**Delft Investments Limited May 2025**

**BEST EXECUTION POLICY**

**Aim and Background**

This document sets out Delft Investments Limited’s (“Delft”) best execution policy which will explain the factors that Delft will consider when executing orders. Best Execution is the term used to describe the obligation to ensure that all sufficient steps are taken to achieve the best possible result for the client, when either executing trades or passing orders to a broker to be executed.

The interests of our clients are paramount and central to our business. Our current clients are classified as professional clients or eligible counterparties under the rules of the FCA. We do not undertake, nor are we permitted to undertake, regulated activities with or for retail clients.

The nature of our clients is such that they are fully aware of the risks, nature and type of instruments into which we invest on their behalf. The client compensates the manager through the payment of an investment management or consultancy fee and performance fee. Therefore, the firm and its personnel have a direct interest in ensuring the best possible execution for the client.

**Obligations under MiFID II**

The recast Markets in Financial Instruments Directive (MiFID II) provides for the best execution regime and it requires Delft to take all sufficient steps to obtain the best possible results for its clients considering price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to order execution. This does not mean achieving the best price for every client order, but rather the best possible result is provided on a consistent basis with the resources available to Delft.

**Categorisation of Delft**

Delft is categorised by its counterparties as a Professional Client. If categorised differently, Delft will always request re-classification. Delft has written to all its brokers to confirm that it has been correctly categorised.

**Execution criteria**

Delft will consider the following criteria for determining the relative importance of the execution factors:

* The characteristics of the client;
* The characteristics of the client order;
* The characteristics of the financial instruments that are subject of that order; and
* Investment policy and any restrictions to the mandate.

**Execution & Execution factors**

Delft will take into account various considerations when determining the investment strategy behind different instruments and jurisdictions inter alia: objectives of its clients, investment policy, mandates and any restrictions to thereof, any specific risks inherent to the instrument types and venues listed below.

*Instrument types*

* Equity,
* Fixed Income & Money Market Instruments,
* Currency,
* Derivatives,
* Units in collective investment schemes.

*Execution venues*

* Regulated Markets,
* Multilateral Trading Facilities,
* Market Makers and Liquidity Providers,
* Over the Counter Market.

In some situations, Delft will execute transactions itself; most commonly however, execution will be undertaken by a broker on behalf of Delft. Such arrangements do not negate the duty of best execution towards our clients; however, the means of achieving best execution will change. Delft has a process (described below) to select a broker for each transaction. A choice of broker will be decided by the following factors:

* Price and transaction costs (both explicit and implicit costs including market impact),
* Size and nature of the order,
* Speed of execution,
* Likelihood of execution and settlement,
* Expertise of the broker,
* Overall quality of service.

It is likely that the most important factors will be price, size and speed of execution, but the relative importance of the factors may change depending on the characteristics of the order.

A discretionary mandate has been given by the clients to the firm and the clients appreciate that the lowest price available may not always represent best execution given certain other circumstances such as the liquidity of the instrument or order size.

Different and complex instruments (often with very limited liquidity) may be used to achieve absolute returns for the client, and therefore it is not appropriate in such cases to judge best execution against the price achieved. Therefore in some circumstances there will only be a very limited number of venues through which the trade can be executed. In such case best execution is demonstrated through achieving the desired trade for the client at a price deemed appropriate by the investment manager or trader.

**Broker selection & monitoring**

Delft monitors the execution quality of the brokers used. Delft will ensure by requesting a copy of the brokers Best Execution Policy that the selected brokers have appropriate arrangements in place to achieve best possible execution for Delft and its clients. Delft’s dealing team is aware of their best execution obligations and carefully examines every price offered by brokers in the context of the characteristics of the transaction at hand. Delft uses a wide selection of the brokers, allowing it sufficient choice of intermediaries. All brokers are requested annually to provide Delft with a series of attestations, including a confirmation of best execution and correct client categorisation.

In some instances, the arrangements between Delft’s clients and their custodian banks do not allow for the use of third party brokers (either generally or with respect to certain instruments). In these circumstances Delft will have to engage with the custodian bank to execute the trade.

Broker selection process is need-driven and subject to due diligence (focusing on financial and compliance considerations) and appropriateness assessment.

**Specific instructions from a client**

Any specific instructions from a client would take priority over the usual best execution procedures. Such instructions may prevent Delft from taking the steps set out in this Policy to obtain the best possible result for the execution of the order in respect of the elements covered by those instructions (e.g. restrictions regarding selection of brokers or venues, timing of the order etc). However, any client’s instructions do not release Delft from its obligation to take sufficient steps to achieve the best result for its clients, within the remit of the limitations set by the client. Delft will not induce any client to provide it with specific instructions.

**Review**

Delft will carry out an annual review of this Policy in order to ensure its relevancy and accuracy. In addition to the periodic review, the Policy will be adapted when necessary to account for any required changes and new lines of credit open with brokers. To the extent that any changes to the Policy could be perceived as material, Delft will notify its Clients to advise them about their new positions.

**Documentation and Monitoring**

In order to demonstrate and evidence Best Execution and compliance with this Policy records and evidence, accompanied with the necessary comments (where relevant), will be retained by the operations support team. A sample of trades will be reviewed periodically by the Compliance team to monitor adherence with the procedures and adequacy of the selection of brokers Delft uses. The size of the sample will depend on the volume of trades conducted during the review period. In all cases Delft will ensure that it discharges its obligations through effective and sufficient monitoring. Furthermore, Delft will periodically review its counterparties and venues to ensure that they are discharging their best execution responsibilities towards Delft and its clients.