

A pair of hands is shown holding a glowing, translucent cube. A thick plume of white dust or smoke rises from the top of the cube, partially obscuring the hands. The scene is dramatically lit from the side, creating strong highlights and deep shadows.

# EXECUTION AND ALLOCATION POLICY OF C WORLDWIDE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S

July 2023



## 1 INTRODUCTION

When executing or receiving and transmitting a client's orders and when placing orders for a client in the course of managing the client's portfolio, C WorldWide Asset Management Fondsmæglerselskab A/S ("CWW AM") takes all sufficient measures to obtain the best possible result for the client ("Best Execution").

When seeking Best Execution for the client, CWW AM takes into account price, costs, speed, likelihood of execution and settlement, size, broker selection and any other consideration directly relevant to the execution of the order.

Any specific instructions from a client to CWW AM may prevent CWW AM from obtaining the best possible result for the execution of orders.

CWW AM is not itself a member of regulated markets. As such, CWW AM trades through brokers and/or multilateral trading facilities.

CWW AM engages in proprietary trading in limited instances. This primarily occurs in connection with the issuance of Danish investment association shares.

In the following CWW AM's trading procedures and allocation principles are described further.


## 2 EXECUTION OF CLIENT ORDERS: DANISH INVESTMENT ASSOCIATIONS, UCITS AND OTHER COLLECTIVE INVESTMENT SCHEMES

CWW AM executes respectively receives and transmits client orders relating to units or shares in Danish investment associations, UCITS and other collective investment schemes if these are managed by CWW AM or otherwise covered by an agreement between CWW AM and the client. CWW AM does not accept orders from U.S. resident clients.

In the case of client orders placed with CWW AM in Denmark for shares in Danish collective investment schemes, CWW AM will be the counterparty in the client's trades. However, all trades are settled directly between, on one hand, the client, and on the other hand the market maker of the collective investment scheme or the collective investment scheme itself. CWW AM does not execute clients' orders on its own account.

CWW AM places orders in listed shares of Danish investment associations managed by CWW AM with the market maker of the investment association. Trades in unlisted shares are placed directly with the investment association.





Trades in shares of other Danish collective investment schemes than those mentioned above are placed with a broker or directly with the collective investment scheme.

Client orders received by CWW AM's Swedish Branch for units or shares in UCITS domiciled in Luxembourg will be transmitted to the management company of the UCITS for execution in accordance with the procedures and at the price as described in the prospectus of the UCITS.

### **3 EXECUTION OF EQUITY TRADES FOR PORTFOLIO MANAGEMENT CLIENTS**

CWW AM primarily executes the following types of orders:

Volume-weighted orders at average price ("VWAP"): CWW AM places orders through brokers in the form of volume-weighted transactions at the average price. The broker settles at an average price when the total order has been executed.

At market orders: CWW AM places these orders through brokers as market orders when the orders are small and can be executed in one single transaction in the market. Settlement is at the achieved market price.

Limit orders: In addition to market- and volume weighted orders, the order can be placed via a broker with a maximum or minimum limit price.

CWW AM may furthermore choose to execute orders in multiple transactions. This is based on the information available in the market, i.e. on liquidity.

All orders are placed with executing brokers who route these to regulated markets, through multilateral trading facilities or dark pools or execute them on a proprietary basis. After execution, CWW AM will allocate the portion of the orders relating to the individual client's portfolio in accordance with CWW AM's allocation policies and procedures.

CWW AM endeavors to achieve Best Execution under prevailing market conditions.

CWW AM has a list of authorised brokers deemed by CWW AM to be those delivering the best overall quality at the right price in the respective markets.

The brokers are subject to evaluation when added to this list and at least once a year or when otherwise required according to pre-agreed criteria. The criteria are:

- Broker skills (including speed and quality of execution)



- Commission rates
- Quality of service
- Counterparty risk.

CWW AM uses the following criteria when selecting a broker with whom to place an order:

- Total consideration to the client
- Brokerage commission
- The broker's turnover in the particular security (flow), taking into account the size of the trade
- Execution performance record in the relevant market, taking into account the complexity of the trade
- Ability to ensure timely and correct settlement
- Line limits

Under normal market conditions and with high liquidity, the total consideration is of the highest priority.

In case of equities with a low liquidity, the broker's flow is a highly ranking factor.


When trading in complicated markets, the broker's execution track record and the likelihood of execution is of priority.

The trade with the selected broker must always remain within the line limits set up by CWW AM for risk management purposes.

Orders are predominantly placed in recognized and regulated markets or multilateral trading facilities. However, in exceptional cases, for example when executing orders in illiquid equities, such transactions may be conducted over the counter.

CWW AM uses an external provider that checks all the trading prices obtained for transactions against relevant benchmarks. CWW AM evaluates the results regularly.

All trades settle directly between buyer and seller and CWW AM does not take positions on its own book. However, CWW AM remains the client's counterparty as well as the counterparty in the market. This means that CWW AM and not the Client has the counterparty risk on the different brokers. Instead, the Client has the counterparty risk on CWW AM on all the trades.



CWW AM generally refrains from engaging in cross trades between clients owing to the potential conflict of interest which this would involve. On rare occasions and limited to specific investment mandates, and where it is in the best interest of both parties, CWW AM may seek to arrange the execution of a cross trade. The cross trade will be executed through a broker in the market at the prevailing market price.

In the case of US clients and mandates, however, CWW AM does not engage in arranging or executing cross trades.

#### **4 EXECUTION OF TRADES FOR PORTFOLIO MANAGEMENT CLIENTS AND ADVISORY CLIENTS IN UNITS/SHARES IN DANISH INVESTMENT ASSOCIATIONS, UCITS AND OTHER COLLECTIVE INVESTMENT SCHEMES**

For changes to portfolios including units/shares in Danish investment associations or other collective investment schemes (including UCITS and AIFs), transactions are executed for the client according to the same principles as those applied for the execution of orders. See above. However, in case of units in collective investment schemes managed outside of the CWW AM Group and which are traded on a regulated market, the order can also be executed by applying the same principles and the same brokers as for equity trades.


#### **5 EVALUATION OF BEST EXECUTION**

CWW AM evaluates all trades on an ongoing basis in order to ensure Best Execution.

CWW AM use an external provider for monitoring of the trades based on the different trading strategies and the broker skills, including settlement prices, costs and speed/quality of the execution. Settlement prices of equities and investment associations are evaluated according to relevant benchmarks.

#### **6 PUBLICATION OF TOP FIVE EXECUTION VENUES AND LIST OF BROKERS**

Annually, CWW AM makes public for each class of financial instrument on its web-page [www.cworldwide.com](http://www.cworldwide.com) its top five execution venues applied in the preceding year and information on the quality of execution obtained.



A list of the brokers applied by CWW AM is available on its web-page [www.cworldwide.com](http://www.cworldwide.com). The list will be updated from time to time in case of material changes.

## 7 ALLOCATION POLICY

CWW AM handles orders placed by the clients as quickly as possible.

CWW AM may execute block trades (aggregated orders for two or more portfolio management and advisory clients). The general rule is that all trades of a given day with a given broker are allocated to clients immediately after the relevant exchange closes with the same price applying to all clients. In the event of large portfolio changes, several brokers will be used and as a consequence, prices may vary. See below. Occasionally, warehousing is used.

Trades are internally communicated i.e. followed through an order management application. The application ensures that the portfolio manager will be able to follow the process in whole and that all steps in the process are logged.

### *Pro rata allocation*

CWW AM allocates pro rata as further described below.

When executing orders in the same security for a multitude of portfolio management or advisory clients, allocation is as the main rule done pro rata. Pro rata implies that the trades are allocated proportionately to the clients in accordance with the size of the outstanding order size for the individual client relative to the outstanding aggregated order size.

If CWW AM deems that pro rate allocation is not in the interest of a client, e.g. due to high relative transaction costs, then CWW AM may exclude this client from the allocation.

Furthermore, if a client on a given day does not have sufficient liquidity, then the client is taken out of the pro-rata allocation.

If a client has in- or outflows CWW AM may prioritise these trades over large, aggregated portfolio trades due to a change in the composition of a multitude of portfolios. This shall ensure that clients are not prevented from withdrawing funds from or investing new funds in a portfolio, as CWW AM may need a longer time to implement larger aggregated portfolio trades in order not to effect market prices.

## 8 ENTRY INTO FORCE



This policy shall be applied as of 3 July 2023.

**C WORLDWIDE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S**

Dampfaergevej 26 · DK-2100 Copenhagen

Tel: +45 35 46 35 00 · Fax: +45 35 46 36 00 · CVR-nr. 78 42 05 10

**C WORLDWIDE ASSET MANAGEMENT FONDSMAEGLERSELSKAB A/S DANMARK,  
FILIAL I SVERIGE**

Blasieholmsgatan 5 · 103 94 Stockholm

Tel: +46 8 535 273 00 · Org. nr. 516405-7233

[www.cworldwide.com](http://www.cworldwide.com)