



BEST EXECUTION POLICY

Shinkin International Ltd. (SIL) has best execution arrangements which apply to orders executed on behalf of clients where we owe a best execution obligation under COBS 11.2A of the FCA Handbook. All clients receive best execution letters setting out specifically our obligations to them.

SIL has an obligation to take all sufficient steps to act in accordance with the best interests of their clients when placing orders with other entities for execution that result from decisions by the investment firm to deal in financial instruments on behalf of its client, taking into account the execution factors and the characteristics of the client and the orders.

Note that SIL will satisfy the requirements to act honestly, fairly and professionally in accordance with the best interests of its clients, where it follows specific instructions from its client when placing an order with, or transmitting an order to, another entity for execution.

Characteristics

When executing an order, SIL must take into account the following criteria for determining the relative importance of the execution factors:

- (1) the characteristics of the client including the categorization of the client as professional;
- (2) the characteristics of the order;
- (3) the characteristics of financial instruments that are the subject of that order;
- (4) the characteristics of the execution venues to which that order can be directed.

Execution Factors

When executing an order, SIL must take reasonable steps to acknowledge and determine the main execution factors of the order. Main execution factors are listed but not limited to:

- (1) price;
- (2) costs related to execution;
- (3) speed;
- (4) the likelihood of execution and settlement;
- (5) the size and nature of the order;
- (6) market impact.

Appropriate Steps

SIL **must** take appropriate steps in order to obtain the best possible result for its clients when executing or placing an order. The basic steps are as follows:

- (1) retain information regarding the characteristics of the client and the order;
- (2) acknowledge the execution factors;



- (3) determine the relative importance of each of the execution factors based on the characteristics of the client and the order;
- (4) select method (i.e. execution or placing of order);
- (5) select the execution or placement venue;
- (6) execute or place the order, while achieving fair allocation of investment between different clients for secondary market trades, if applicable;
- (7) monitor and review the orders on a regular basis and, where appropriate, correct any deficiencies.

Venues and OTC Financial Instruments

The obligation to deliver the best possible result when executing client orders must take into account the different circumstances surrounding the execution of orders for particular types of financial instruments, so that trades in a customised OTC financial instrument with a specific contractual relationship tailored to the circumstances of the client and the firm is not likely to be comparable for best execution purposes with transactions in bonds on centralised execution venues. It is up to the firm to confirm even for OTC financial instruments whether the price offered for a client is fair and delivers on the best execution obligation.

Where SIL has an order execution policy that allows for client orders to be executed outside of a trading venue SIL must inform its clients of such possibility. SIL must obtain prior express approval from the client before executing orders outside a trading venue, either in the form of a general agreement or on a trade by trade basis.

Execution of Orders

If a client gives us a specific instruction in relation to the execution of an order or in relation to a specific aspect of the order, this may prevent us from taking the steps that we have designed and implemented in our execution policy to obtain the best possible result for the execution of that order or in respect of the elements covered by that instruction. We will follow a client's instruction and this will discharge our obligations in relation to the order or the specific aspect of the order to which their instruction relates.

When SIL executes an order following specific instructions from the client, it should be treated as having satisfied its best execution obligations only in respect of the part or aspect of the order to which the client instructions relate. The fact that the client has given specific instructions which cover one part or aspect of the order should not be treated as releasing SIL from its best execution obligations in respect of any other parts or aspects of the client order that are not covered by such instructions.

Material changes to SIL order execution policy or arrangements must be notified to the client via letter or on our website. SIL will request from a client confirmation of consent to the changes in its policy, in writing or by electronic means (e.g. email or click on a web page). This consent will be recorded by SIL. Note that consent is required by a client for before SIL proceeds to execute outside of a regulated market or MTF.

We do not owe you fiduciary duties in relation to the execution of your orders over and above our best execution obligations as set out in this policy.

Client Orders SIL when executing orders on behalf of clients must implement procedures and arrangements which provide for the prompt, fair and expeditious execution of client orders, relative to other orders or the trading interests of the firm. For SIL which executes primary market



transaction on a DvP basis with issuers, and on a firm order basis transacts with one counterparty at a time, there is no risk of conflicts between clients or with SIL.

For secondary market trades, there are specific rules around allocation.

Client Orders for Secondary Market Transactions SIL shall, in relation to every initial order received from a client and in relation to every initial decision to deal taken, immediately record and keep at the disposal of the FCA at least the details set out below to the extent they are applicable to the order or decision to deal in question.

SIL must ensure that client orders are executed on behalf of clients are promptly and accurately recorded and allocated.