



**MACKENZIE**  
Investments

MACKENZIE INVESTMENTS  
**EUROPE** LIMITED

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## Best Execution Policy

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## 1. Purpose

This document describes Mackenzie Investments Europe Limited's ('MIEL's') execution and order handling policy and is drafted in accordance with the regulatory requirements set out in the Markets in Financial Instruments Directive ('MiFID II') and related regulations and guidance. This policy provides an overview of our order execution arrangements, including how we ensure that we consistently take all sufficient steps to obtain the best possible results for our clients when executing orders. This is known as "Best Execution" and is underpinned by our duty to act in the best interests of our clients.

## 2. Scope

This policy applies to all trading performed by MIEL for its clients.

## 3. Execution Factors, Criteria and Venues

When MIEL's Portfolio Managers identify the trades for each strategy and account, MIEL's trading staff will execute those trades within the appropriate timeframe to take maximum advantage of the available liquidity.

MIEL will take all sufficient steps to obtain the best result possible for its clients, taking into account the following execution factors: price, speed, size, nature, likelihood of execution, likelihood of settlement, costs, the impact on market prices of displaying and placing orders for execution and any other consideration relevant to the execution of the order.

As all MIEL's clients are categorised under MiFID II as "Professional", MIEL will determine the relative importance of the Factors by reference to the following criteria:

- the characteristics of the order (the majority of orders are market orders for execution within a limited time frame);
- the characteristics of financial instruments that are the subject of that order;
- the characteristics of the execution venues to which that order can be directed.

MIEL acknowledges that price is a critical criterion in achieving Best Execution. However, Best Execution does not necessarily mean the most favorable price if, for example, it means only a partial fill on an order. MIEL will endeavor to obtain the best execution possible given all circumstances and execution criteria, including:

- The size of the order;
- Liquidity available;
- The trading characteristics of the security or asset class;
- Market conditions;
- The availability of accurate information affecting the trade;
- The availability of technology and the trade-offs between confidentiality, information leakage, ability to execute and opportunity costs;
- The opportunity for price improvement.

## 4. Execution Arrangements

### Equities

For all orders, traders will look at top-down info on all the markets a security is listed, any stock specific criteria and specific Portfolio Manager instructions before executing. These include:

#### Market Specific

- Time of day order received
- Economic data impact
- Broad market direction
- Passive flows (e.g. benchmark changes that may affect volumes/stock direction)

#### Stock Specific

- Pre trade cost analysis including market impact costs.
- Macro factors specific to the individual security.
- Competitor or sector news/earnings.
- Expertise of individual brokers in the security.
- Current day's activity, specifically large blocks which have set some pricing precedent.

#### PM Instructions

- Trader Decision – execution is at the discretion of the trader
- VWAP – volume weighted average price over the day
- TWAP – Participate over a certain time period.
- POV – Participate with a percentage of volume.
- Limit Order – Execute at limit price or better.
- In Line (market) – Execute within the context of market.
- Contingent – Buy/Sell an order to Sell/Buy another.
- Dollar Neutral – Buy/Sell an order based on dollar value of each.

#### Average Daily Volume

ADV plays a critical role in how a trade is handled. Low to medium ADV orders will be reviewed and routed appropriately to low or high touch depending on the stock and the market environment. High ADV orders will be routed to a high touch broker in order to secure liquidity where no natural liquidity is immediately available. Brokers play a key role in the execution process and will have ongoing communication with trader throughout the execution. One of the key tasks for the broker is the liquidity discovery process. The broker will also work the order in the market with the appropriate instructions from the trader based on order context, Portfolio Manager instructions and market conditions.

### Derivatives

Mackenzie Investments Europe does not trade derivatives.

## 5. Specific Instructions

If MIEL receives specific instructions from a client in relation to the handling and execution of orders (such as requesting a particular execution venue) then, subject to our legal and regulatory obligations, MIEL will execute the client's order in accordance with these specific instructions. Clients should be aware that where they provide any specific instructions, this may prevent MIEL from following this policy and obtaining the best possible result for the execution of the order in respect of the elements that are covered by the specific instruction.

## **6. Best Execution Reporting Requirements**

MIEL's Best Execution framework and procedures are supplemented by the following reports:

- Monthly Best Execution report (internal)
- Quarterly Best Execution report (internal)
- Monthly and Annual client reports (as requested)
- RTS28 public disclosures on our website (Top 5 venues annually by volume)

## **7. Monitoring and Review**

MIEL, in cooperation with its parent company, monitors on a regular basis the effectiveness of this policy and accompanying processes, in particular the execution quality of the entities with which MIEL places orders. The purpose of monitoring and review is to ensure that such entities are providing the best possible result on a consistent basis, to correct any deficiencies and to identify and implement any appropriate enhancements.

MIEL reviews trader performance against key benchmarks to identify if the trading process needs amendment. The main benchmarks in our Trade Cost Analysis (TCA) are:

- Arrival – using the price at order arrival as the benchmark price
- Interval VWAP – using the volume weighted average price over the time the order is traded in the market as the benchmark price

Other measures we consider:

- Estimated market impact, VWAP to the close, day close, reversion, completion rate, spread and volatility

Broker performance is reviewed on a comparative basis, including venue analysis, to identify outliers or patterns requiring investigation. An annual scorecard of brokers is produced internally which includes assessment of qualitative factors, trade cost analysis and other considerations.

This policy will be reviewed by the board of MIEL at least once in each calendar year or whenever there is a material change.

## **8. Supplemental Policies and Procedures**

This policy is supplemented by the below:

- MIEL's Trade Allocation Policy
- MIEL's Cross Trading Policy
- MIEL's Conflicts of Interest Policy
- MIEL's Market Abuse Policy
- MIEL's Recordkeeping, Data Protection and Deletion Policy
- MIEL's Breaches, Errors, and Complaints Policy
- MIEL's Research and Inducements Policy
- MIEL's Compliance Monitoring Programme and associated Procedures

## **9. Appendix: List of Execution Venues as at April 2024**

Baader  
Bank of America  
Barclays  
Berenberg  
Bernstein  
BNPP  
Canaccord  
Cantor Fitzgerald Europe  
Carnegie  
Cboe BIDS  
Citi  
Cowen  
Danske Bank  
Davy  
Deutsche Bank  
GFIS  
Goldman  
Goodbody  
Hauck  
Instinet  
Investec  
Jefferies  
JP Morgan  
KBW  
Kepler  
Kochbank  
Liberum  
Liquidnet  
Loop Capital  
Mediobanca  
Mirabaud  
Morgan Stanley  
Numis  
Oddo  
Optiver  
Peel Hunt  
Penserra  
RBC  
Redburn  
Shore Capital  
Societe Generale (JV with Bernstein)  
Stifel  
UBS  
Virtu  
Warburg