

Cerberus European Capital Advisors LLP

Best Execution Policy

August 2022

INTRODUCTION

Cerberus European Capital Advisors LLP (“CECA”, “We” or the “Firm”) is under a regulatory obligation to take all sufficient steps to obtain, when executing orders in *Financial Instruments*, the best possible results for our clients, and to act in our client’s best interests when placing orders in *Financial Instruments* with third parties for execution. CECA has established and implemented policies and procedures which are designed to satisfy this obligation, subject to and taking into account, any specific instructions received from you, the nature of your orders and the nature of the markets and the products concerned. The law does not require us to guarantee that we will always be able to provide best execution on every order executed on your behalf.

SCOPE

Clients

This policy applies to the execution of orders on behalf of clients whom we have classified as professional clients. Entities classified as ‘eligible counterparties’ are not clients for the purposes of this policy. CECA does not transact or in any other way deal with retail clients. Accordingly, this policy does not apply to retail clients.

Financial Instruments

This policy and therefore the best execution obligation only applies with respect to transactions in Financial Instruments. This term has been defined in the Markets in Financial Instruments Directive (“MiFID”) and in the UK Financial Conduct Authority’s Conduct of Business Rules. Financial Instruments include but are not limited to: transferable securities (such as shares and bonds), money market instruments, units in collective investment undertakings, exchange-traded derivatives and OTC derivatives, whether cash or physically settled (including futures, options and swaps). Whilst the Firm does transact in loans and real estate, these are not considered to be Financial Instruments and are therefore outside the scope of this policy.

Execution Venues

For the purposes of best execution, “Execution Venue” means: - a regulated market (i.e. stock exchange), a multilateral trading facility or MTF, an organised trading facility (OTF), a systematic internaliser, a market maker or other liquidity provider and non-EEA entities performing a similar function to any of the above.

BEST EXECUTION

Where CECA receives an order from a client in a Financial Instrument, and the Firm owes that client contractual or agency obligations (a “Relevant Order”), CECA will take all sufficient steps to obtain the best possible result for that client (the “Best Execution Obligation”). The Best Execution Obligation also applies when CECA transmits Relevant Orders to a third party for execution.

Execution Factors

Subject to any specific instructions, CECA will exercise its discretion to determine which execution factor, or combination of them, will be relevant in achieving best execution. Ordinarily, price will merit a high relative importance in obtaining the best possible result with liquidity and execution certainty the other important factors.

The specific execution factors are: price, costs, speed, likelihood of execution and settlement, together with any other consideration relevant to the execution or transmission of the order.

When executing a Relevant Order, we must also take into account the following criteria for determining the relative importance of the execution factors in the circumstances:

- the nature of the Relevant Order;
- the likely market impact of the Relevant Order;
- the characteristics of Financial Instruments that are the subject of that Relevant Order;
- the characteristics of the Execution Venues to which that Relevant Order can be directed including the availability of liquidity; and
- where relevant, the availability of appropriate lines of credit.

Even where the Best Execution Obligation does not apply, we must act honestly, fairly and professionally in accordance with our clients’ best interests.

Impact of a specific instruction

If CECA receives and accepts a Relevant Order from a client that includes a specific instruction in relation to the handling and/or execution of the entire order or particular aspects of the order (including selecting a particular Execution Venue, executing at a particular price or time then, CECA will execute or transmit that order in accordance with those instructions. Such instructions may prevent the Firm from obtaining the best possible result in accordance with this policy. For the avoidance of doubt, CECA’s Best Execution Obligation will be limited to that part of the order not covered by the instructions given.

Mandatory trading obligation

CECA may be subject to the trading obligation for investment firms under Article 23 of MiFIR when undertaking trades in shares traded on a trading venue. Such a requirement may limit the Execution Venues We may be able to access when executing Relevant Orders in shares.

Single Execution Venue

For certain products, We may conclude that We can reasonably expect to comply with the Best Execution Obligation by using a single Execution Venue. In these circumstances the Firm's reasonable expectations must be supported by relevant data on execution quality.

Third Party Brokers and Affiliates

CECA maintains internal procedures for the selection of Brokers, Trading Venues and other Execution Venues. The approval process involves a review of the brokers' terms of business and best execution policy, and confirmation that they:

- are appropriately regulated;
- have appropriate arrangements in place to provide best execution in the relevant Financial Instruments. This may require an assessment of available RTS 27 and RTS 28 Reports;
- are charging competitive rates for execution, as relevant; and
- have accepted CECA's consent to transact outside of an Execution Venue.

Where CECA executes transactions with a third party broker or affiliate ("Broker") acting as an Execution Venue (i.e. systematic internaliser, market maker or liquidity provider), or where we transmit Relevant Orders to a Broker for execution, We will satisfy the Best Execution Obligation by completing the abovementioned approval process and monitoring execution quality more broadly.

Annual disclosure requirements

By no later than 30 April of each year, CECA will summarise and make public on the Firm's website, data on our top five (or fewer) Execution Venues in terms of trading volumes by class of Financial Instrument traded. This disclosure also includes the number of client orders as a percentage of the total executed orders, a summary of the Firm's analysis as to the percentage of orders that are aggressive or passive and conclusions following our monitoring of execution quality. CECA will also include information on factors that might impact our order execution behaviour, for example any conflicts of interest.

Monitoring and review

CECA will monitor the effectiveness of its order execution arrangements and this policy on at least an annual basis.

The Execution Venues to or on which CECA transmits or executes Relevant Orders are reviewed to ensure that they consistently provide for the best possible result for clients. In the event that deficiencies are identified resulting in a failure to obtain the best result for clients, or a material change occurs which impacts on execution quality, appropriate changes to this policy will be made within a reasonable time of the deficiency identification or material change occurring.

CECA currently utilises Global Trading Analytics to perform an independent review of the execution quality obtained for its trading of liquid securities. This further assists in the analysis of whether best execution has been consistently achieved.



Notifications to Clients

CECA will notify its clients of any material changes to this policy or the Firm's best execution arrangements. A change will be material where its disclosure is necessary to enable clients to make a properly informed decision about whether to continue utilising our services.



ORDER HANDLING

General considerations

Where CECA receives a Relevant Order from a client the Firm will ensure that the order is executed promptly and recorded.

Aggregation of orders

From time to time CECA may aggregate Relevant Orders from one client with Relevant Orders of (i) its other clients; (ii) its affiliates; and/or (iii) clients of its affiliates. In these circumstances the executed orders will be allocated on a fair and equitable basis in accordance with Cerberus' allocations policy. CECA will aggregate Relevant Orders only where it reasonably believes that such aggregation is unlikely to operate to the disadvantage of our clients. However, on occasion, the effect of aggregation may be disadvantageous to a client in relation to a particular order.

Fees and commissions

CECA is not permitted to structure or charge commissions in such a way as to discriminate unfairly between Execution Venues. The Firm has no close links or specific arrangements with any Execution Venues. Only charges reflecting the cost of execution are charged.

Consent to execute outside an Execution Venue

CECA may execute all or part of your Relevant Order outside of an Execution Venue. In accordance with FCA requirements CECA has requested your consent to execute such orders in this manner.

Publishing limit orders

If a client gives us an instruction to execute a Relevant Order at a specified price limit or better (a limit order), then it may not always be possible to execute that order under the prevailing market conditions. Under current rules, CECA would be required to make the client order public unless a client agrees that We need not do so. CECA believes it is in a client's best interests if the Firm exercises its discretion as to whether or not to make your order public.

By agreeing to this Best Execution Policy, you agree that CECA will not make your Relevant Order public unless the Firm considers this to be in your best interest to do so.

ANNEX

The Best Execution Obligation applies in relation to Financial Instruments. The differences in market structures and the characteristics of Financial Instruments make it difficult to identify and apply a uniform standard of best execution that satisfies each market and instrument. This annex sets out how CECA will seek to satisfy its Best Execution Obligation when transacting in Financial Instruments whether directly executed by the Firm or transmitted to a third party for execution.

Equities

Relevant Orders in equity securities will generally be passed to third party brokers that are included in the Approved Brokers list (Appendix 1), for execution. In these circumstances, We expect the executing broker to provide us with best execution pursuant to their own policy. If We provide specific instructions to the executing broker, including for example, regarding the price or Execution Venue We recognise that such instructions may limit or restrict the broker from obtaining best execution in accordance with their best execution policy.

CECA may also transmit Relevant Orders to another Cerberus group entity or alternatively, execute the Relevant Order directly.

Price will generally be the most important execution factor however for larger orders or orders in less liquid securities, other factors such as certainty of execution, speed or minimal market impact may receive greater importance.

Commission rates are also a consideration, although competitive forces, especially in major markets, have tended to standardise commission rates in liquid markets. CECA will always try to negotiate the lowest possible commission rate on behalf of our clients. Where all other factors are equal, CECA will choose to utilise a broker with the lower commission costs.

Fixed income

Bonds are largely traded outside regulated markets, MTFs or OTF. Unless CECA passes an order to a broker on the clear understanding that the broker is accepting that client order as an agent on behalf of CECA, CECA will be considered to be executing the bond transaction itself and will owe best execution to its clients.

For liquid fixed income securities, including government bonds and investment grade corporate bonds, CECA will consider as many indicative quotes as possible from brokers directly or by viewing multi-dealer platforms, where appropriate, followed by direct negotiation with the broker to obtain a competitive market price. Subject to the availability of the bond, the total cost will represent the most important factor taken into account.



For less liquid instruments, including high yield and non-investment grade corporate bonds, CECA will seek out at least three broker quotes for consideration. Execution quality will largely depend on the level of liquidity in the market. Execution certainty is likely to be the major factor with the total cost being a secondary factor.

Prices quoted by brokers will be compared to one another as well as to Bloomberg or other relevant pricing data sources, as part of the obligation to obtain best execution. This data will be retained by the trader.

Exchange traded derivatives

Exchange traded products are typically traded on the relevant exchange for the particular product. Accordingly, best execution is generally achieved by executing at the prevailing price for that product, at the time of the order.

Currency derivatives

The primary execution factors relating to currency derivatives are price and execution speed followed by the probability of execution.

APPENDIX 1 – APPROVED BROKERS

TRADING OF DEBT AND EQUITY INSTRUMENTS AND RELATED INSTRUMENTS.

Short Name	Legal Entities	Regulator	Jurisdiction	LEI
BAML	Merrill Lynch International	PRA/FCA	UK	GGDZP1UYGU9STUHRDP48
Barclays Capital	Barclays Capital Securities Limited	PRA/FCA	UK	K9WDOH4D2PYBSLSOB484
	Barclays Bank Plc	PRA/FCA	UK	G5GSEF7VJP5I7OUK5573
BNP Paribas	BNP Paribas London Branch	Banque de France & FCA/PRA	France/UK	R0MUWSFPU8MPRO8K5P83
Citigroup	Citigroup Global Markets Limited	PRA/FCA	UK	XKZZ2JZF41MRHTR1V493
	Citibank N.A.	PRA/FCA	UK	E57ODZWZ7FF32TWEFA76
Credit Suisse	Credit Suisse Securities (Europe) Limited	PRA/FCA	PRA/FCA	DL6FFRRLF74S01HE2M14
	Credit Suisse International	PRA/FCA	PRA/FCA	E58DKGMJYYYYJLN8C3868
	Credit Suisse AG, London Branch	PRA/FCA	FBC, Switzerland & PRA/FCA	ANGGYXNX0JLX3X63JN86
Deutsche	Deutsche Bank AG	BaFIN & PRA/FCA	Germany/UK	7LTWFZYICNSX8D621K86
Goldmans	Goldman Sachs International	PRA/FCA	UK	W22LROWP2IHZNBB6K528
HSBC	HSBC Bank PLC	PRA/FCA (Passports throughout EU)	UK	MP6I5ZYZBEU3UXPYFY54
JP Morgan	J.P. Morgan Securities Plc	PRA/FCA	UK	K6Q0W1PS1L1O4IQL9C32
	J.P. Morgan Chase Bank N.A., London Branch	PRA/FCA	UK	7H6GLXDRUGQFU57RNE97
Morgan Stanley	Morgan Stanley & Co. International PLC	PRA/FCA	UK	4PQUHN3JPFGFNF3BB653
RBS	Natwest Markets PLC	PRA/FCA	UK	RR3QWICWWIPCS8A4S074