

# **Cerberus Capital Luxembourg S.à r.l.**

## **Best Execution Disclosure**

Cerberus Capital Luxembourg S.à r.l., (“CCL”) is authorised by the Commission de Surveillance du Secteur Financier (“CSSF”) as an alternative investment fund manager (“AIFM”) with “top up” permissions which allows to perform certain MiFID services.

CCL primarily acts as the AIFM to certain Alternative Investment Funds (“AIFs”). CCL also has permission to provide portfolio management services to entities other than AIFs. In providing these services CCL may delegate the function of portfolio management to a third party, therefore this disclosure addresses CCL’s best execution arrangements in relation to both delegated portfolio management and non-delegated portfolio management.

### *Delegated Portfolio Management*

In instances where CCL has delegated the management of the AIFs portfolio to a third-party portfolio manager, it will be the third-party portfolio manager who determines how orders will be placed or executed. CCL ensures that it conducts appropriate due diligence and exercises oversight of the portfolio managers, which may include, but is not limited to:

- delegating to only portfolio managers which are subject to regulatory oversight;
- ensuring there is a cooperation agreement in place between the CSSF and the supervisory authority of the delegate portfolio manager; and,
- confirming that the delegated portfolio manager has an up-to-date Best Execution Policy and have procedures and arrangements which provide for the prompt, fair and expeditious execution of portfolio transactions on behalf of the AIF.

### *Non-delegated Portfolio Management*

If CCL retains the function of portfolio management, it would not execute orders, rather, it would transmit or place orders to or with a counterparty for execution. In such instances, the MIFD best execution provisions would not apply in full to CCL. Rather, CCL would determine which entities it uses to enable it to comply with the overarching best execution requirement when placing an order with, or transmitting an order to, another entity for execution.

Accordingly, CCL will review the execution arrangements of the counterparties it may use to determine whether which counterparty will allow CCL to comply with all its best execution requirements. To make this determination, CCL conducts appropriate due diligence on the execution counterparties, which includes, but is not limited to:

- confirming the counterparty will treat CCL as a professional client, in which case it will have a regulatory obligation to provide it with best execution; and
- confirming the counterparty has an up-to-date Best Execution Policy and procedures designed to provide for the prompt, fair and expeditious execution of transactions.

CCL shall have policies and procedures to monitor and review the effectiveness, including the execution quality actually delivered by such counterparties.