Specifically:

- That the operation was channelled by a financial intermediary or the execution venue defined in the Policy.
- That, in the transmission of orders to other entities for execution, there is a documented procedure on internal operations and the selection and review of financial intermediaries.
- That controls have been designed and implemented in this operation and their effectiveness has been verified.

8. Modification and approval of the Policy

The CaixaBank Best Execution Policy will be reviewed at least in the following cases:

- Legal or regulatory changes affecting the Policy.
- When, in relation to Best Execution, new internal procedures are approved for inclusion or existing ones are modified.
- At the proposal of auditors and supervisory bodies.
- When there is an opportunity for improvement in the selection of financial intermediaries or execution venues.
- In any case, at least once a year.

CaixaBank will provide its customers with appropriate information regarding any significant change in the present Policy through its website (www.caixabankassetmanagement.com).

9. Appendix. Main intermediaries and execution venues

Based on the factors mentioned in this Policy and their materiality, the selection of financial intermediaries, counterparties or execution venues will be made according to the type of financial instrument that is the subject of the order, and a summary of the preferred intermediaries and venues available to the Management Company is set out below.

9.1 Equity

GOLDMAN SACHS BANK OF AMERICA MERRILL LYNCH MORGAN STANLEY UBS HSBC BANK JP MORGAN ALANTRA N+1 KEPLER CAPITAL MARKETS CECABANK CAIXABANK BANCO SANTANDER NOMURA BANK JB CAPITAL MARKETS, S.V., S.A.

9.2 ETFs

JANE STREET FLOW TRADERS SUSQUEHANNA BNP PARIBAS SOCIÉTÉ GÉNÉRALE DEUTSCHE BANK, AG MORGAN STANLEY BANK OF AMERICA MERRILL LYNCH GOLDMAN SACHS HSBC BANK NOMURA BANK UBS CITIBANK CAIXABANK CM CAPITAL MARKETS BOLSA, SV TRADEWEB
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9.3 Fixed Income

CITIGROUP

JP MORGAN
SOCIÉTÉ GÉNÉRALE
BNP PARIBAS
GOLDMAN SACHS
DEUTSCHE BANK AG LONDON / MORGAN GRENFELL
BARCLAYS BANK
NOMURA BANK INTERNATIONAL PLC
HSBC BANK
CALYON
MORGAN STANLEY
BANCO SANTANDER S.A.
BBVA
BANK OF AMERICA MERRILL LYNCH
NATIXIS
TRADEWEB and TRADEWEB EUROPE LIMITED
BLOOMBERG

9.4 *Derivatives and FX*

ALTURA MARKETS
BANCO SANTANDER
CM CAPITAL MARKETS BOLSA, SV
MORGAN STANLEY
JP MORGAN
BARCLAYS BANK
BANK OF AMERICA MERRILL LYNCH
BNP PARIBAS
CECABANK (FX only)
CAIXABANK (FX only)

9.5 *Unquoted funds and SICAVs listed on the BME*

CIS managed by CaixaBank Asset Management SGIC CAIXABANK
CIS of other fund managers marketed in Spain CAIXABANK / ALLFUNDS BANK
CIS of other management institutions for funds managed by CaixaBank Asset Management Luxembourg NEOLINK