


Best Execution Policy

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	Policy Document		
	Owner	Reviewer	Adopted by
	Chief Executive Officer	Chief Compliance Officer	The Board of Directors
	Date of approval	Applicable from	Classification
	December 18 2023	December 18 2023	Confidential

Introduction

According to Chapter 9, article 33 of the Swedish Securities Market Act (2007:528), investment firms must establish systems and internal rules on how the firm will achieve the best possible result when executing a client's order, providing discretionary portfolio management, or transmitting orders to other entities for execution. IKC as investment portfolio manager is obligated to take all necessary measures to achieve the best possible results when the Company executes a trade in financial instruments. The execution of trades includes any activity involving the transmission of trades to other entities for execution when conducting discretionary portfolio management. IKC itself does not have direct access to any exchange or marketplace.

For the purpose of complying with the rules on best possible results, IKC has adopted this Best Execution Policy which also includes the company's rules for aggregation and allocation of orders. The primary target group for the policy is staff involved in handling portfolio transactions, that is, portfolio managers, traders, and operations/middle office.

The relative importance of various factors when executing portfolio transactions

To achieve the best possible result in conjunction with transactions for professional clients and eligible counterparties, IKC will consider the following factors when the portfolio transaction is transmitted for execution:

- price and associated costs
- speed and likelihood for execution and settlement
- the size and nature of the transaction as well as its impact on the market
- other essential conditions for the execution of the order or portfolio transaction

IKC takes these factors into account at the time of execution with regards to the financial instrument involved and the prevailing market conditions. IKC will usually consider price to be of the greatest significance, meaning that IKC undertakes to achieve the best possible result in terms of the total amount that the portfolios will pay or receive. In some cases, IKC will give greater weight to other factors such as whether the order, due to its nature or scope, could have a significant effect on the price, likelihood of execution, or if there are other relevant

reasons to consider other factors more important than price. When transmitting trades on behalf of retail clients, IKC will always consider best execution in terms of price and the costs borne by the client, including any costs charged by IKC and/or the party executing the trade.

Transmitting orders to other entities for execution

IKC and its affiliated companies have specific procedures for selecting counterparties for the placement of orders in financial instruments (broker/dealers). The procedure for selecting counterparties is designed to ensure that the client's interests are safeguarded to give clients the best possible results. IKC will continuously evaluate the counterparties used for this purpose. Upon approval (and as part of the ongoing evaluation) of counterparties for placement and forwarding of orders, the Company considers the following criteria:

- Size and type of orders that the counterparty generally handles.
- Cost/price
- Operational efficiency, i.e., execution and settlement capacity.
- Soft factors such as economic and political risk, reputation, etc.
- Service and previous experience of the counterparty
- The counterparty's best execution policies and procedures, including its trade error procedures.
- Potential conflicts of interests related to IKC's choice of counterparties.

IKC shall make an overall assessment based on the above criteria before the counterparty is approved to execute orders on behalf of IKC. Only counterparties that are evaluated and approved by the above criteria and then placed on the currently applicable Counterparty List (IKC's list of approved counterparties) may be used to carry out trades.

IKC has outsourced its broker evaluation procedures to Coeli Asset Management AB. IKC remains responsible for ensuring that Coeli Asset Management AB evaluates brokers according to the above procedures. More detailed information on applicable rules and procedures for selecting and evaluating counterparties is described in Coeli Asset Management AB's *Broker Evaluation Procedure*. The procedure has been reviewed and approved by the board of IKC.

Execution of orders in shares and exchange traded funds (ETFs)

When trading shares and units of exchange traded funds, IKC will use an approved broker who can execute the order to the best price including all costs for the transaction.

Execution of orders in fund units

Subscriptions and redemptions of fund units that are not traded on an exchange or a marketplace will, under normal circumstances, be forwarded directly to the fund management company (or transfer agent or other intermediary acting on behalf of the fund management company) at the price or rate set by the fund management company (or equivalent). The Net Asset Value as established by the Fund Management Company, or the Fund Administrator will be considered the best possible price.

Information to clients

A list of the counterparties that IKC uses to place portfolio transactions for execution can be made available to clients upon request.

Order handling, aggregation, and allocation

IKC's objective is to execute portfolio transactions quickly, efficiently, and fairly in accordance with the best interests of the managed portfolios. IKC will seek to allocate trades in a manner that is fair to all Clients and will never allocate trades based on an account's performance or fee structure. IKC has adopted procedures for the aggregation and allocation of orders, see Attachment 1 to this Policy.

Disturbances in the market or trading systems

Under certain circumstances, for example when trades are disrupted, when a trading venue voids transactions, failure in the market, disruptions in technical systems or other events, IKC may assess that it lies in the portfolios' best interest that an order be executed in a manner other than those prescribed in this Policy. IKC will then take all reasonable steps to obtain the best possible results for the portfolios under the given circumstances.

Information about remuneration, fees, and soft dollar arrangements

In conjunction with portfolio transactions IKC pays a fee (commission) to the counterparty executing a transaction. This cost is borne by the portfolio as a transaction charge. IKC does not have any soft dollar arrangements. As industry practice, however, brokers may provide IKC with research material on their own initiative and irrespective of whether IKC directs trades to the broker or not. This does not burden the portfolios. Portfolio managers may also, from time to time, participate in conferences organized or sponsored by brokers. IKC approves of participation provided that the conference is deemed to be of more than moderate importance for the professional activities of the portfolio managers.

Any costs for research purchased by brokers are invoiced to IKC. These costs do not burden client portfolios.

Client directed brokerage

IKC may direct brokerage on behalf of Clients. Clients are hereby informed that such direction may result in higher commissions and spreads, less favorable prices, and exclusion from block trades.

Cross trading (trading securities between different client accounts)

IKC does generally not engage in cross trading. In the rare event that IKC needs to make an exception from this principle, the following steps shall be taken to mitigate the risk of conflicts of interest:

- IKC shall seek written approval from the affected clients before initiating any trades.

- The reasons for the trade must be properly recorded. The written record shall address, as a minimum, any conflicts of interests in relation to the trade and information on steps taken to mitigate those conflicts.
- The trade must be carried out at a price that is as fair as possible compared to what the open market is currently offering.
- The trade must be executed by a broker, and
- The portfolio manager must be able to present evidence that clients received a price as fair as possible and that no party was treated unfairly in the transaction.

Information to clients

IKC's clients and counterparties are entitled to obtain a copy of this policy including its attachments on request.

Publication

The CCO is responsible for maintaining and distributing the policy to Portfolio Managers.

Updates and amendments

IKC's Board will regularly and at least once a year, evaluate and revise the policy. Amendments will take effect from the date specified above. The policy must always be revised in connection with any material changes that are relevant to the execution of the policy, e.g., if IKC starts trading a new instrument class or if a new marketplace is established. Any material amendments will be communicated to clients and counterparties.

Attachment 1

Order Aggregation and Allocation Procedure

1. IKC may aggregate Client trades when such aggregation is expected to be in the best interest of all participating Clients, and aggregation is practically possible. Clients are hereby informed that some markets where IKC trades are so-called Interdealer ("ID") markets. Aggregating trades on ID markets is sometimes not possible due to the market infrastructure. In these markets, the average price will therefore differ, but the Portfolio Managers will check that the prices are not materially different.

IKC's Portfolio Managers will abide by the following procedures when aggregating trades.

2. The Portfolio Manager will prepare a written pre-allocation that identifies each participating account and each such account's expected participation, measured as a percentage of the account's value (AUM). In determining the written pre-allocation, the Portfolio Manager will consider each participating account's size, diversification, cash availability, investment objectives/restrictions, and any other relevant factors.

3. The Portfolio Manager will place the order in Broadridge where a pre-trade compliance check is performed. The fills are automatically fed back into Broadridge.
4. The broker sends the contract note to both operations and the Portfolio Managers for reconciliation, including the allocation of shares between accounts. Operations reconcile the information on the contract note sent by the Broker with the trade information in Broadridge. Operations make sure that the allocation is done according to the instructions from the Portfolio Manager. If the allocation is not according to the instructions, the Portfolio Manager and the broker is contacted.
5. The trades are sent from Broadridge to FCG, the Fund Administrator, for settlement.
6. In the post-trade compliance check, operations will do a reconciliation to verify that the information in the custodians' systems matches the information in Broadridge.
7. If the Portfolio Managers initiate new trade order for an investment where a block trade is already pending, the Trader will instruct the broker-dealer to allocate all interests already traded to the original block's participants on a pro-rata basis and will then form a new block that includes the new participants' order, as well as the unfilled portion of the original participants' order.
8. If a Portfolio Manager is unable to complete a written pre-allocation because an investment opportunity is available for a limited time, then the Portfolio Manager will set the order size based on an estimate of the appropriate level of participation for all Clients. The Portfolio Manager will provide a written allocation for the trade to the Broker and Operations no later than the close of business on the trade date.
9. In all cases, the Trader will instruct executing broker-dealers to allocate trades to specific Client accounts before the close of business on the trade date.
10. All accounts participating in a block trade must receive the average price and pay a proportional share of any commission, subject to minimum ticket charges.
11. IKC will seek to allocate trades in a manner that is fair to all Clients and will never allocate trades based on an account's performance or fee structure.