

Best Execution Policy

for the investment company
BZ Fine Funds

Management Company:
IPConcept (Luxemburg) S.A.

1. Introduction

BZ Fine Funds is a Luxembourg investment company (*société d'investissement à capital variable*) established for an indefinite period in the form of an umbrella fund with one or more sub-funds in accordance with Part I of the Luxembourg Law of 17 December 2010 relating to undertakings for collective investment. Pursuant to the Management Agreement dated 31 December 2011, the Board of Directors of BZ Fine Funds most recently appointed IPConcept (Luxemburg) S.A. (hereinafter "IPConcept") as the Management Company. The Management Company is responsible for the management and administration of the Investment Company and its sub-funds. Acting on behalf of the Investment Company and/or its sub-funds, it may take all management and administrative measures and exercise all rights directly or indirectly connected with the assets of the Company or its sub-funds.

The Law of 17 December 2010 relating to undertakings for collective investment and CSSF Regulation No 10-4 implementing Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company lay down uniform rules for fund management companies in Luxembourg (hereinafter "UCITS IV").

UCITS IV should improve investor protection, increase market efficiency and reduce administrative barriers within the European financial market.

Another important objective of UCITS IV is the best execution of the trading decisions of UCITS IV funds, i.e. funds in accordance with Part I of the Law of 17 December 2010 relating to undertakings for collective investment. The provisions to be applied form part of this best execution policy. We hereby specify the execution principles according to which trading decisions are implemented for BZ Fine Funds in order to achieve the best execution for investors.

2. Extent and scope of application

The best execution policy of BZ Fine Funds specified here applies to the trading decisions executed on behalf of BZ Fine Funds.

3. Factors relevant to the best execution of trading decisions and the best possible trading result

The best possible result for investors is not merely determined by the price of a financial instrument, but by a combination of many factors.

The ones that are of particular relevance depend on the type of transaction.

The following factors in particular play a role in the best execution of trading transactions:

- the price of the asset to be acquired
- the costs of executing the order
- the speed of execution
- the probability of execution or settlement
- the scope and type of order
- and other aspects relevant to the execution of the order.

The relative importance of these factors is determined by the following criteria:

- the objectives, investment policy and risks specific to BZ Fine Funds, as indicated in the Sales Prospectus or the Articles of Association of BZ Fine Funds
- the characteristics of the order
- the characteristics of the financial instruments that are the subject of that order
- the characteristics of the execution venues to which that order can be directed.

In this context, the following aspects in particular are also taken into consideration to achieve best execution:

- the acquirable assets of BZ Fine Funds
- the strategy of BZ Fine Funds
- the objectives and implementation policy of BZ Fine Fund's strategy
- the IPC risk management policy of IPConcept.

With regard to the criteria and aspects stated above, the individual factors are prioritised as follows by the Board of Directors of BZ Fine Funds:

1. the probability of execution or settlement;
2. the speed of execution of the order;
3. the size and boundary conditions of the order;
4. the price of the financial instrument;
5. the costs of executing the order.

However, in individual cases, one factor may be more important than another for a specific transaction. If, after evaluating all factors, there is still a choice between several intermediaries, due care and diligence shall be exercised in order to make this choice.

As part of the best execution policy, for each order issued for BZ Fine Funds, the trading partner shall be automatically instructed to achieve the best possible result.

4. Broker selection

The Board of Directors of BZ Fine Funds shall undertake to choose only trading partners and market places whose trading model and execution procedures make it possible to achieve the best possible result for the orders submitted to it on behalf of BZ Fine Funds. Accordingly, trading partners shall be selected by means of a careful procedure. Within the framework of best execution and for trading transaction purposes, the Fund Manager of BZ Fine Funds shall employ the services of brokers and traders that he uses in the interests of investors when making investment decisions.

The Board of Directors of BZ Fine Funds shall commission IPConcept to carry out regular checks of the Fund Manager's selection of brokers and market places. If the best execution policy is not adhered to, IPConcept shall inform the Board of Directors accordingly and adjust the selection appropriately in agreement with the Board of Directors.

Orders to be executed shall be submitted to the corresponding trading partners in accordance with the provisions. If there are several potential trading partners, the one who offers the best terms (in accordance with point 3) for the relevant transaction shall be chosen.

5. Execution of orders

IPConcept has assured the Board of Directors of BZ Fine Funds that it will execute orders promptly and honestly for BZ Fine Funds. Order and settlement methods shall be established as early and quickly as possible so as to ensure that the orders to be executed are registered and allocated immediately and correctly. Orders from outsourcing partners shall be checked carefully then immediately forwarded to the respective trading partner. Orders executed by the trading partner shall be forwarded to the Custodian Bank and other involved parties immediately after completion.

Comparable orders shall generally be executed in turn and financial instruments and monies received shall be recorded promptly and correctly.

6. Consolidation and allocation of trading orders

The provisions of Article 31 of CSSF Regulation No 10-4 as regards the consolidation and allocation of trading orders shall be complied with.

7. Ongoing monitoring of the best execution policy

The Board of Directors shall check the best execution policy regularly to ensure that it is accurate and up to date. In this connection, it shall check in particular the quality of execution by the selected trading partners (probability and speed of execution, size and boundary conditions of the orders, costs). Any weak points identified shall be dealt with and remedied as quickly as possible.