

## **Best Execution Policy (aka Order Execution Policy)**

**AK Jensen Limited (“AKJ”) - April 2020**

### **1. Introduction**

The MiFID II Directive (2014/65/EU) and related regulations (such as the Financial Conduct Authorities rules) require investment firms when executing orders on behalf of clients to take all sufficient steps to obtain the best possible result on a consistent basis 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”). The information below sets out general information with respect to our approach to Best Execution under MiFID and how we assess whether a transaction is in scope.

AKJ may execute your orders on an agency basis, matched principal basis or by receiving and placing your order with brokers for execution, and the best execution obligation applies to all of these.

AKJ 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 AKJ in relation to the execution of the transaction.

AKJ 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.

AKJ’s obligations in relation to Best Execution means that we will take 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.

**Please speak to your relationship manager or email [clients@akj.com](mailto:clients@akj.com) if you would like further information about the policy.**

### **2. Scope of the Best Execution Obligation**

When giving us an order to execute on your behalf, relating to one or more financial instruments that are subject to Best Execution requirements, we will owe you the Best Execution Obligation.

When giving us a specific instruction, such as to execute your order on a particular venue, we will follow your instruction and consider having met our Best Execution Obligation. This 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. This policy applies to certain types of transactions in ‘financial instruments’. Financial instruments is a defined term under MiFID and includes, but is not limited to, shares, bonds, ETFs, derivatives (excluding certain categories of commodity derivatives) and units in collective investment schemes. It does not include, for example, FX spot, deposits, loans and physical commodities. AKJ does not provide asset management or execution services to retail clients. The Policy does not apply to business conducted with clients who we have categorised as Eligible Counterparties; accordingly, we will not owe Best Execution for transactions entered into with Eligible Counterparties.

### **4. Consent**

This Best Execution Policy should be read together with the agreement/terms of business between us. We shall deem to have received your consent of this Best Execution Policy once you place your first trade post receipt of this notice.

### **5. Order Categories**

Order handling can be done via Bloomberg chat, electronically and over the telephone. When orders are sent via Bloomberg chat or called in, our execution team will send the order to the execution venue using the execution broker’s Smart Order Routing (“SOR”) when such SOR exists. Such orders may also be called in to the execution broker’s desk in the event of problems with electronic execution or when an order is not electronically traded such as Over the Counter (OTC). SORs aim to seek liquidity efficiently, and achieve Best Execution, by taking into consideration various factors including price, size, latency, likelihood of execution and costs. Best Execution shall be deemed to have been met when sending orders on a Direct Market Access (“DMA”) basis;

- (a) when orders are sent on a DMA basis through our Executing Brokers' SOR, the Best Execution factors affecting the choice in venues can be found in our Executing Brokers' Best Execution Policy (please refer to appendix I of this policy);
- (b) when orders are sent using our Executing Brokers' algorithms, please refer to our Executing Brokers Best Execution Policy for a description of how Best Execution is met;
- (c) when orders are requested to be worked on, a combination of the above may be used. Standard Best Execution factors as described below will apply.
- (d) When orders are called in due to the nature of the instrument such as OTC, the below best execution factors will apply.

## **6. How AKJ will treat each financial instrument**

Client orders are sent to our Executing Brokers who may or may not have a SOR 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 (see appendix I of this policy).

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

When trading listed securities through AKJ, 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. AKJ 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, AKJ 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 AKJ, 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 AKJ, 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.

## **7. Execution Venues**

Where AKJ owes you the Best Execution Obligation, we will execute orders 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.

AKJ 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, AKJ 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, AKJ will carefully select the entity by requesting the necessary due

diligence, 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.

**AKJ 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 AKJ'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, AKJ will summarise and make public, on an annual basis, for each class of financial instruments, the top five Executing Brokers in terms of trading volumes where AKJ 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 of this policy for a full list of execution brokers available and appendix II of this policy for the full list of execution venues available through our executing brokers. Our website will always reflect the most up-to-date list.**

## **8. Monitoring & Review**

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

## **9. Client Notification**

AKJ 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, AKJ will demonstrate that execution of the client's order has been undertaken in accordance with this Policy.

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

## **10. How will orders be handled?**

In order to achieve Best Execution for clients, AKJ 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. AKJ will ensure that: (i) Orders executed on behalf of clients are promptly and accurately recorded and allocated; (ii) Financial instruments or payments for executed orders are received promptly and correctly delivered to the client; (iii) Clients are treated fairly and that their interests remain paramount; and (iv) All reasonable steps will be taken to prevent the misuse of information relating to pending client orders.

## **11. Inducements**

AKJ 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. AKJ cannot receive payments for order flow which would result in a conflict of interest.

Appendix I to AKJ's Best Execution Policy - EXECUTING BROKERS

**Baader Bank AG (BAAD)**

Best Execution Policy:

[https://www.baadereurope.com/media/public/db/media/1/2017/03/102/98.100\\_08\\_2018\\_0005\\_en.pdf](https://www.baadereurope.com/media/public/db/media/1/2017/03/102/98.100_08_2018_0005_en.pdf)

**Barclays Capital Securities Limited (BARC)**

Best Execution Policy:

[https://www.investmentbank.barclays.com/content/dam/barclaysmicrosites/ibpublic/documents/mifid-ii/CS1723920%20V03%20HIGH%20RES%20Client%20Communication%20document\\_Print.pdf](https://www.investmentbank.barclays.com/content/dam/barclaysmicrosites/ibpublic/documents/mifid-ii/CS1723920%20V03%20HIGH%20RES%20Client%20Communication%20document_Print.pdf)

**Nomura (NO)**

Best Execution Policy:

[http://www.nomuraholdings.com/nbl/resource/pdf/execution\\_policy.pdf](http://www.nomuraholdings.com/nbl/resource/pdf/execution_policy.pdf)

**DNB Markets**

Best Execution Policy:

<https://www.dnb.no/portalfront/nedlast/no/markets/engelsk/agreements/orderexecution-mifid2-eng.pdf?popup=true>

**Marex Financial Limited**

Best Execution Policy:

<http://www.marexspectron.com/assets/Documents/Regulatory/Marex%20Financial%20Limited%20MiFID%20II%20Order%20Execution%20Policy.pdf>

**Maybank King Eng Securities PTE. Limited**

Best Execution Policy:

[Available in OpTracker>AKJ Data>Documents>Maybank Kim Eng Securities Pte. Ltd.](#)

**Clarksons Platou Securities**

Best Execution Policy: <http://securities.clarksons.com/Investment-Banking/Compliance/BestExecutionPolicy>

**Carnegie AS**

Best Execution Policy:

[https://www.carnegie.se/Global/Sweden/Om/terms/Best%20execution%20\(BEX\)\\_eng\\_juni18.pdf](https://www.carnegie.se/Global/Sweden/Om/terms/Best%20execution%20(BEX)_eng_juni18.pdf)

**ABG SUNDAL COLLIER**

Best Execution Policy:

<https://www.abgsc.com/legal-and-compliance>

**Pareto Securities**

Best Execution Policy:

<https://www.paretosec.com/download/compliance/Order%20Execution%20Policy.pdf>

**Sparebank (SB1 Markets)**

Best Execution Policy:

<http://www.sb1markets.com/showfile.ashx?fileinstanceid=7f381e9f-07a7-41ab-b632-d72216883465>

**Arctic Securities AS**

**Best Execution Policy:**

[https://www.arctic.com/doc/pages/20180103\\_Best\\_Execution\\_Policy\\_1512388577.pdf](https://www.arctic.com/doc/pages/20180103_Best_Execution_Policy_1512388577.pdf)

**Kepler Cheuvreux**

**Best Execution Policy:**

[https://www.keplercheuvreux.com/pdf/Execution\\_policy\\_2019.pdf](https://www.keplercheuvreux.com/pdf/Execution_policy_2019.pdf)

**Appendix II to AKJ's Best Execution Policy – Execution Venues**

<b>Lit Regulated Markets</b>	<b>RM / MTF</b>
Australia, Sydney	RM
Austria, Vienna	RM
Belgium, Brussels (Euronext)	RM
Brazil, Rio de Janeiro	RM
Romania, Bucharest	RM
Bulgaria, Sofia	RM
Canada	RM
Croatia, Zagreb	RM
Czech Republic, Prague	RM
Denmark, Copenhagen	RM

<b>Lit Regulated Markets</b>	<b>RM / MTF</b>
South Korea, Seoul	RM
Spain, Madrid	RM
Spain, MEFF	RM
Sweden, Stockholm	RM
Switzerland, SIX Swiss	RM
Taiwan, Taipei	RM
Thailand, Bangkok	RM
Turkey, Istanbul	RM
UK, London LSE	RM
UK, London SEAQ	RM

Estonia, Tallinn	RM
Euronext Liffe	RM
Finland, Helsinki	RM
France, Paris (Euronext)	RM
Germany, Deutsche Borse/Xetra	RM
Germany, Euwax	RM
Germany, Regional	RM
Greece, Athens	RM
Hong Kong	RM
Hungary, Budapest	RM
Indonesia, Jakarta	RM
Ireland, Dublin	RM
Israel, Tel-Aviv	RM
Italy, Milan	RM
Japan, Tokyo	RM
Latvia, Riga	RM
Lithuania, Vilnius	RM
Luxembourg	RM
Malaysia, Kuala Lumpur	RM
Mexico	RM
Nasdaq OMX	RM
Netherlands, Amsterdam (Euronext)	RM
New Zealand, Auckland	RM
Norway, Oslo	RM
Philippines, Manila	RM
Poland, Warsaw	RM
Portugal, Lisbon (Euronext)	RM
Singapore	RM
Slovakia, Bratislava	RM
Slovenia, Ljubljana	RM
South Africa, Johannesburg	RM

UK, London SEAQ Int.	RM
UK, London SEATS	RM
UK, London SETS	RM
USA, AMEX	RM
USA, CBOE, CFE, ECBOT, PHLX, ISE, ME	RM
USA, NYSE	RM

Lit MTF Venues	RM / MTF
Aquis Exchange	MTF
BATS Lit Book	MTF
Chi-X Lit Book	MTF
Equiduct	MTF
Turquoise Lit Book	MTF

Dark MTF Venues	RM / MTF
BATS Dark Book	MTF
Chi-delta	MTF
Citi Match	MFT
Credit Suisse CrossFinder	MFT
Instinet Blockmatch	MFT
ITG Posit	MFT
Nordic @ Mid	MFT
Sigma X MTF	MFT
Turquoise Dark Book	MFT
Turquoise Midpoint	MTF
UBS MTF	MFT
Xetra Mid-Point	MFT

Futures Venues	RM / MTF
CBF	RM
CBT	RM
CME	RM
CMX	RM
HKFE (HK Futures)	RM
ICE EUROPE	RM
ICE US	RM
IDEM (Italian Derivatives)	RM
ME (Canada Derivatives)	RM
MEFF (Spanish Futures)	RM
NYMEX	RM
OMX	RM

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

Fixed Income	
Please refer to executing broker list	

ENXT Amsterdam Derivatives	RM
ENXT Paris Derivatives	RM
EUREX Futures	RM
Oslo Børs	RM
TSE (Tokyo Futures)	RM
OSE - OSAKA (futures)	RM
SGX (Singapore Futures)	RM
SPX - ASX 24	RM

An updated list can be found on our website [www.akj.com](http://www.akj.com)