

Best Execution Policy

Best Execution policy is key to Fullerton Fund Management Company Ltd (“**Fullerton**”). Fullerton commits to taking sufficient and all reasonable steps to obtain the best possible result in client order execution. The term Best Execution is not limited to execution prices, but encompasses implementation process in entire trade life cycle. This includes areas such as implicit and explicit costs management, speed of execution, deployment of appropriate trading strategies, likelihood of execution, allocation procedures, smooth settlement, infrastructure excellence, and any other relevant factors.

Best Execution applies when Fullerton executes clients’ orders directly on an execution venue or when placing client’ orders with another capital markets intermediary or a person who is licensed, authorized, regulated or otherwise exempted in relation to dealing in capital markets products in a foreign jurisdiction, for execution. Regardless of whether client’ orders are executed on-exchange or off-exchange (such as for cross trades), Fullerton will consider its Best Execution obligation to achieve the best possible outcome on a consistent basis.

Fullerton’s Best Execution policy covers all capital markets products in which it is acting in as an agent. Such capital markets products include financial instruments in the following categories:

- Cash and Money Market instruments
- Derivatives and related instruments
- Equity and related securities
- Fixed Income and related securities
- Foreign Exchanges

Subject to the best interests of Fullerton’s clients and portfolio managers’ instructions, Fullerton must handle otherwise comparable orders for client accounts in the order in which they are received, and to provide fair and prompt execution of all client orders. Subject to applicable legal and regulatory requirements and provided always that Fullerton acts in the best interests of its clients, Fullerton may aggregate orders for clients’ accounts in the same financial instrument if it is more efficient for trade execution purpose. Such aggregation of clients’ orders will be subject to Fullerton’s Fair Allocation policy.

To determine the relative importance and/or applicability of each factor on best execution, Fullerton will take into consideration the certain criteria when executing client orders, including the following:

- the objectives, investment policy and any risks specific matter
- the characteristics of the order
- the characteristics of the financial instruments or other assets
- the characteristics of the execution venues, if available

In seeking best execution for its clients, Fullerton may use a variety of execution venues and methods in its capacity as an agent. For order implementations, there are generally choices available to Fullerton in selecting brokers or venues. When selecting a broker or venue, Fullerton adopts the same principle for all financial instruments; the choice selected must provide merits and the basis to achieve price discovery and access to liquidity. Unless there is a client or regulatory restriction on the brokers and venues, Fullerton's Best Execution policy will continue to be observed.

In instances where a client has provided a specific order instruction, Fullerton is deemed to have complied with its Best Execution obligation for the specific trade to which the instruction relates, when Fullerton places and/or executes an order following the client's specific order instruction. For any areas not covered by the client's specific order instructions, Fullerton's Best Execution policy will continue to be observed.

The Best Execution policy and its order execution arrangements will be reviewed at least once every 2 years for its adequacy and effectiveness of implementation, and such policy will be approved by Fullerton's Executive Committee. A review would also be carried out whenever a material change occurs that may affect the ability on continuing to obtain the best possible results.

Fullerton's Trading & Portfolio Monitoring team, which is part of the Independent Risk Management team in Fullerton, periodically monitors Best Execution on financial instruments. Different checks are in place to monitor executed transactions and surface significant or systematic deviations in the quality of execution. Deviations will trigger further review by the Trading & Portfolio Monitoring team and relevant exceptions will be escalated to Fullerton's Risk & Compliance Committee.

The Best Execution policy may be subject to change from time to time and may be updated without prior notice. Please check back regularly for any updated information to the Best Execution policy.

Last Updated 3 March 2022