

## APPENDIX 3 - ORDER EXECUTION

This appendix is a part of and regulated by the overall principles and guidelines set out in the Policy on Portfolio Management and constitutes the Company's Execution Policy.

### LEGAL BASIS

The Company provides portfolio management services. When providing its services, the Company is executing orders on behalf of its clients.

According to Art. 27 of the AIFM Regulation, Section 3 of UCITS Commission Directive, and the Danish Executive Order No. 917 of 25 June 2017 on Investment Firms handling of Orders the Company is subject to the obligation of best execution and act in the best interest of the Funds' investors when providing portfolio management services. This means that the Company must act in the best interests of its clients when making decisions to deal in financial instruments on their behalf. The Company must take all sufficient steps to obtain the best possible result for its clients, considering various execution factors and criteria. The Company must also establish and implement an effective order execution policy that sets out how it will achieve best execution for its clients and disclose it to them.

The Company must take all sufficient steps to obtain, when executing orders, the best possible result for its clients, considering price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

### INSTRUMENTS

This appendix and its principles apply to the following financial instruments:

- Fixed income securities and money market instruments.
- OTC derivatives, including but not limited to swaps and forwards.
- Derivatives admitted to trading on a regulated market or multilateral trading facility (MTF), including but not limited to options and futures listed on a derivative exchange.
- Other instruments created by an intermediary.

### EXECUTION FACTORS

Generally, the Company will consider the price of the financial instrument, and the costs related to execution as the most important factors.

In determining the importance given to other execution factors, such as size, speed, likelihood of execution and settlement, nature of the order or any other consideration relevant to the execution of the order, the Company will exercise its discretion in assessing the criteria that need to be considered to obtain the best possible result. The relative importance of these criteria will be assessed based on the commercial experience represented at the Company and the need for timely and efficient execution in the relevant market conditions. Availability of price improvement, the liquidity of the market and size of orders and the potential impact on price will be considered. In certain circumstances therefore the Company may determine that the speed and likelihood of execution and settlement, for example may take precedence over immediate price and cost factors if they are instrumental in delivering the best possible result. This may be the case for example for large orders of less liquid financial instruments.

The Company does not charge any commission for itself in respect of its discretionary investment management activities, nor does it charge any transaction related commissions to its clients.

The determination of what is best execution will be based on the following:

- the objectives, investment policy and risks specific to each Fund, as indicated in the fund rules or articles of association, prospectus or offering documents,
- the client order characteristics,
- the characteristics of the financial instruments that are the subject of that order, and
- the characteristics of execution venues to which that order can be directed.

The Company is not required to take the steps mentioned above to the extent that a client has instructed the use of a particular counterparty or trading venue.

### **TRADE AGGREGATION AND TRADE ALLOCATION**

The Company may aggregate a client order with orders for other clients if the aggregation of orders is overall to the advantage of the clients whose orders are aggregated. The aggregation of orders could be disadvantageous to a client in relation to a specific order.

When aggregating orders, no client will be favoured over any other client. Each client that participates in an aggregated order will participate at the average price for all the Company's transactions in that security with that counterparty on the given business day and transaction costs will be shared pro rata based to each client's participation in the aggregated transactions.

If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the pre-trade allocation. If the aggregated order is partially filled, it will be allocated pro-rata among clients, subject however to allocation of a meaningful minimum size as determined by the Company (which could result in a client receiving no allocation or a larger than pro-rata allocation) and to a minimum purchase size which may be imposed by an issuer in an offering.

### **CROSS TRANSACTIONS**

The Company is not authorized to trade for its own account(s) and as such the Company may not act as counterparty to its clients in any trade.

From time-to-time the Company may seek to execute transactions between client accounts (including rebalancing trades between client accounts). Transactions between client accounts are not permitted if they would constitute principal trades or trades for which the Company or its affiliates are compensated as counterparties.

To the extent that it is deemed to be in the best interest of both client accounts, and it is reasonably considered to be in service of best execution to do so, transactions between client accounts may be completed, provided that an independent third party pricing source is used for such transactions and transactions are executed through a third party counterparty.

### **COUNTERPARTIES AND EXECUTION VENUES**

This appendix includes details of the various counterparties and execution venues that the Company will use when placing orders with other entities for execution. These details primarily consist of counterparties that the Company will use in respect of the different instruments in which the firm may trade. Any counterparties and execution venues which may be used, however, will always be subject to any relevant brokerage agreement(s) entered into by the Company and/or the client, as appropriate. The lists of approved counterparties and execution venues to be used will be updated from time to time depending on the nature

of changes to the type of investments which are managed and in the light of the following counterparty selection criteria:

- Counterparties and execution venues must be subject to prudential supervision
- Counterparties and execution venues must comply with the best practice/best execution and investor protection rules under the AIFM Regulation, the UCITS Commission Directive and MIFiD II
- A minimum rating of BBB- or similar is preferred, but counterparty rating below BBB- can be accepted
- Counterparties with a broad or a very specialized product offering are prioritized
- Ability to consistently provide competitive prices and execution
- The integrity, ethics and trustworthiness of the counterparty
- Sufficient, competent counterparty personnel and support staff
- The counterparty's electronic and program trading capabilities and range of associated products
- The efficient settlement of trades, including acknowledgement and correction of trade errors

The Company may deal directly with market makers where the company makes use of Direct Market Access systems or are dealing with an investment bank that is acting in a principal capacity as a market maker. Trading outside a regulated market or multilateral trading facility may also happen from time to time.

The Middle Office and Risk team conduct due diligence on counterparties and execution venues in accordance with the counterparty selection procedure.

## UTILIZING AFFILIATES

Global Evolution will provide or procure each sub-fund and segregated mandate investment advisory and investment management services, pursuant to the provisions of the management company agreements, investment management agreements and in accordance with the investment policy, objective and restrictions of the relevant sub-fund or mandate as set out in the articles, prospectus and investment guidelines, with the aim to achieve the investment objective.

When carrying out directly the investment management, Global Evolution Asset Management A/S may act via its branches or utilize and otherwise engage, under its responsibility and oversight, the investment management services of its affiliates (the "Global Evolution Entities"). The Global Evolution Entities may carry out investment decisions, on a discretionary basis, acquire and dispose of assets, subject to and in accordance with (i) the investment objectives and restrictions of the relevant sub-fund or segregated mandate (ii) preliminary team discussions and (iii) under the oversight of Global Evolution Asset Management A/S.

## MONITORING, REVIEW AND UPDATES TO CLIENTS

The Company will on a regular basis monitor the effectiveness of its order execution appendix and the execution quality of the counterparties and execution venues used. Where the monitoring reveals the need for any changes or enhancements to be made, these will be implemented as appropriate. The Company's Board of Directors will review the order execution policy as required, but at least once a year. If it after the review is concluded that no changes are required a new version of the policy is not issued. Changes and updates will be published on the Company's website and will come into effect from the day that they are published there.

This order execution appendix including any future changes will be available from the front page of the Company's website. Clients are therefore requested to keep themselves updated via the Company's website. Clients with whom the Company has an ongoing business relationship will be notified of material changes in the order execution appendix.

## APPROVED COUNTERPARTIES

The prevailing list of approved counterparties is available from the Company website.