

J.P. MORGAN MANSART: EXECUTION POLICY

APPENDIX 6

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## 1. Introduction

This document sets out the approach to Best Execution for J.P. Morgan Mansart Management Limited (“**J.P. Morgan Mansart**”). It is an appendix to the J.P. Morgan Execution Policy (the **Overarching Execution Policy**), which is available [here](#).

When providing investment management services to its Clients, J.P. Morgan Mansart shall act in accordance with the best interest of its Clients when placing orders with other entities for execution.

### Scope

Best Execution applies to J.P. Morgan Mansart in its capacity as Investment Manager for the funds and managed accounts it manages (each a “**Client**” and collectively “**Clients**”). When executing orders on behalf of its Clients, J.P. Morgan Mansart will take all sufficient steps to obtain the best possible result in relation to order execution and selection of Execution Venues.

J.P. Morgan Mansart funds and managed accounts are classified as Professional Clients in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) or the Financial Conduct Authority’s Conduct of Business rules.

J.P. Morgan Mansart may execute orders outside a "regulated market" or a "multilateral trading facility" and would receive prior express consent from its Clients, generally through the investment management agreement.

## 2. Execution factors

J.P. Morgan Mansart may consider the following factors when executing orders on behalf of its Clients:

- a. Price;
- b. Costs
- c. Speed;
- d. Likelihood of the execution;
- e. Other aspects of the order(s).

Certain factors are more important than others. J.P. Morgan Mansart will consider the factors listed below to be the most important. When determining the importance of execution factors for a specific order, J.P. Morgan Mansart will take into account (a) the characteristics of the Client including client categorisation, (b) order characteristics, including where the order involves a securities financing transaction, (c) the financial instruments characteristics and (d) the characteristics of the Execution Venues to which the order can be directed. Notwithstanding this, there are certain situations in which the relative importance of these factors will change in response to the instructions that a Client may have provided.

Generally, price and costs together will be the most important factors in obtaining Best Execution, but this will be tempered, for example, where the size of the trade is large compared to the liquidity of the instrument, and therefore the Execution Venue may play a more important role.

### Key execution factors

Price: this refers to the resulting price of the transaction. It will usually be the most important consideration when executing transactions on equities, fixed income securities and foreign exchange.

After price, costs, speed, and likelihood of execution are usually the most important considerations.

Costs: these relate to commissions, costs and the fees that are charged for executing an order.

Speed: J.P. Morgan Mansart interprets speed as a balance between creating market impact and executing the Client order in a timely fashion so as to reduce execution risk.

Likelihood of execution: J.P. Morgan Mansart interprets this as the likelihood that the order will be filled in its entirety. This factor increases in importance in situations where access to liquidity in the relevant instrument is constrained in some way. For example, if the security itself is illiquid.

### 3. Order handling

When executing a transaction on behalf of Clients, J.P. Morgan Mansart will consider the different execution factors in the context of the Client's investment objective and strategy to form a suitable execution strategy. Under this execution strategy J.P. Morgan Mansart will take sufficient steps to obtain the best possible result for its Clients by employing appropriate aspects of the execution arrangements.

An execution strategy may result in J.P. Morgan Mansart routing the Client's order to one or more Execution Venues. The execution strategy employed will take into account J.P. Morgan Mansart's knowledge of the relevant instrument and the market in which the order is being executed, including, where applicable, any information or specific instruction that a Client has provided J.P. Morgan Mansart with.

### 4. Factors affecting the choice of Execution Venues

J.P. Morgan Mansart assesses venues and counterparties to determine whether they are able to provide Best Execution on a consistent basis.

J.P. Morgan Mansart's Internal Control department assesses counterparties before they are approved for use and periodically reviews the credit ratings of all the counterparties. The portfolio managers continually consider the quality of service provided by counterparties.

J.P. Morgan Mansart considers some or all of the following criteria in choosing the most appropriate venue or counterparty to seek to obtain Best Execution, depending on the transaction:

- a. Commission rates and other costs;
- b. Clearance and settlement capabilities;
- c. Ability to provide a secondary market in sizes that match requirements;
- d. Ability of the counterparty to structure payoffs and provide the underlying;

- e. Counterparty credit ratings;
- f. Ability of the counterparty to provide frequent valuations;
- g. Provision of other services.

J.P. Morgan Mansart currently uses the Execution Venues listed in [Annex A](#) – List of Execution Venues.

J.P. Morgan Mansart executes transactions for the Clients it manages in various ways depending on the nature of the financial instruments.

- Listed financial derivative instruments or other listed instruments (equities, fixed income securities, currencies)

J.P. Morgan Mansart typically requests a quote to trade with one or more counterparties on behalf of a Client. The transaction is executed with the counterparty where the portfolio managers believe the terms enable J.P. Morgan Mansart to achieve Best Execution.

Given the nature of these securities, liquidity and price are the main determining factors, as well as speed, commissions (when applicable) and size of transaction. J.P. Morgan Mansart uses various tools (e.g. Trade Web or Bloomberg) to retrieve quotations from competing venues. Quotations are recorded and trades concluded through the venues that provide the best price, taking into account the counterparty's ability to provide settlement and competitive spreads as well as liquidity.

- Mutual funds

J.P. Morgan Mansart generally concludes transactions in mutual funds with the fund provider at the official price.

- OTC financial derivative instruments

Execution Venues for derivatives are selected based upon additional factors such as ability to conclude the overall transaction, the credit quality of a counterparty, the current exposure to the counterparty, overall structuring capability and relevant ISDA documentation in place.

OTC derivatives trades may include a combination of a security element and an OTC derivative overlay that relates to an underlying instrument. These trades are generally combined in one order.

Generally, J.P. Morgan Mansart may use OTC Financial derivative instruments (FDIs) to manage and deliver its Client's investment objectives. Depending on the type of derivative instrument and the complexity of the payoff there may be only a single counterparty.

In the majority of cases due to the range of services and products offered by J.P. Morgan Mansart and Client demand the counterparty to the OTC FDI will be entities within the J.P. Morgan Group.

## 5. Client specific instructions

Where J.P. Morgan Mansart receives specific Client instructions on execution, it will conclude transactions in accordance with those instructions. Such instructions may include, but are not limited to use of certain counterparties.

J.P. Morgan Mansart will consider all other relevant factors not covered by the specific Client instructions for the purpose of achieving the best possible result for the Client.

Where a Client gives J.P. Morgan Mansart a specific instruction on execution, such as specifying an Execution Venue, J.P. Morgan Mansart will have satisfied any Best Execution requirements with respect to that aspect of the order but will still consider applicability of its Execution Policy to other aspects of the order not covered by the specific instruction.

## 6. Monitoring and Review

J.P. Morgan Mansart monitors the effectiveness of its execution arrangements and its Execution Policy on a regular basis in order to identify any issues and, where appropriate, take relevant corrective action(s).

Order Execution monitoring is performed on an ongoing basis post-trade on all transactions performed by J.P. Morgan Mansart on behalf of its Clients. The purpose of this monitoring is to assess the quality of execution obtained for the transaction in question, considering the relevant execution factors and/or any specific Client instructions. The results of the Order Execution monitoring are reviewed by J.P. Morgan Mansart Business Control Forum and escalated as appropriate.

Execution Venues and counterparties are reviewed by the relevant committees on a periodic basis in order to assess the quality of service provided by the selected execution channels and whether the Execution Venues enable J.P. Morgan Mansart to consistently get the best possible result for its Clients.

J.P. Morgan Mansart will review its Execution policy and its execution arrangements at least annually. Ad-hoc revisions may be required where there is a need for interim material changes to J.P. Morgan Mansart's execution arrangements or its Execution policy.

Notifications of material changes will be made via the J.P. Morgan Mansart website at this [link](#).

J.P. Morgan Mansart will summarise and make public, on an annual basis, for each class of financial instruments, the top five investment firms in terms of trading volumes where it placed client orders for execution in the preceding year and information on the quality of execution obtained. The information shall be consistent with the information published in accordance with the technical standards developed under Article 27(10)(b) of Directive 2014/65/EU.

## Annex A – List of Execution Venues

J.P Morgan Mansart currently uses the following Execution Venues when obtaining Best Execution. This list will be subject to change as described in the Overarching Execution Policy and will be re-issued from time to time. J.P Morgan Mansart may also use other venues where it deems appropriate in accordance with the Overarching Execution Policy.

Asset Class	Region	Execution Venue
Equities	All	J.P. Morgan Chase Bank, National Association London branch J.P. Morgan Securities Plc Square Global Markets LLP Louis Capital Markets UK LLP Goldman Sachs International Credit Suisse International
Fixed Income Securities (including Commodities)	All	J.P. Morgan Chase Bank, National Association London branch J.P. Morgan Securities Plc Mitsubishi UFJ Securities Int Plc Morgan Stanley & Co International plc Goldman Sachs International Daiwa Capital Markets Europe Limited SMBC Nikko Capital Markets Limited Mizuho International plc Barclays Bank Plc Citigroup Global Markets Limited Raiffeisen Bank International AG
Foreign Exchange	All	J.P. Morgan Chase Bank, National Association London branch J.P. Morgan Securities plc Morgan Stanley & Co International plc Credit Suisse International