

# BEST EXECUTION POLICY

Sparinvest S.A.

Updated: August 2024

Responsible for update: Investment  
Management

**Sparinvest**

CONTENTS

1	INTRODUCTION AND PURPOSE	3
2	SCOPE	3
3	BEST EXECUTION PRINCIPLES	3
4	BROKERS, VENUE SELECTION AND EVALUATION	4
5	FINANCIAL INSTRUMENTS	4
6	MONITORING AND REVIEW	4
7	REPORTING	4
8	PUBLICATION AND CHANGES	4
9	CONSENT	5
10	OWNERSHIP OF THE POLICY	5

## 1 INTRODUCTION AND PURPOSE

Sparinvest S.A. ("Sparinvest") is a management company authorised and regulated by the Luxembourg Supervisory Authority (Commission de Surveillance du Secteur Financier, "CSSF") under Chapter 15 of the Law of 17 December 2010 and an Alternative Investment Funds Manager authorised under Chapter 2 of the Law of 12 July 2013.

Pursuant to article 110 of the Law of 17 December 2010, Sparinvest has appointed Nykredit Bank A/S ("Nykredit") as sub-investment manager for some of its funds as described in the relevant prospectuses and fund documents available on [www.sparinvest.lu](http://www.sparinvest.lu) and [www.sparinvest.dk](http://www.sparinvest.dk).

Nykredit carries out the order execution for all Sparinvest funds and segregated mandates, regardless of whether they are managed internally by Sparinvest or Nykredit.

For the purpose of this Best Execution Policy (the "Policy") 'orders' shall be interpreted as orders sent by portfolio managers for execution.

## 2 SCOPE

The Policy applies to retail and institutional clients as classified by Sparinvest.

## 3 BEST EXECUTION PRINCIPLES

The best execution requirements apply to Sparinvest and its sub-investment manager including any delegate of the investment management function. Sparinvest shall ensure that the Policy and the principles as described below are effective and regularly monitored through the Oversight function.

### Order handling

All orders shall be executed promptly and fairly.

### Aggregation and allocation

Orders may be aggregated when it is in the best interest of the clients and if equal treatment in the allocation process is ensured.

Partially executed orders will be allocated considering best execution and equal treatment.

### Internal orders

Internal transactions between clients may be executed only in the case where the internal transaction is in the best interest of both the buyer and the seller. Fair pricing will be ensured and documented according to applicable procedures.

### Best interest

When executing orders on behalf of Sparinvest funds and segregated mandates, Nykredit shall take any reasonable steps to achieve the best possible outcome for the funds/segregated mandates following its own best execution policy.

To reach this outcome and depending on the financial instruments, Nykredit may take into account a number of factors when executing orders. The range of factors shall not only include the markets price, transaction costs, but also liquidity, order size, price development in related products, market conditions, investment policy of the fund/segregated mandate and the nature of the order.

## 4 BROKERS, VENUE SELECTION AND EVALUATION

When trading on behalf of the funds/segregated mandates, Nykredit may choose between executing the order by itself or through an execution venue such as regulated markets, Multilateral Trading Facilities (MTFs), Organised Trading Facilities (OTFs), systematic internalisers or other trading partners such as banks and securities dealers.

When selecting a broker/execution venue, Nykredit will take into account various factors such as:

- Price and costs relating directly to the execution of the order and settlement (total consideration)
- Likelihood of order execution and trade settlement
- The speed of execution
- The size and type of the order
- Other factors relevant to the order execution, including market conditions and their impact.

Nykredit maintains a list of approved brokers and venues that is regularly reviewed.

## 5 FINANCIAL INSTRUMENTS

Orders are executed in the following financial instruments:

- Equities
- Bonds
- Units in collective investment undertakings
- Money market instruments
- FX
- Deposits
- Financial derivative instruments

## 6 MONITORING AND REVIEW

Sparinvest's Best Execution Policy is established and regularly reviewed by internal control functions.

Sparinvest's Oversight and internal control functions are jointly responsible for ensuring the effectiveness of the principles laid out in this Policy and that they reflect the most up-to-date legal and regulatory environment. Any delegate responsible for investment management is subject to ongoing monitoring including the application of the Best Execution Policy in accordance with Circular CSSF 18/698.

## 7 REPORTING

In line with the reporting requirements stated in Circular CSSF 18/698, Oversight will, in continuation of the ongoing monitoring, report to Sparinvest Senior Management on a monthly basis and to the Sparinvest Board of Directors on a quarterly basis on the status of the monitoring of best execution.

## 8 PUBLICATION AND CHANGES

Sparinvest will make this Policy and any material changes hereto available on the websites at [www.sparinvest.lu](http://www.sparinvest.lu) and [www.sparinvest.dk](http://www.sparinvest.dk).

Clients with whom Sparinvest has an ongoing client relationship will be informed of any material changes to the Policy.

## 9 CONSENT

In order for Sparinvest to provide execution services to its clients, Sparinvest's clients are required to accept this Policy.

Where the client has not previously accepted this Policy, the client accepts the Policy by submitting a transaction for execution to Sparinvest. Sparinvest will obtain prior consent from its client to execute orders, if relevant, outside execution venues.

## 10 OWNERSHIP OF THE POLICY

This Policy is maintained by the Investment Management Department.

The Policy is made available to all staff members and becomes effective upon formal approval by the Board of Directors. This Policy is reviewed on an annual basis or as and when required. Any amendments are formally reviewed by Senior Management, and subsequently formally approved by the Board of Directors. Where no update is required, the Policy will be applied consistently over time.

This Policy was approved by the Board of Directors on 13 August 2024, after which date the Policy is in force within the Management Company.