



## **BEST EXECUTION POLICY**

**AK JENSEN INVESTMENT MANAGEMENT LIMITED**

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## 1. Introduction

The Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments (“MIFID II”) requires investment firms when executing orders on behalf of clients to take all sufficient steps to obtain the best possible result taking into account price, liquidity, cost, speed, likelihood of execution and settlement, size, nature of the order or any other relevant consideration (the “Best Execution Obligation”). AK Jensen Investment Management Limited (“AKJIM”) may receive and place your order with brokers for execution, and the best execution obligation applies to all of these.

AKJIM will categorise you as a “Professional Client” and will therefore be dealing with you in accordance with the Financial Conduct Authority rules for “Professional Clients”. Where dealing with Professional Clients, we owe the best execution obligation where the client is legitimately relying on AKJIM in relation to the execution of the transaction.

AKJIM has established and implemented a Best Execution Policy setting out the most important and/or relevant aspects of the arrangements that we have put in place to comply with our Best Execution Obligation. AKJIM does not execute trades itself but places orders with selected brokers and therefore has no direct control over ensuring that Best Execution is achieved. Our obligation is therefore to monitor the executions undertaken by our brokers to ensure execution provided is the best available.

AKJIM’s obligations in relation to Best Execution means that we will take all sufficient steps to ensure that we obtain the best possible result for you and monitor our policy at least annually to ensure that we are following Best Execution obligations. We monitor our brokers closely to ensure they are providing Best Execution as required.

Please speak to your relationship manager if you would like further information about the policy.

## 2. Scope of the Best Execution obligation

We will monitor the performance of our selected brokers to monitor that best execution is being provided as AKJIM does not execute trades itself, but selects appropriate brokers to do this on its behalf.

Specific orders may prevent us from being able to follow the steps which we have outlined in this policy which have been designed and implemented to obtain the best possible result for execution.



Nevertheless, when a specific instruction covers only part of an order, or only one aspect of it, the Execution Policy remains applicable to the aspects of the order not covered by the specific instruction.

### **3. Exclusions**

Best Execution does not apply to non-MiFID financial instruments and Eligible clients. AKJIM does not provide asset management to retail clients.

### **4. Consent**

Our Best Execution Policy is distributed together with the investment management agreement “the Agreement”, and they should be read together. We therefore deem to have received your consent of our Best Execution Policy once the Agreement is fully executed.

### **5. How AKJIM will treat each financial instrument**

The Fund’s Executing Brokers may or may not have a SOR (smart order routing) in place when dealing with orders. In the absence of strict instructions, the SOR will choose the venue(s) on which the order may be executed partly or in whole. The factors affecting the SOR’s choice in venue can be found in the Executing Broker’s Execution Policy.

#### **i. Equities – Shares & Depositary Receipts**

When trading listed securities through AKJIM, we will act on either an agency or matched principal basis.

The primary factors affecting a choice in execution venue for listed equities are price together with cost. Other considerations such as speed, likelihood of execution and settlement, reduction of market impact, size, nature or other relevant points related to an order, are also taken into account, especially for larger orders.

#### **ii. Debt Instruments – e.g. bonds, convertible bonds, notes, debentures**

When trading OTC debt instruments, orders are called in to the Executing Broker who will act as Principal in most cases. AKJIM will seek to get a fair price on behalf of its clients, looking at multiple factors such as bid/ask price available, liquidity offered by the execution provider, and where possible price of similar products when market data is scarce or not available.



Except to the extent that a client gives specific instructions, AKJIM apply discretion when determining the timing and structure of order placement in the market, with the aim of achieving Best Execution given the size of the order, liquidity available and prevailing market conditions.

**iii. Interest rate/credit/currency/securitised and other listed derivatives**

When trading listed derivatives through AKJIM, we will act on either an agency or matched principal basis.

The primary factors affecting a choice in execution venue for listed derivatives are price together with cost. Other considerations such as speed, likelihood of execution and settlement, size, nature or other relevant points related to an order, are also taken into account.

**iv. Exchange traded products (ETFs, ETNs and ETC)**

When trading Exchange Traded Products through AKJIM, we will act on either an agency or matched principal basis.

The primary factors affecting a choice in execution venue for exchange traded products are price together with cost. Other considerations such as speed, likelihood of execution and settlement, size, nature or other relevant points related to an order, are also taken into account.

## **6. Execution Venues**

Orders can be executed by our brokers using a variety of different execution venues offered by our Executing Brokers whether it being Regulated Markets, Multilateral Trading Facilities (“MTF”), Organised Trading Facilities (“OTF”), Systematic Internalisers (“SI”), market makers or other liquidity providers.

AKJIM is not restricted to only using Executing Brokers that are subject to MIFID for carrying out orders. In order to be able to use an entity that is not subject to the MiFID Best Execution regime, in particular a non-EEA service provider, AKJIM will employ best efforts to ensure that the execution arrangements of such an entity allow it to comply with the overarching Best Execution requirement.





When selecting a third party Executing Broker, AKJIM will carefully select the entity by undertaking the necessary due diligence – obtaining the Best Execution Policy (from MiFID applicable brokers) whilst taking into account other relevant factors which may affect the choice of broker such as market knowledge, liquidity provider, fees and other such considerations which may vary from time to time.

AKJIM will monitor its Executing Brokers in terms of Best Execution on a periodic basis by reviewing sample trades and take action as necessary. The factors used to determine whether AKJIM's Executing Brokers do indeed meet their Best Execution Obligation, will be those factors listed in the Executing Brokers' Best Execution Policy.

## **7. Monitoring and Review**

AKJIM's Best Execution Policy will be reviewed at least annually and at any other time that a material change occurs that may affect AKJIM's ability to obtain Best Execution on a consistent basis using the venues in its policy. AKJIM will consider all relevant market information that it obtains about its venues as well as the results of its monitoring. Such a review shall also be carried out whenever a material change as defined in Article 65(7) of the Directive occurs that affects the firm's ability to continue to obtain the best possible result for the execution of its client orders on a consistent basis using the venues included in AKJIM's Execution Policy.

The review will include monitoring the effectiveness of our order execution arrangements and the Execution Policy in order to identify and, where appropriate, correct any deficiencies. In particular AKJIM will assess on a regular basis, whether the execution venues/brokers included in the order Execution Policy provide for the best possible result for the client or whether changes are required to our execution arrangements.

## **8. Client Notification**

AKJIM will notify you of any material and significant changes to our order execution arrangements or this Execution Policy – such notification may be made via our website at this link – [www.akj.com](http://www.akj.com).



When requested by a client, AKJIM will demonstrate that execution of the clients' order has been undertaken in accordance with this Policy – this will be achieved by analysing the selected brokers' performance.

Any queries in connection with AKJIM's execution arrangements or its Execution Policy should be directed to our Execution Services department, which is [trading@akj.com](mailto:trading@akj.com).

## 9. How will orders be handled?

In order to achieve Best Execution for clients, AKJIM will ensure its brokers execute client orders promptly and sequentially, unless characteristics of the order or prevailing market conditions make this impossible or impractical, or the interests of the client require otherwise.

AKJIM will ensure that its brokers used do the following:

- Orders executed on behalf of clients are promptly and accurately recorded and allocated;
- Financial instruments or payments for executed orders are received promptly and correctly delivered to the client;
- Clients are treated fairly and that their interests remain paramount: and
- All reasonable steps will be taken to prevent the misuse of information relating to pending client orders.

## 10. Inducements

AKJIM does not receive any remuneration, rebates or non-monetary benefits for the execution of client transactions on a particular Execution venue which would infringe any conflicts of interest or inducement requirements under MiFID 11, e.g. AKJIM cannot receive payments for order flow which would result in a conflict of interest.



## Appendix 1 to AKJIM Execution Policy – Execution Venues

These are our execution venues but we may execute at these or other venues.

Equities Venues
Australia, Sydney
Austria, Vienna
Belgium, Brussels (Euronext)
Brazil, Rio de Janeiro
Romania, Bucharest
Bulgaria, Sofia
Canada, Toronto
Croatia, Zagreb
Czech Republic, Prague
Denmark, Copenhagen
Estonia, Tallinn
Euronext Liffe
Finland, Helsinki
France, Paris (Euronext)
Germany, Deutsche Borse/Xetra
Germany, Euwax
Germany, Regional
Greece, Athens
Hong Kong
Hungary, Budapest
Indonesia, Jakarta
Ireland, Dublin
Israel, Tel-Aviv
Italy, Milan
Japan, Tokyo
Latvia, Riga
Lithuania, Vilnius
Luxembourg
Malaysia, Kuala Lumpur
Mexico
Netherlands, Amsterdam (Euronext)
New Zealand, Auckland



Equities Venues (continued)
Norway, Oslo
Philippines, Manila
Poland, Warsaw
Portugal, Lisbon (Euronext)
Singapore
Slovakia, Bratislava
Slovenia, Ljubljana
South Africa, Johannesburg
South Korea, Seoul
Spain, Madrid
Spain, MEFF
Sweden, Stockholm
Switzerland, SIX Swiss
Taiwan, Taipei
Thailand, Bangkok
Turkey, Istanbul
UK, London LSE
USA, AMEX
USA, CBOE
USA, NYSE
USA, Nasdaq
Aequitas
Bats
Cboe CXE
Cboe BXE
Chi-X (ATS)
IEX
Lynx (ATS)
MIAX
Equiduct
Turquoise Lit Book
LX Europe
Citi Match
Credit Suisse CrossFinder
Instinet Blockmatch
ITG Posit





Equities Venues (continued)
Nordic @ Mid
Sigma X MTF
Turquoise Dark Book
Turquoise Midpoint
UBS MTF
Pure (ATS)
Omega (ATS)
Xetra Mid-Point

Futures Venues
CBF
CBT
CME
CMX
HKFE (HK Futures)
ICE EUROPE
ICE US
IDEM (Italian Derivatives)
ME (Canada Derivatives)
MEFF (Spanish Futures)
NYMEX
OMX
ENXT Amsterdam Derivatives
ENXT Paris Derivatives
EUREX Futures
Oslo Børs
TSE (Tokyo Futures)
OSE - OSAKA (futures)
SGX (Singapore Futures)
SPX - ASX 24



Options Venues
CBOT US Single Stock & Index Options
EUREX German Single Stock Options
LIFFE London Single Stock Options
ENXT Paris Single Stock Options
ENXT Amsterdam Single Stock Options
ENXT Brussels Single Stock Options
LIFFE Index options
EUREX Index Options