



BEST EXECUTION POLICY





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1. Object

The rules of conduct applicable to entities that provide investment or ancillary services require them to establish all adequate measures for obtaining the best result possible for the operations of their clients, when providing services of execution, discretionary management of investment portfolios¹ and/or reception and transmission of orders from clients in relation to financial instruments.

The object of this document is to describe the policy adopted by Banco Inversis, S.A. (hereinafter, “**Inversis**”) for executing orders from its clients on each class of instrument (hereinafter, the “**Best Execution Policy**”), as well as the internal procedures involved in applying them correctly.

It also lists (i) the different markets, multilateral trading facilities (“**MTFs**”) or any other execution venue in which Inversis executes the orders; (ii) the various financial intermediaries to which Inversis transmits the orders received from its clients; and (iii) the factors that influence both the selection of those Execution Venues and Financial Intermediaries (depending on the service provided) and the choice between one or other depending on the specific order from the client; all of which in accordance with the terms set out in the securities market regulations.

The Best Execution Policy establishes the criteria for correctly executing the clients’ orders in accordance with Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (“**Directive 2014/65**”); the Commission Delegated Regulation (EU) 2017/565, of 25 April 2016, which supplements Directive 2014/65/EU; and the regulations that implement it (the “**MiFID II Directive**”).

The Best Execution Policy does not imply that Inversis assumes the obligation to obtain the best result, from among all those possible, in the execution of each of the orders that it receives from its clients, but rather that it assumes the commitment to apply all adequate measures for obtaining the best result possible for the operations of its clients when it provides services of execution and/or reception and transmission of clients’ orders in relation to financial instruments.

¹ *Inversis does not provide the service of discretionary investment portfolio management*



2. Scope: Summary of criteria to be considered

This Policy will be applicable to the execution and to the reception and transmission of instructions for buying or selling securities and other financial instruments given by clients classified as retail or professional clients.

This will not be applicable to Inversis clients who have been classified as an eligible counterparty.

The current MiFID II Directive establishes the criteria that are to be considered by the entities providing those investment services for the correct execution of the orders received from the clients.

In this respect, and in accordance with the above-mentioned MiFID II Directive, entities providing investment services must respect the factors and criteria set out in this Best Execution Policy, the scope of which is summarised below:

2.1 Obligation to provide information according to the client category or profile

The MiFID II Directive establishes the need for **retail clients** and **professional clients** to be informed of and accept the Inversis Best Execution Policy prior to commencing the provision of services of execution and/or reception and transmission of orders.

2.2 Obligation to provide information according to the service offered

In accordance with the MiFID II Directive in force, the obligation to provide prior information and the acceptance of the Best Execution Policy, as well as any other obligations arising therefrom, are applicable to the provision of the services of execution and reception and transmission of clients' orders.

The scope of this Best Execution Policy excludes the provision of any other services, such as the settlement of transactions, administration of security balances (in particular with regard to financial operations arranged by issuers of securities in which an expression of the will of the security holder is required), etc.



3. Factors to be considered in the execution and transmission of orders

Under the provisions in place for the purpose in the applicable MiFID II Directive, a series of factors have to be taken into consideration when evaluating and determining the execution venue or financial intermediary (depending on the service provided) to which Inversis will direct its clients' orders.

Depending on the different classes of financial instruments, the factors to be considered by Inversis when directing a client's order to one or other execution venue (if more than one have been selected in accordance with the provisions of point 4 of this Policy) will be as follows:

- **Nature and restrictions of the orders:** Specific instructions from clients.
- **Instrument trading price:** Best price available at the time of executing the order.
- **Costs:** Less costs associated with the execution, compensation and/or settlement of orders (as appropriate).
- **Likelihood and efficiency of execution and settlement:** Capacity of having mechanisms for execution and settlement that ensure the correct outcome of the order.
- **Speed:** Speed in the transmission of orders to the execution venue.
- **Volume of orders:** Extent of the order in relation to the offer and demand for a specific financial instrument in the execution venues available.
- **Other considerations** that might affect the correct execution of the orders.

Similarly, when Inversis provides services of reception and transmission of orders to its professional clients, it will direct them to one or other intermediary (if more than one have been selected in accordance with the provisions of point 4 of this Policy) based mainly on **experience, trading share, costs, efficiency, and quality of service** of the intermediaries selected.

The relative importance that Inversis gives to those factors will depend on the characteristics of the client, the order, the execution venues or the financial instruments themselves.

In the case of **retail clients'** orders, precedence will be given in any case to the price and cost factors, which are taken to be the total consideration paid by the client. In this respect, consideration will be given to all expenses that can in some way be passed on to the client in the transmission, execution, compensation and/or settlement of the orders (commissions for execution and settlement of the orders, brokerage commission, trading and settlement expenses passed on by the execution venues and clearing and settlement facilities, duties and taxes applicable, etc.).



Conversely, when establishing the order of precedence of these factors in relation to orders from **professional clients**, the Bank will take into consideration the service provided, the characteristics of the order and of the financial instrument in question in each case, as described below.

The factors and criteria mentioned above, together with Inversis' experience in providing services of execution and reception and transmission of orders, and the controls and mechanisms implemented for monitoring the application of this Best Execution Policy, make up the set of appropriate measures available to Inversis for consistently obtaining the best results possible for its clients.

3.1. Services of execution

3.1.1. Equities traded on Spanish markets

This section includes securities (shares, preferential subscription rights, warrants, ETFs., etc.) traded on the Spanish continuous market (SIBE), irrespective of the business segment of each one (new market, Latibex, etc.), as well as in the Madrid electronic fixing exchange.

In the execution of **professional clients'** orders on this type of financial instrument, Inversis takes the following factors into consideration (following the order listed below):

1. Instrument trading price
2. Volume of orders
3. Costs
4. Likelihood and efficiency of execution and settlement
5. Speed
6. Other considerations

3.1.2. Domestic and international fixed rate securities

In its capacity as a fully capacitated Public Debt Management Entity and a member of AIAF [Association of Intermediaries in Financial Assets], Inversis will itself execute the orders received, acting as counterparties for its clients.



In the execution of **professional clients'** orders on this type of financial instrument, Inversis takes the following factors into consideration (following the order listed below):

1. Volume of orders
2. Instrument trading price
3. Costs
4. Likelihood and efficiency of execution and settlement
5. Speed
6. Other considerations

3.1.3. Derivatives traded on Spanish markets

This section includes derivatives traded on the MEFF [Spanish Futures Market], where Inversis participates as a clearing member.

Given the nature of trading with this financial instrument, that trading venue is the only execution venue possible for these derivative instruments and makes it possible to consistently obtain the best result possible for clients in terms of price and costs as there are no alternatives for executing them.

3.2. Service of reception and transmission of orders

3.2.1. Domestic Equities

This section includes securities (shares, preferential subscription rights, etc.) traded in any Spanish execution venue.

Following the rules and trading practices under this trading system, on the one hand, and based on the experience, trading share, costs, efficiency, and quality of service, on the other, Inversis channels orders through the selected intermediaries listed in **Appendix II**.

3.2.2. Equities and Derivatives traded on international markets

This section includes securities (shares, preferential subscription rights, etc.) traded in any international execution venue, as well as derivatives based on financial products, raw materials and any other goods and interests also traded in international execution venues.

Based on the costs, efficiency, and quality of service, Inversis channels orders through the selected intermediaries listed in **Appendix II**.



3.2.3. Securities issues by Collective Investment Institutions and Social Welfare Institutions

This section includes securities (shares or stockholdings) issued by collective investment institutions, as well as interests of any nature in social welfare institutions (pension schemes, etc.), in both cases, regardless of their legal format and registered address, and provided they are contracted directly with those institutions, their managers or any entities to which they have delegated the management or administration of the security balances corresponding to the scheme members and beneficiaries.

Due to its very nature, Inversis merely receives the orders from its clients and channels them towards the entities described in the previous paragraph. That channelling of orders can be made using its own resources or those of others, without this difference having any relevance in terms of the best execution of clients' orders, as the contracting effectively takes place with the institution whose securities are being purchased or sold.

3.3. Warning on dealing with specific instructions from clients

If a client gives specific instructions in relation to his order, they will prevail over the factors for execution established by Inversis in this Policy.

Under this Best Execution Policy, Inversis informs its clients on the possibility that any specific instruction could prevent the adoption of measures that are provided and applied in the context of this policy, and aimed at obtaining the best result possible in the execution of their orders.

In the case that Inversis provides its clients with the service of direct market access (“DMA”), they are warned that Inversis will have no power of decision over the execution of the transactions and will not be held responsible for the parameters selected by the client, considering the specific instructions.



4. Selection of Execution Venues and Financial Intermediaries

Inversis may direct the orders from its clients (or from any type of client) to a single execution venue or financial intermediary provided that, after analysing the different venues and intermediaries, it has reached a reasonable conclusion that in general satisfies (i) the obligation to achieve the best execution for its clients and (ii) the assumption that equally good results would be obtained as those which could be reasonably expected if a different execution venue or intermediary had been used.

Inversis will receive no remuneration, discount or non-monetary benefit whatsoever from directing its clients' orders to a specific venue or intermediary that could infringe the MiFID II Directive. When Inversis establishes its brokerage commissions, no unjustified discrimination will be made in respect of one execution venue from another.

4.1. Service for execution of orders

4.1.1. Selection of Execution Venues

With the aim of obtaining the best execution, Inversis will assess and select the execution venues observing the factors (quantitative and qualitative) set out below:

- **Cost:** this is the principal factor that determines the selection of an execution venue. Consideration is given both to the ability of the venue in question to consistently offer competitive prices and the costs related to the execution (including, amongst others, the costs of direct access as a member and the expenses incurred in relation to the execution).
- **Price:** the ability to consistently offer competitive prices.
- **Principal venue for execution of securities:** a principal execution venue in each security has to be understood in terms of volume and frequency of trading of each security, the liquidity and correct price formation of the instruments traded, as well as the likelihood and execution period for clients' orders.
- **Other factors:** In addition to the above, another series of factors will be considered amongst which (i) the standards on securities clearing and settlement linked to the execution venues (in order to ensure that clients can make use of the voting and dividend rights inherent to the instruments purchased), (ii) issues that could arise from the tax charge on the operations and security balances, (iii) any exchange control regulations that may be applicable, if the case, (iv) freedom of access and (v) adequate



levels of protection for Investors and transparency (such as being subject to the regulations pursuing these ends)

Inversis will apply the mentioned factors in normal conditions notwithstanding that, in exceptional situations, it may give priority to other factors and go to alternative execution venues, provided that, in its opinion, it can obtain a better result.

Once a year Inversis will review the quality of the execution obtained by the various execution venues.

4.1.2. Available Trading Venues

The main execution venues to which Inversis may have access for executing the orders from its clients are listed in Appendix I of this Best Execution Policy.

4.1.3. Operations traded outside of regulated markets and MTFs²

Inversis will inform and obtain the express consent of its clients before executing their orders outside of a regulated market or MTF (“OTC”). Consent may be obtained on a general basis or for each specific operation.

The OTC operations carried out by Inversis consist of operations in which Inversis executes the orders received from its clients for each type of asset, volume, liquidity or price, acting directly as a counterparty.

In this type of operation, in order to obtain the best result possible for its clients, Inversis will contact (at least) 3 different counterparties to obtain several price quotations (indicative) for the same financial instrument and thus be able to propose the best one.

In the event that Inversis offers no quotation to clients, once they have placed their orders, Inversis will obtain limit orders as to price, so that those orders will only be executed at the price limit stated or another better price for the clients’ interests.

Also, when proposing a price to a client, Inversis will consider other comparable data available on the market, including costs and margins, if they are inherent to the final price.

The prices proposed to clients must be expressly accepted by them before they are executed.

With all of the above, Inversis considers that the fairness of the price proposed has been duly tested.

² At present, Inversis only carries out OTC operations in the context of fixed income trading



4.2. Services of Intermediation in orders

4.2.1. Selection of Financial Intermediaries

In order to offer its clients full guarantees that their orders are executed in accordance with the terms set out in this Policy, Inversis has drawn up a list of factors that the intermediaries have to meet in order to be selected:

1. **Policy for execution of orders.** Inversis will review the order execution policies of the intermediaries that it uses and will only consider those whose policy complies with applicable legislation.
2. **Access to the execution venues,** taking into consideration the execution venues in particular and how they are accessed, whether directly or through another intermediary.
3. **Technical capacities:** The ability to access the markets using tools that allow for better execution will be highly valued (for example, using a *Smart Order Router* or “SOR”).
4. **Capacity for execution** of orders.
5. **Speed** in the processing of orders.
6. Clear and justified **commission structure**
7. Intermediary **creditworthiness**

At least once a year, Inversis will regularly review the quality of the execution obtained by the various intermediaries selected.

5. Information on the Best Execution Policy

Inversis will place its Best Execution Policy at the disposal of its clients using any of the channels admitted for placing and processing clients' orders. In this respect, at the time of concluding the contractual agreements that support the provision of service to clients, and as part of those agreements, the clients will be informed of the need to be informed and to accept the factors and criteria making up the Inversis Best Execution Policy.

In any case, the Best Execution Policy in force at any given time will be available for clients on the Inversis web site (www.inversis.com).

At the petition of its clients, Inversis undertakes to provide any information as may be required to be able to demonstrate the best execution of any order placed by them in accordance with the criteria of the mentioned Policy.

Once a year Inversis will also publish on its web site (www.inversis.com), the five main order execution venues for each class of financial instrument in terms of trading volumes in which clients' orders were executed in the previous year, as well as information on the quality of execution obtained.

In addition, every year and on the same web site it will publish the five main investment services firms for each class of financial instrument in terms of volume of transactions, through which it has transmitted clients' orders for execution, as well as information on the quality of execution obtained. The information to be published on the five main firms to which orders are transmitted for execution will be the same as that published for the main execution venues.



6. Revision and monitoring of the Best Execution Policy

At least once a year and in any case, once Inversis has become aware of any substantial modification that would prevent it from complying (in respect of one or more financial instruments) with the obligation of systematically obtaining the best result possible for its clients, Inversis will revise the Best Execution Policy and, specifically, the factors and parameters of which it is composed.

In the event that, as a result of the revision process, Inversis adopts any criteria or procedures involving a significant modification of its Best Execution Policy, Inversis shall make them known to its clients by publishing them on the Inversis web site: www.inversis.com.



7. Exceptional market circumstances

Inversis has a contingency plan intended to minimise the impact that any exceptional market circumstances or the disruption of the market or of the systems might have on its operations. However, in the case that any of the above events makes it desirable to not apply the principles of execution described in this policy, Inversis will not be subject to them although it shall execute the orders acting always in the interests of the client.

Appendix I: Principal Execution Venues

Considering the object and scope of application of the Best Execution Policy, below is a list of the execution venues selected in which Inversis has the status of member and its degree of participation (in accordance with the operating standards of each one):

Market	Participation	Retail Clients					Professional Clients				
		Shares	ETFs	Warrants	Fixed income	Derivatives	Shares	ETFs	Warrants	Fixed income	Derivatives
BME	Exchange Member	X	X	X			X	X	X		
Alternative Stock Exchange	Exchange Member	X					X				
Spanish Public Debt	Full Capacity Management Firm				X					X	
Intermediaries for Financial Assets	Exchange Member				X					X	
EFSM	Individual clearing member					X					X

Appendix II: Principal Financial Intermediaries

Inversis has an agreement with the entities listed below for them to execute Inversis clients' orders either themselves or in conjunction with third party entities with which it in turn has agreements in place:

Intermediaries	Retail Clients			Professional Clients		
	Domestic equities	Internat. Equities	Derivatives	Domestic equities	Internat. Equities	Derivatives
Morgan Stanley		X			X	
Instinet		X			X	
Citi	X	X		X	X	
GVC Gaesco	X			X		
Norbolsa	X			X		
GVC Gaesco	X			X		
Altura Market			X			X