

**CO.11**

**Best Execution Policy**

# 01. Document Information

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# 02. Table of content

<b>01. Document Information</b>	<b>2</b>
<b>02. Table of content</b>	<b>2</b>
<b>03. General</b>	<b>3</b>
03a. Regulatory Basis	3
03b. Purpose	4
03c. Scope	4
03d. Definitions	4
<b>04. Roles &amp; Responsibilities</b>	<b>6</b>
<b>05. Principles</b>	<b>6</b>
05a. Execution Principles	6
05a1. Execution of orders for the purchase and sale of securities	6
05a2. Principles for the best possible execution of customer orders	7

05a3. List of currently available execution venues	9
05b. Best Execution Committee	10
05b1. Purpose of the Best Execution Committee	10
05b2. Tasks and competences	11
<b>06. Enforcement</b>	<b>12</b>
<b>07. Exceptions</b>	<b>12</b>
<b>08. Review</b>	<b>13</b>

## 03. General

The definition of best execution obligates investment firms to execute orders (both buy and sell orders) for the end user in the most favourable manner, i.e., with the best possible result for the end user concerning price, costs, speed, probability of execution, settlement size and the type of execution (§ 82 WpHG). Upvest Securities established a process to ensure the best execution of trades for end users (see Figure 16). Upvest is instructed by the end user or the Client to execute the trade on the specific venue. To act in the best interests of its end users according to Art. 27 of Directive 2014/65/EU (MiFID II) and § 82 (1) WpHG, Upvest Securities regularly, at least once a year, assesses the market landscape by considering whether the current trading venue(s) still provide the best possible result for end users or whether there are alternative trading venues that it could use for better execution quality and price. Moreover, benchmarking its current trading venue(s) against other alternative trading venues the Operations responsible performs an ex-post review and comparison on the level of traded ISINs in order to assess the execution quality at those trading venues.

### 03a. Regulatory Basis

Pursuant to the provisions of § 82 of the Securities Trading Act (Wertpapierhandelsgesetz; WpHG), investment services undertakings must prepare policies for the execution of orders for financial instruments (hereinafter, the "Execution Policy") in order to supply customers with the best possible result for order execution to be determined specifically for the customer.

By way of Circular 05/2018 (WA) from the German Federal Financial Supervisory Authority (BaFin), Minimum Compliance Function Requirements (MaComp), the

provisions for the best execution of customer orders in accordance with § 82 of the Securities Trading Act were extended.

## 03b. Purpose

The following Best Execution Policy sets out how Upvest Securities GmbH (hereinafter, "Upvest Securities") warrants consistent execution of its clients orders in their best interests.

In addition, the policy sets out principles on how to ensure the best possible outcome for retail clients.

## 03c. Scope

This policy applies to the execution of all orders that retail clients ("end users") in the meaning of Art. 4 of the Directive 2014/65/EU ("MiFID II") submit to Upvest Securities via a partner firm for the purchase or sale of financial instruments as defined in the Annex I, section C of the MiFID II. This process does not apply to clients categorized as Eligible Counterparty. This policy does not apply to eligible counterparties due to Art. 30 Sec. 1 of the MiFID II and § 68 WpHG.

The principles set out in this policy are designed to enable partner firms and clients to meet their obligations under Art. 65(5) of Commission Delegated Regulation (EU) 2017/565.

## 03d. Definitions

Role	Responsibility
<b>Price of the Financial Instrument</b>	This refers to the current price and the resulting price for order execution (excluding Upvest Securities' own costs).
<b>Cost of Order Execution</b>	The execution of an end client order in a trading venue as a rule causes costs (remuneration, commission fees, and costs of third parties).

<p><b>Speed of Order Execution</b></p>	<p>The speed of execution denotes the period from the executability of an end client order in the relevant trading venue until the issue of an execution confirmation by the trading venue. Since securities are as a rule subject to price fluctuations and therefore an adverse development of prices to the disadvantage of the client cannot be excluded over time after the order has been placed, such trading venues are primarily considered where complete execution is probable and may be realized at short notice. Accordingly, Upvest Securities prefers trading venues with high market liquidity.</p>
<p><b>Likelihood of Order Execution</b></p>	<p>The likelihood of execution denotes the certainty with which an end client order will be executed in a trading venue in its full order volume or to a large extent.</p>
<p><b>Order Volume</b></p>	<p>This refers to the order volume underlying the end client order. Insofar as the volume of the order suggests the necessity of deviating execution in the individual case, Upvest Securities executes the order in the best interests of the end client.</p>
<p><b>Type of Order</b></p>	<p>This refers to the type of transaction of the end client order and according to the market liquidity may result in different trading venues</p>

## 04. Roles & Responsibilities

Role	Responsibility
<b>Compliance Department</b>	The Compliance Department is responsible for the yearly review of the Best Execution Policy. This also includes monitoring the results of internal controls and testing, as well as customer complaints related to order execution, and deciding if changes are necessary.
<b>Operations Department</b>	The Operations Department is responsible for performing an ex-post review and comparison of traded ISINs to assess execution quality at trading venues. This department also participates in the quarterly best execution committee.

## 05. Principles

### 05a. Execution Principles

Upvest enables its customers to execute orders for the purchase or sale of financial instruments in accordance with the following principles:

#### 05a1. Execution of orders for the purchase and sale of securities

Upvest executes securities transactions in accordance with its applicable execution principles.

Upvest offers its customers only a limited selection of tradable securities, execution venues, and execution methods. This enables Upvest to offer efficient and cost-effective order execution in the interests of its customers.

Upvest selects those execution venues where it can generally be expected that they will enable the best possible execution in the interest of the customer, taking into account the total remuneration. Upvest is not obliged to always achieve the best possible result for each individual customer order.

The customer is expressly advised that explicit instructions, where applicable, may prevent Upvest from taking the measures provided for in its order execution principles in order to achieve the best possible result when executing the orders concerned.

The currently available execution venues are listed under 06a3.

Based on the results of its analyses, Upvest determines an order of execution venues for each category of financial instruments in its technical systems as part of its automated securities trading. Client orders are forwarded to the best possible execution venue in accordance with the specified order of execution venues. If this venue is unavailable, the next execution venue in the order is automatically used.

Upvest may also execute orders at an execution venue that is outside a trading venue within the meaning of Section 2 (22) of the German Securities Trading Act (WpHG), for example to enable the tradability of certain securities or execution in a specific currency. Upvest will inform the customer of this in advance. This may involve certain risks for the customer: unlike in exchange trading, there is no exchange supervision and price determination is not subject to comparable control. In addition, there are often mistrade agreements specified by the counterparty, which allow the counterparty to cancel and reverse transactions under certain circumstances. The customer can view the respective conditions for this (mistrade conditions) in the app. The customer expressly agrees to execution outside a trading venue when placing an order.

In the event that the customer places an order with Upvest to purchase or sell shares in investment funds that are not traded on an exchange (e.g., money market funds or funds of funds), Upvest will generally execute this order via a transfer agent.

## 05a2. Principles for the best possible execution of customer orders

### a) Commission transactions

In order to achieve the best possible execution result for the customer in commission transactions, Upvest selects execution venues in accordance with Section 82 (3) of the German Securities Trading Act (WpHG) based on the so-called total consideration. This consists of the price of the financial instrument and all costs associated with the execution of the order.

The costs taken into account when determining the total remuneration include, in particular:

- Fees and charges of the respective execution venue,
- clearing and settlement costs, and
- other fees paid to third parties involved in the execution of the order.

In addition, Upvest also takes into account criteria such as execution speed, probability of execution and settlement, the size and type of the order, possible market effects, and qualitative factors such as trading hours of the individual execution venues, monitoring of trading, access to trading venues, and provision of trading techniques, taking into account the characteristics of the customer, the customer order, and the financial instrument.

To assess and ensure the quality of execution, Upvest regularly compares the results achieved with market data from relevant reference markets.

Based on this analysis, Upvest reviews its execution principles at least once a year and on an ad hoc basis in the event of significant changes to ensure that the best possible result continues to be achieved for customers. A significant change occurs when an event occurs that has the potential to affect the ability to achieve the best possible overall consideration for the customer.

The merger of orders may be considered, if: (i) it is unlikely that the customer in question will be disadvantaged; (ii) the proper allocation of merged orders is carried out taking into account the influence of volumes and price on the allocation and partial execution of orders, and (iii) the partial execution of a combined order consisting of merged orders is carried out taking into account the influence of volumes and price on the partial execution.

For the merger of orders, when orders are executed the best possible result depends on the timely, highest possibility of execution taking into account low total fees (all costs associated with the execution of order).

#### b) Fixed-price transactions

These execution principles apply to a limited extent when Upvest executes orders in fixed-price transactions. In this case, the obligations of Upvest and the customer are governed directly by the contractual agreement. In a fixed-price transaction, Upvest fulfills its obligation to execute at the best possible price by setting a market price. If the Upvest's offer to execute the order in a fixed-price transaction competes with other trading venues in accordance with the respective asset class (in particular

fractional trading), the Upvest's offer will be treated as an external execution venue in accordance with the criteria set out above.

c) [Issue and redemption of units in investment funds](#)

The issue and redemption of units in investment funds at the issue or redemption price set by the capital management company are subject to the special provisions of the German Capital Investment Code. This ensures that clients can purchase and redeem their units in investment funds at market prices.

### 05a3. List of currently available execution venues

Category of financial instruments	Trading venues
Shares (EUR denominated)	Tradegate Exchange
	Quotrix (electronic trading segment of the Düsseldorf Stock Exchange)
ETP (exchange-traded products) (EUR denominated)	Tradegate Exchange
	Quotrix (electronic trading segment of the Düsseldorf Stock Exchange)
Shares (GBP denominated)	J.P. Morgan
ETP (exchange-traded products) (GBP denominated)	J.P. Morgan

## 05b. Best Execution Committee

### 05b1. Purpose of the Best Execution Committee

The Best Execution Committee is established to enable the management, businesses and relevant control functions of Upvest to oversee the trading venue selected by Upvest for the trades initiated by its clients/end users.

Upvest has elected to offer the limited selection of carefully chosen trading venues in order to provide efficient and cost-effective executions of securities orders. Access to more execution venues would significantly increase the administrative burden for Upvest. In the interests of its clients/end users, Upvest wishes to avoid the unnecessary costs. As a brokerage infrastructure provider aiming to offer cost-effective securities orders, Upvest considers this approach to be the best way to consistently achieve best possible execution in the interests of its clients/end users. To this end, Upvest regularly reviews the quality of quotation and executions at the trading venues it accesses.

With regard to the selection of execution venues available to the clients/end users, Upvest's primary focus is on the client's/end users' total consideration for the execution of the order at the execution venue. The total consideration represents the price of the security and all costs related to execution. The costs to be included when calculating the total consideration include the fees and charges of the execution venue on which the transaction is executed, costs of clearing and settlement and all other fees paid to third parties involved in the execution of the order.

Upvest will also take other execution factors and relevant criteria such as market model, liquidity, execution speed and likelihood of execution, technical infrastructure, rules and security of settlement into consideration when selecting its trading partners to the extent that these factors may have an influence on the price and costs.

In selecting its trading partners, Upvest furthermore considers current access to stock exchanges, access to multilateral trading systems or access to liquidity pools, or the trading partner's status as a systematic internaliser.

Upvest receives payments received from the selected trading venue as a compensation for the trading volume that Upvest has originated via its trading platform (so called "Payment for Order Flows", PFOF). Any payment received from the selected trading venue, especially the PFOF, could result in conflict with the interest of the clients/end users of Upvest, as Upvest may potentially select a trading venue only

because of the PFOF received irrespective of a lower price or execution quality that is identified with the trading venue.

In order to manage and control this potential conflict of interest and also to ensure that the trading venues are selected that ensure the desired high execution quality, Upvest has established the Best Execution Committee which consists of different members of the management of Upvest, combining key representatives from the business and trading area and from the second line control functions. The Committee shall oversee the selection process for any trade venue that Upvest selects, and - on an ongoing basis - oversee the trade execution and execution quality of the selected trading venues, including the different factors that Upvest considers relevant to ensure that a trading venue is selected which meets the above criteria.

Furthermore, the Best Execution Committee serves as an escalation point for any other critical matter that is identified in the context of the selected trading venues or the overall execution of the trades of Upvest's clients/end users.

The Committee meets at least on a quarterly basis, and at any other time the Committee deems necessary. The meetings are planned and organised by the Compliance department.

## 05b2. Tasks and competences

The Best Execution Committee:

- is responsible for overseeing the selection process of any trading venue of Upvest
  - validates the contractual arrangements with the Upvest's clients/end users regarding the execution principles (Part of the client/end user Agreement) on a regular basis (at least annually)
  - monitors the adequacy of the backup arrangements which Upvest has established to ensure business continuity in case that trading via the selected primary trading venue is temporarily impossible
  - ensures that adequate management information and data is gathered to enable an adequate oversight of the execution quality of the selected trading venues
  - provides the required oversight of the selected trading venues to manage possible conflict of interests with regards to any payment received from a selected trading venue (especially with regards to PFOF).
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## 06. Enforcement

Compliance with this Policy is mandatory for all relevant employees, systems, and processes involved in the execution or transmission of client orders. Upvest has established governance, controls, and monitoring arrangements to ensure adherence to the principles set out in this Policy.

Any breaches or material deviations from this Policy will be investigated, documented, and, where appropriate, escalated to senior management. Remedial actions may include process enhancements, system changes, or disciplinary measures in accordance with internal policies.

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## 07. Exceptions

Upvest aims to take all sufficient steps under MiFID II to obtain the best possible result for clients on a consistent basis. However, the following exceptions apply:

### a) Client Instructions

Where a client provides a specific instruction for an order (including venue, price, or method of execution), Upvest will follow that instruction. Compliance with such instruction may prevent Upvest from applying parts of its Best Execution arrangements.

### b) Selection of Execution Venues and Firms

Upvest executes or transmits orders through those execution venues and investment firms that can generally be expected to deliver the best possible result in terms of total consideration. Upvest is not obliged to achieve the best possible result for every individual order, but applies its venue and broker selection framework consistently.

### c) Market Disruptions and Operational Constraints

In cases of market disruption, venue outages, system failures, or exceptional liquidity constraints, Upvest may deviate from its standard procedures. In such circumstances, Upvest will act reasonably and in the client's best interests given the conditions.

### d) Product- or Venue-Driven Restrictions

Certain instruments, order types, or regulatory requirements may limit available execution venues or methods. Where only a single feasible venue or execution route exists, Upvest may not be able to apply its full Best Execution approach.

e) [Documentation of Material Deviations](#)

Any material deviation from this Policy will be recorded with the reasons for the exception and reviewed as part of the Upvest's ongoing Best Execution monitoring.

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## 08. Review

This Policy is reviewed at least yearly by the Compliance Function.

The Best Execution Committee is also reviewing changes in the trading venues on a regular basis. If changes need to be made to the procedure and sequence of trading venues described in 06a1., this must be reflected immediately in the relevant frameworks.