

# Best Execution Policy

IKANO Fund Management (“IFM”)

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## 1. Scope

This document sets out information on Ikano Fund Management S.A. (“IFM”) Execution policy and approach providing “Best Execution” as required by the Markets in Financial Instruments Directive (MiFID).

MiFID requires IFM to take all reasonable steps to obtain the best possible result for clients, taking into account price, costs, speed, likelihood of execution and settlement, size, nature and/or any other relevant order execution consideration. This obligation to obtain the best possible result for clients is referred to, in this document, as our obligation of “Best Execution”.

This document applies only to clients classified as “Professional Clients” and only to dealings in ‘Financial Instruments’ (each as defined in MiFID).

## 2. Best Execution Obligation and Relevant Factors

When executing orders on behalf of its Clients in relation to Financial Instruments, IFM will take all reasonable steps to achieve Best Execution of the orders. IFM has in place processes which are designed to obtain the best possible execution result on a consistent basis, subject to and taking into account the financial instrument subject to the order, the nature of the orders, the execution venues available for such Financial Instruments and the priorities of executing those orders.

The **execution factors** to be taken into account when executing Client Orders are as follows:

- Price
- Costs
- Speed
- Likelihood of execution
- Likelihood of settlement
- Size of the trade
- Nature of the trade

And any other consideration relevant to the execution of the order.

When executing an order on behalf of its Clients, IFM will determine the relative importance of the aforementioned best execution factors based on its experience and judgement with respect to the available market information at that time.

IFM will generally give price a higher relative importance when obtaining the best possible result for orders executed on behalf of its Clients. However, IFM will also take into consideration the other execution factors like the need for timely execution, availability of price improvement, the liquidity of the market (which may make it difficult to execute an order), potential price impact, the size of the order and the nature of the financial transaction including whether or not such transactions are executable on a Regulated Market, over-the-counter, or via either route. Also, the

creditworthiness of the venue, market liquidity and the quality and cost effectiveness of any related clearing and settlement facilities.

### **3. Execution Venues**

IFM Best Execution policy include venues on which we place significant reliance in our aim to obtain on a consistent basis the best possible result for the execution of Client orders.

Those possible execution venues include but not limited to and as appropriate for each product:

Broker execution – placing the order with a third-party with whom we have entered into an agreement for handling Client orders.

Crossing the order with a recognized third party crossing network

Liquidity Aggregator – using a recognized third party tool for price discovery and execution with pre-determined list of third parties.

On Exchange – directly with a Regulated Market or Multilateral Trading Facility or using a third party participant with whom we have entered into an agreement for handling Client Orders.

### **4. Execution Venue Selection**

The selection of an Execution Venue for the execution of an order will be based solely upon the Execution Factors referred to above.

However, the decision to use any of the venues may also be influenced by other additional criteria, although this is always conditional upon obtaining the best possible result for our clients. These additional criteria include:

- Quality of research
- Financial Screening
- Suitability of counterpart
- Liquidity concentration

Notwithstanding the above, IFM reserves the right to execute a Client Order using a method or venue other than the methods or venues that we have indicated, where we consider this to be in the best interests of our client. In such cases, we will endeavour to execute based on the same best execution principles as summarised in this document.

## **5. Types of transactions where Best Execution has limited scope**

These cases are as follows:

### *Single venue transactions:*

Where the nature of the transaction results in there being only one venue and, therefore the only pricing consideration is time of execution. It, therefore, precludes the use of comparable prices.

### *Highly structured transactions:*

The Best Execution obligation applies only in very limited form, to highly structured off-exchange transactions where it is not possible to provide any comparisons with other transactions or instruments. MiFID recognises that different considerations apply where the transaction involves a customised OTC financial instrument.

## **6. Monitoring and Review**

We will review this best execution policy at least annually and whenever a material change occurs that affects our ability to continue to obtain the best results for our clients.

We will monitor the effectiveness of our best execution policy and execution arrangements to identify and where appropriate correct any deficiencies. This will include an assessment of whether the **Execution Venues** included in this policy continue to provide the best possible result for our clients.

## **7. Definitions**

**MiFID** – the directive 2004/39/EC Markets in Financial Instruments

**Professional Clients** – as per Annex II of MiFID

**Financial Instruments** – as per Annex I of MiFID

**Client Orders** – an instruction to buy or sell a Financial Instrument.

**Execution Factors** – as listed in section 2

**Execution Venue** – as listed in section 3