

# POLICY FOR BEST EXECUTION 2020

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<b>Subject</b>	Policy for Best Execution 2020
Applicable	BI Asset Management Fondsmæglerselskab A/S
Date	April 2021

## Policy for Best Execution

### Background

BI Asset Management Fondsmæglerselskab A/S (hereinafter 'BIAM') is required to have a policy for best execution in accordance with applicable legislation. This policy covers calendar year 2020 (1 January 2020 – 31 December 2020).

### Purpose

BIAM's clients are UCITS', AIF's and institutional clients (hereinafter referred to as the 'client' or 'clients').

BIAM receives and transmits orders in financial instruments on behalf and on the account of the clients. BIAM's selected counterparties execute the orders on the account of the clients. BIAM does not execute orders, the counterparties do.

The policy shall ensure that reception and transmission of orders are performed to obtain the best possible result for the client – best execution – in relation to the client's characteristics, the client's order and the relevant financial instruments and counterparties to whom the order may be directed.

### Best execution

In order to obtain best execution, when receipting and transmitting orders, BIAM shall take all sufficient steps to obtain the best possible result taking into account the following factors:

- Price
- Costs
- Speed
- Likelihood of execution and settlement
- Size
- Nature
- Any other consideration relevant to the execution of the order.

As a main rule best execution is determined in terms of the total remuneration (price and costs), unless it follows from the purpose of the order that other factors are more relevant. This may be the case, if the client wants to have the order executed "immediately", meaning that the factor "speed" should be given decisive weight. In other cases, it could be the likelihood of execution and settlement, size, nature and other factors in relation to the total remuneration.

This applies to all categories of financial instruments.

### Counterparties

BIAM regularly monitors if the counterparties that are a part of the Policy of Best Execution give the best possible result for the clients.

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The factors taken into considerations when selecting counterparties are:

- Whether the counterparty trades in the relevant financial instrument
- The price
- Brokerage/provision (costs)
- Liquidity in the market for the relevant financial instrument (speed, likelihood of execution and settlement)
- The size of the order (size)
- Trading over several days (size, speed, price, likelihood of execution and settlement)
- The speed at which the order is requested executed (speed)
- Time zone (speed)
- The likelihood of executing the order (speed and likelihood of execution and settlement)
- Experience with the counterparty and other matters of relevance to the execution of the order

Please note that the factors are not exhaustive in the selection of counterparties.

Furthermore, please note that specific instructions from a client may prevent BIAM from fulfilling its best execution obligation.

## **Analysis and summary**

An overview of BIAM's most important counterparties in terms of trading volumes and summary of analysis in relation to financial instruments is available as an appendix to the policy.

## **Information to clients**

Upon a client's legitimate request BIAM is obliged to give information about counterparties, whereto the transmitted orders are or to whom the orders are placed for execution.

BIAM delivers the policy including appendix to the client.

## **Monitoring, assessment and amendments**

On a regularly basis BIAM monitors the effectiveness and quality of the order execution performed by the counterparties identified in the policy.

Any significant amendments to the policy shall be communicated to the client.

## **Appendix**

- Appendix – Bonds
- Appendix – Equities
- Appendix – Foreign exchange derivatives
- Appendix – Interest rate derivatives

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## Appendix - Bonds

Class of Instrument	Debt instruments (bonds)	
Notification if < 1 average trade per business day in the previous year	N	
Top five counterparties ranked in terms of trading volumes (descending order), LEI	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class
Spar Nord Bank A/S - 549300DHT635Q5P8J715	11%	4%
Nordea Bank AB - 529900ODI3047E2LIV03	8%	4%
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	7%	7%
BNP Paribas - R0MUWSFPU8MPRO8K5P83	7%	6%
MarketAxess - 529900CTXON8S5AOCB70	6%	20%

## **Summary of trade with bonds**

In accordance with applicable legislation, BIAM monitors trades with bonds and performs an analysis of the trades. This is a summary of the latest analysis of the trade with bonds.

### *1. Criteria for best execution*

When trading bonds, BIAM performs an assessment of the criteria for best execution in accordance with BIAM's policy and procedures.

BIAM handles trades in order to get the best possible result for BIAM's clients. As a main rule, best execution is determined in terms of the total remuneration (price and costs).

In order to obtain best execution for the clients an initial assessment of the type of bond and relevant counterparties will always be performed (likelihood of execution and settlement).

### *2. Close links, conflicts of interest and common ownership of execution venues*

There are no close links or common ownership of counterparties. It is assessed that BIAM's trading activities are not in conflict with the clients' interests, and there are no conflicts of interest.

### *3. Specific arrangements*

BIAM does not have any specific arrangements with counterparties regarding payments made or received discounts, rebates or non-monetary benefits received.

### *4. Change of counterparties and factors*

The list of top five counterparties has changed compared to previous orders. This is primarily due to external factors as new regulation and change in the counterparties' business models to gain market share. BIAM does not have any influence in these factors. Also influences to change of list is the change of which assets that BIAM manages due to more counterpart are less global and more specialized.

### *5. Category of clients and counterparties*

All clients are categorized as professional clients or eligible counterparties so there is no difference between the categories of clients.

### *6. Criteria in proportion to the categories of clients*

All clients are categorized as professional clients or eligible counterparties, so the criteria for best execution does not differ depending on the categories of clients.

### *7. Information etc. used for the assessment of best execution*

The assessment of the quality of best execution is based on market data.

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## Appendix - Equities

Class of Instrument	Equities	
Notification if < 1 average trade per business day in the previous year	N	
Top five counterparties ranked in terms of trading volumes (descending order), LEI	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class
Jefferies International Limited - S5THZMDUJCTQZBTRVI98	14%	8%
Sanford C. Bernstein Limited - 549300W30847BJ1LD502	13%	27%
Merrill Lynch International - GGDZP1UYGU9STUHRDP48	11%	11%
Morgan Stanley & Co. International - 4PQUHN3JPFQFNF3BB653	8%	7%
UBS Limited - 5299007QVIQ7IO64NX37	7%	5%

## **Summary of trade with equities**

In accordance with applicable legislation, BIAM monitors trades with equities and performs an analysis of the trades. This is a summary of the latest analysis of trade with equities.

### *1. Criteria for best execution*

When trading bonds, BIAM performs an assessment of the criteria for best execution in accordance with BIAM's policy and procedures.

BIAM handles trades in order to get the best possible result for BIAM's clients. As a main rule, best execution is determined in terms of the total remuneration (price and costs).

In order to obtain best execution for the clients an initial assessment of the type of equity and relevant counterparties will always be performed (likelihood of execution and settlement).

### *2. Close links, conflicts of interest and common ownership of execution venues*

There are no close links or common ownership of counterparties. It is assessed that BIAM's trading activities are not in conflict with the clients' interests, and that there are no conflicts of interest.

### *3. Specific arrangements*

BIAM does not have any specific arrangements with counterparties regarding payments made or received discounts, rebates or non-monetary benefits received.

### *4. Change of counterparties and factors*

The list of top five counterparties has changed compared to previous orders. This is primarily due to external factors as new regulation and change in the counterparties' business models to gain market share, and internal factors such as change in the geographical distribution of the flow.

### *5. Category of clients and counterparties*

All clients are categorized as professional clients or eligible counterparties so there is no difference between the categories of clients.

### *6. Criteria in proportion to the categories of clients*

All clients are categorized as professional clients or eligible counterparties, so the criteria for best execution does not differ depending on the categories of clients.

### *7. Information etc. used for the assessment of best execution*

The assessment of the quality of best execution is based on market data.

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## Appendix – Currency derivatives

Class of Instrument	Currency derivatives (swaps, forwards and other currency derivatives)	
Notification if < 1 average trade per business day in the previous year	N	
Top five counterparties ranked in terms of trading volumes (descending order), LEI	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class
Jyske Bank A/S - 3M5E1GQGKL17HI6CPN30	45%	51%
JP Morgan AG - 549300ZK53CNGEEI6A29	31%	27%
Skandinaviska Enskilda Banken AB - F3JS33DEI6XQ4ZBPTN86	24%	22%

## **Summary of trade with currency derivatives**

In accordance with applicable legislation, BIAM monitors trades with currency derivatives and performs an analysis of the trades. This is a summary of the latest analysis of the trade with currency derivatives.

### *1. Criteria for best execution*

When trading bonds, BIAM performs an assessment of the criteria for best execution in accordance with BIAM's policy and procedures.

BIAM handles trades in order to get the best possible result for BIAM's clients. As a main rule, best execution is determined in terms of the total remuneration (price and costs).

### *2. Close links, conflicts of interest and common ownership of execution venues*

There are no close links or common ownership of counterparties. It is assessed that BIAM's trading activities are not in conflict with the clients' interests, and that there are no conflicts of interest.

### *3. Specific arrangements*

BIAM does not have any specific arrangements with counterparties regarding payments made or received discounts, rebates or non-monetary benefits received.

### *4. Change of counterparties and factors*

The list of top five most counterparties has changed due to better prices.

### *5. Category of clients and counterparties*

All clients are categorized as professional clients or eligible counterparties so there is no difference between the categories of clients.

### *6. Criteria in proportion to the categories of clients*

All clients are categorized as professional clients or eligible counterparties, so the criteria for best execution does not differ depending on the categories of clients.

### *7. Information etc. used for the assessment of best execution*

The assessment of the quality of best execution is based on market data.



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## Appendix – Interest rate derivatives

Class of Instrument	Interest rate derivatives (futures and options admitted to trading on a trading venue)	
Notification if < 1 average trade per business day in the previous year	J	
Top five counterparties ranked in terms of trading volumes (descending order), LEI	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class
JP Morgan AG - K6Q0W1PS1L1O4IQL9C32	100%	100%

## **Summary of trade with interest rate derivatives**

In accordance with applicable legislation, BIAM monitors trades with interest rate derivatives and performs an analysis of the trades. This is a summary of the latest analysis of the trade with interest rate derivatives.

### *1. Criteria for best execution*

When trading interest rate derivatives, BIAM performs an assessment of the criteria for best execution in accordance with BIAM's policy and procedures.

BIAM handles trades in order to get the best possible result for BIAM's clients. As a main rule, best execution is determined in terms of the total remuneration (price and costs).

BIAM has one counterparty and executes all orders on a trading venue through the counterparty.

### *2. Close links, conflicts of interest and common ownership of trading venues*

There are no close links or common ownership of counterparties. It is assessed that BIAM's trading activities are not in conflict with the clients' interests, and that there are no conflicts of interest.

### *3. Specific arrangements*

BIAM does not have any specific arrangements with counterparties regarding payments made or received discounts, rebates or non-monetary benefits received.

### *4. Change of counterparties and factors*

There is no change of counterparties and factors.

### *5. Category of clients and counterparties*

All clients are categorized as professional clients or eligible counterparties so there is no difference between the categories of clients.

### *6. Criteria in proportion to the categories of clients*

All clients are categorized as professional clients or eligible counterparties, so the criteria for best execution does not differ depending on the categories of clients.

### *7. Information etc. used for the assessment of best execution*

The assessment of the quality of best execution is based on market data.