

Title

Allocation and Orders Division

Number	Version	Publication Date	Type
05.1228	6	16/08/2024	Standard

Coverage

Bradesco Asset Management

Short Description

Best practices related to Bradesco Asset Management's order distribution process.**Latest Changes**

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Latest Changes

Revision of the Standard with changes in rules and procedures. We recommend reading it in full.

1 Objective

Establish the best practices of the Bradesco Asset Management Department ("Bradesco Asset") related to the order distribution process through the governance, methodologies, processes and systems necessary to ensure that the apportionment and distribution of operations are carried out through equitable, pre-established, formalized and verifiable criteria, always respecting the client's interests and regulatory aspects.

2 Principles

Order Distribution is based on the principles:

Equity – the process of buying and selling assets and derivatives must ensure equitable treatment for clients.

Ethics - ethical conduct and moral values guide the surroundings of the processes at all levels, adopting procedures to ensure the protection of the confidentiality and integrity of information about its clients' operations.

Governance - a set of processes and rules that guide the control and management of the process.

Compliance - compliance with regulatory and legal requirements, avoiding the occurrence of appointments by supervisory and self-regulatory bodies.

Segregation of Activities - the execution of client orders is segregated from management activities, maintaining independent structures, in order to avoid conflicts of interest and safeguard the impartiality of the work performed. Any situation other than the one mentioned must be approved by the Risk Superintendence.

3 Guidelines

The preparation of orders follows the following guidelines:

- The orders must include the strategies approved by the Bradesco Asset's Management of Funds and Portfolios Managed Executive Committee;
- Observation of funds eligible for strategies according to their investment policy;
- Proportional distribution criterion, considering: the investment policies of the portfolios, net equity, risk limits (market, liquidity and credit);
- Orders to buy and sell financial assets must always be issued with the precise identification of the investment fund on behalf of which they are to be executed.

4 Order Distribution Management

The integrity of this process is ensured by the parameterization of rules in the order submission system used by Bradesco Asset.

4.1 Risk and Internal Controls Committee

The issue of order distribution is dealt with through the Risk Commission of the Bradesco Asset Management, which reports to Bradesco Asset's Risk Management and Internal Controls Executive Committee. The issues that the Committee deems relevant will be presented at the meeting of the Committee.

The Risk Committee of Bradesco Asset Management discusses the issue of order distribution on a quarterly basis.

The agenda of the Executive Committee for Risk Management and Internal Controls of Bradesco Asset Management includes:

- Annual approval of the Order Distribution Standard.
- Approval of the areas involved.
- Quarterly reports of the main points of the process.
- Approval of the risk and compliance aspects of the brokers participating in the process.

4.2 Participating Areas and Responsibilities

Asset Management - Portfolio Managers

Area responsible for the elaboration of various strategies for investment funds and managed portfolios. Each board has specific expertise to manage it following the investment policy and respecting the risk limit(s), as well as legal restrictions. Sends to the Execution area (traders) the orders to buy or sell assets for each fund and portfolio under its management with the defined distribution.

Traders Board

Segregated area of resource management. It is responsible for the execution of buy and sell orders sent by Portfolio Managers through brokerage firms approved and authorized by Bradesco Asset Management's Third Party Committee.

Risk Superintendence

The Risk Area is independent in relation to the business areas with adequate infrastructure to identify, evaluate, control, and monitor exposure to risks.

Responsibilities of the area in the process of Apportionment and Division of Orders:

- Ensure the equity of distribution.
- Analyze the execution parameters.
- Perform process operational risk management.
- Verify adherence to internal and external regulations.

4.3 Framework

In exceptional cases, re-specifications may occur, which must be approved by the person in charge of the area and communicated to the risk areas with the appropriate justifications.

Department

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We declare this is a free English translation of the Bradesco Asset's Allocation and Orders Division Policy, classified as a public document by the Bradesco Organization.