



## Best Execution Policy

AK Jensen Norway AS ("AKJNO")

May 2021

### 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"). AKJNO may receive and place your order with brokers for execution, and the best execution obligation applies to all of these. AKJNO will categorize you as a "Professional Client" and will therefore be dealing with you in accordance with the Finanstilsynet rules for "Professional Clients". Where dealing with Professional Clients, we owe the best execution obligation where the client is legitimately relying on AKJNO in relation to the execution of the transaction.

AKJNO has established and implemented a Best Execution Policy ("the 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. AKJNO 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.

AKJNO's obligations in relation to Best Execution means that we will take reasonable 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 AKJNO 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. AKJNO does not provide asset management or execution services to retail clients.

### 4. Consent

We deem to have received your consent to our Best Execution Policy once the portfolio management agreement or the Terms and Conditions (as applicable) between us are fully executed.

### 5. How AKJNO will treat each financial instrument

The Executing Brokers where AKJNO sends its orders, may or may not have a SOR in place when dealing with such 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 (see appendix I –).

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

When trading listed securities through AKJNO, we will act on an agency. 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. AKJNO 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, AKJNO 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/secured and other listed derivatives**

When trading listed derivatives through AKJNO, we will act on an agency 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 AKJNO, we will act on an agency 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”), Organized Trading Facilities (“OTF”), Systematic Internalisers (“SI”), market makers or other liquidity providers.

AKJNO 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, AKJNO 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, AKJNO 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.

AKJNO 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 AKJNO’s Executing Brokers do indeed meet their Best Execution Obligation, will be those factors listed in the Executing Brokers’ Best Execution Policy.

In accordance with Regulatory Technical Standard (RTS) 28, AKJNO will summarize and make public, on an annual basis, for each class of financial instruments, the top five Executing Brokers in terms of trading volumes where AKJNO transmitted or placed our client orders for execution in the preceding year and information on the quality of execution obtained. The information shall be consistent with the information published in accordance with the technical standards developed under Article 27(10)(b) of Directive 2014/65/EU.

Please refer to Appendix I for a full list of execution brokers available and Appendix II for the full list of execution venues available through our executing brokers. Our website will always reflect the most up-to-date list.

## 7. Monitoring & Review

AKJNO’s Best Execution Policy will be reviewed at least annually and at any other time that a material change occurs that may affect AKJNO’s ability to obtain Best Execution on a consistent basis using the venues in its policy. AKJNO 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 AKJNO’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 AKJNO 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

AKJNO 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 [www.AKJ.com](http://www.AKJ.com).

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

Any queries in connection with AKJNO'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, AKJNO 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 AKJNO 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

AKJNO 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 II, e.g. AKJNO cannot receive payments for order flow which would result in a conflict of interest.



## Appendix I - EXECUTING BROKERS

AK Jensen Limited (AKJL)

Best Execution Policy:

[BEST-EXECUTION-POLICY-AKJL-MIFID-II-0520.pdf](#)

DNB

Best Execution Policy:

[ORDER EXECUTION POLICY 1 BR \(dnb.no\)](#)

Zarattini International

Best Execution Policy:

[Best Execution Policy January 2019 clean \(zarattini.com.mt\)](#)