

## **Best Execution Policy**

This Policy summarises the general basis on which Maxis Investments Limited (we refer to ourselves in this policy as "Maxis", "we" or "us") will provide "best execution" when required by the European Union's recast Markets in Financial Instruments Directive (known as "MiFID II"), as supplemented through delegated regulations and directives, and reflected in the Conduct of Business Rules of the UK Financial Conduct Authority (the "FCA").

The Policy is divided into seven sections:

- Scope and Purpose
- Achieving Best Execution
- Compliance with Client Instructions
- Choosing an Execution Venue
- Updating the Policy
- Consenting to the Policy
- Contact Details

### **Scope and Purpose**

*What is the purpose of the Policy?*

We recognise the importance of achieving the best possible result when executing trades for you. This is important for maintaining and developing our relationship with you. We strive at all times to act fairly and reasonably in dealing with you. In certain cases where we are providing order execution services to our clients, we are required under MiFID II to establish and comply with a policy on best execution.

*When does this Policy apply?*

The Policy applies where we act on your behalf in the execution of orders.

The Policy will not apply when we are not executing an order on your behalf, for example where or to the extent:

- (a) We transact with you as principal on the basis of a published quote;
- (b) We transact with you as counterparty for our own account;

(c) We are following your specific instructions to execute a specific part or aspect of an order.

(d) The financial instruments covered by MiFID II include most financial instruments but do not include:

(i) spot foreign currency exchange transactions; and

(ii) spot commodity transactions (which are currently not available at Maxis).

The Policy applies to all transactions we arrange or execute on your behalf, whether arranged or executed through affiliated companies or otherwise.

### **Achieving Best Execution**

*What does "best execution" mean?*

"Best execution" means:

The best possible result (taking into account all relevant factors described below) across all orders on a consistent basis for any financial instrument covered by MiFID II when placing the orders for execution with execution venues identified in this Policy.

That we will take steps to monitor, review and update the Policy to ensure that it continues to achieve such results.

Complying with our best execution obligations under MiFID II does not involve a transaction-by-transaction analysis. Instead, we are required to take all sufficient steps to obtain the best result overall by executing orders on your behalf (i) on the execution venues we have identified as us enabling us to obtain on a consistent basis the best possible result for you, and (ii) having regard to the execution factors set out in MiFID II.

*What factors do we take into account to achieve best execution?*

In achieving best execution, we take into account a number of factors (unless otherwise instructed by you, as discussed in Section 3 below).

These include:

- price;
- costs;
- speed;

- likelihood of execution and settlement (liquidity);
- size;
- nature;
- type and characteristics of financial instrument;
- characteristics of the possible execution venues; and
- any other consideration relevant to the execution of the order.

While total consideration (price and costs) are generally key factors (and will be the only factors we take into account if you are a retail client and have not given us specific instructions), the overall value to you of a particular transaction may be affected by the other factors listed above. We may conclude that factors other than price and costs are more important in achieving the best possible result for you. The relative importance of each of the factors will differ depending on:

- your categorization as a Retail or Professional client, any special objectives you may have in relation to the execution of the order;
- the characteristics of your order;
- the characteristics of the financial instruments to which your order relates; and

the characteristics of the venues (if there is more than one) to which your order may be directed.

Normally, we act as your agent when buying or selling or subscribing for securities. In order to seek to remain competitive, we heavily monitor transactions for our retail clients. In order to deal outside the market size, the best price may not always be possible but we monitor the price offered and ensure that so far as practicable it is not significantly outside the market price.

*What is our responsibility when your order is executed for us by a third party?*

We will generally pass your order on to a third party (which may be a broker and/or an affiliated company) to execute your order.

We may pass an order to a non-affiliated third party broker or dealer to execute your order. In respect of such cases, we will have internal processes and procedures in place to review periodically our choice of third party brokers and dealers to determine that, taking into account all the factors specified above, the third party broker or dealer is providing the best results for your orders on a consistent basis. In making this determination we will have regard to:

- prices offered for the particular type of instrument over time;
- average costs per trade charged for the type of trade over time;
- the best execution policy of, and any other guidance issued by, the relevant broker or dealer from time to time.

## **Compliance with Client Instructions**

*What happens if you give us specific instructions as to how to execute your order?*

Where we have accepted your instructions with respect to the execution of your order, whether or not we have given you advice on any aspect of it, we will follow those instructions to the extent it is possible for us to do so.

We will not comply with our best execution obligations where we accept and follow your specific instructions when executing an order or a specific part of an order, although the Policy may apply to other aspects of the order to the extent that they are not covered by your instructions. For example:

(a) Where you instruct us to execute an order for you at a particular price (for example, a subscription to subscribe for units in a fund, structured product or other securities at a specific price) we will execute the order at the specific price we have quoted to you;

(b) Where you instruct us to execute your order on a particular venue, we will not be responsible for selecting the venue;

(c) Where you instruct us to execute your order at a particular time or over a particular period, regardless of the price available, we will endeavour to execute your order at that time or over that period in the best possible manner but will not be responsible for the timing or any of the consequences for price or other factors that results from the timing of execution.

## **Choosing an Execution Venue**

*Which execution venues will we use?*

For purposes of MiFID II, an "execution venue" includes a regulated exchange, a multilateral trading facility, an organised trading facility as well as any dealing counterparty, including us, in respect of over-the-counter transactions. Unless we agree with you otherwise we will use a selection of venues that will be reviewed periodically.

A list of the venues we currently use appears in Annex A to this policy. The list may be updated from time to time and the up-to-date list of venues will be available on request.

Where your order is executed through third-party brokers, we will review periodically the brokers that we use taking into account the factors we describe below for determining the entities with which the orders are placed or to which we transmit orders for execution in order to ensure that the broker or brokers that we use are providing best execution taking into account all orders executed during the review period.

Where it appears in a particular case that better execution is available from a broker that we do not ordinarily use, we may use such other broker on a case-by-case basis.

*What factors are taken into account in determining the execution venues?*

Factors that we consider in selecting the entities with which your orders are placed or to which we transmit your orders for execution in respect of a particular financial instrument include:

- general prices available; depth of liquidity; relative volatility in the market; speed of execution;
- cost of execution; creditworthiness of the counterparties on the venue or the central counterparty; and
- quality and cost of clearing and settlement.

In some markets price volatility may mean that timeliness of execution is a priority. In other markets that have low liquidity, the fact of execution may itself constitute best execution.

In other cases, our choice of venue may be limited because of the nature of your order or your requirements. For example, when investment products are more illiquid, there may be little (or no) choice of venue.

### **Execution Factors per Class of Financial Instruments and corresponding choice of execution venue**

**Equities:** Orders for equities and ETFs are transmitted via brokers to trading venues for execution. In general, we execute orders in equities and ETFs on a commission basis. When executing an order we take into account price/costs, speed of execution and likelihood of execution to obtain the best possible result for the client. We assess, which of the different execution venues including brokers obtain the best possible result with respect to the traded price on a consistent basis. We take into account all the relevant costs which could arise for the client. These include, for example, fees for execution venues, brokers, or clearing systems and taxes. In order to ensure highest likelihood and speed of execution, we take into account the different trading volumes at the respective execution venues. In addition, Maxis takes into account the possible impact of the order volume on the execution price, secure and fast access to execution venues and brokers and the reliability of clearing systems.

**Debt securities:** Debt securities are primarily traded on an execution venue such as an MTF or OTF directly by us or against the own book of a systematic internaliser or any other market maker on a request for quote basis. Where liquidity does not exist for the concerned debt security only limited number or one counterparty would provide quote. When executing an order we take into account price/costs, likelihood and speed of execution to obtain the best possible result for the client. We assess, which of the different execution venues, including counterparties, obtain the best possible result with respect to the traded price on a consistent basis. We take into account all the relevant costs which could arise for the client. These include, for example, fees for execution venues, brokers, or clearing systems and taxes. In order to ensure highest likelihood and speed of execution, Maxis also takes into the possible impact of the order volume on the execution price, the secure and fast access to execution venues and brokers, reliability of clearing systems.

**Collective investment schemes:** Client orders for investment funds are primarily executed either with the asset management company directly or by using brokers in accordance with the relevant scheme's rules on a commission basis. The purchase or sale prices are determined by scheme's terms and conditions hence Maxis's discretionary role is limited. Maxis always endeavour to ensure that the transaction is executed before the cut-off time for the scheme. In case where client orders are executed on a trading venue (via a broker) following a specific instruction of the client, the same execution factors are used as for equities and ETFs.

**Exchange-Traded Derivatives:** Orders for exchange traded derivatives are transmitted via brokers to trading venues for execution where the financial instrument is listed. The same execution factors

are used as for equities and ETFs. In the exceptional case of listings on multiple trading venues Maxis seeks an instruction from the client.

**Over-the-counter derivatives:** Such transactions are entered into on an individual basis with the client. For some more standardised products, we will usually request price from a shortlist of counterparties identified by us to be among the most competitive in the field concerned. We take into account price/costs, likelihood and speed of execution to obtain the best possible result for the client. We assess which of the different counterparties obtain the best possible result with respect to the traded price on a consistent basis. We take into account all the relevant costs which could arise for the client. These include, for example, fees for execution venues, brokers, or clearing. Maxis inform the client about potential risks, such as, for example, counterparty risk. For bespoke transactions or some commodities, only one counterparty would provide quote to us. In such circumstances we will route such orders exclusively to this particular counterparty since there will be no other available market liquidity within a reasonable timeframe. Wherever we deem necessary we may use Bloomberg pricing tools for the valuation of the parameters of a client order prior to the execution of the order with the counterparty. We also note that for certain transactions, for example, orders for FX and commodity options, forwards and swaps, you may have highly specific instructions and this may limit our duty of best execution which are not covered by your specific instructions.

**Warrants:** Orders for warrants are transmitted via brokers to trading venues for execution. The same execution factors are used as for equities and ETFs.

*How often do we review our venues?*

Generally, we will review annually the venues we use to execute your orders. Every year we will also publish information, for each class of investment, on the top five execution venues in terms of trading volumes where we executed client orders in the preceding year and information on the quality of execution obtained.

*Where we have a choice of venues in respect of a particular order, how do we choose?*

We take into account factors such as cost and benefits of accessing multiple venues and accessibility in deciding which venues we use. In some circumstances we may have access to more than one venue for executing an order in a particular financial instrument. In such cases, we will endeavour to choose the best venue for the order taking into account the factors applicable to choosing venues.

## **Updating the Policy**

*How often will we update the policy?*

We will update the Policy periodically to take into account changes as and when appropriate.

*How can you obtain the most recent version of the Policy?*

A copy of the most recent version of the Policy is available on request. If you would like to receive a copy of the most recent Policy, however, please contact us in the manner described in the next section.

## **Consenting to the Policy**

We are required to obtain your prior consent to the Policy.

We are required to obtain your prior express consent before we execute orders in instruments admitted to trading on regulated markets or multilateral trading facilities away from a regulated market or multilateral trading facility.

You will be deemed to have provided consent to our order execution policy when you submit an order to us.

## **Contact Details**

*How do we contact Maxis Investments Limited in connection with this Policy?*

If you have queries about the Policy, please contact our Compliance Department at 020 7726 3300 or send an inquiry via email to [compliance@maxisinvestments.co.uk](mailto:compliance@maxisinvestments.co.uk).

## **Annex A - List of Execution Venues**

### **Equities/ETFs**

We do not have direct access to execution venues/exchanges. We use Barclays Capital Securities Ltd and Is Yatirim Menkul Degerler A.S. as brokers.

### **Listed Derivatives**

We trade listed derivatives for our clients through our Maxis Trader platform whereby Saxo Bank A/S acts as an intermediary given our white label agreement. Turkish exchange traded derivatives are executed via Is Yatirim Menkul Degerler A.S. We do not have direct access to exchanges.

### **MTF**

Bloomberg ALLQ

### **Debt Securities**

JP Morgan Securities PLC  
ING Bank N.V. London  
Adamant Capital Partners Ltd  
SFI Markets B.V.  
Nomura International PLC  
Barclays Capital Securities Limited  
Citibank UK Limited  
BNP Paribas  
Deutsche Bank  
Goldman Sachs  
HSBC  
Morgan Stanley  
Standard Chartered Bank  
UBS  
Intesa Sanpaolo  
Jefferies International Limited  
King & Shaxson Limited  
MUFG Securities EMEA Plc  
SMBC Bank International Plc  
Natixis  
Societe Generale  
BBVA S.A.  
ICBC Standard Bank Plc

### **Exchange Traded Derivatives**

Is Yatirim Menkul Degerler A.S.  
Saxo Bank A/S

### **OTC Derivative Products**

JP Morgan Chase Bank N/A



Barclays Bank PLC  
Goldman Sachs International  
Saxo Bank A/S  
Morgan Stanley

**Brokers**

Is Yatirim Menkul Degerler A.S.  
Barclays Capital Securities Limited