

UOB Kay Hian Pte Ltd (“UOBKH”) Best Execution Policy

Introduction

This document sets out UOBKH’s Best Execution policy and its approach to providing Best Execution when executing orders on clients’ behalf or placing clients’ orders with, or passing clients’ orders to, others for execution.

Best Execution means UOBKH takes all reasonable steps to obtain the best possible result for its customers, taking into account nature of orders, order instructions, order size, available prices, costs, execution speed, likelihood of execution and settlement, market impact, and/or other relevant order execution considerations, whether we are executing orders directly on behalf of customers or indirectly by passing orders to other brokers for execution.

This Best Execution Policy should not be taken as a representation and failure to comply with these procedures should in no way mean that UOBKH has breached any specific regulatory obligations placed upon it, or as contractually agreed with the customers.

Scope

The Best Execution policy relates to orders in respect of capital market products given by clients to UOBKH regardless of whether:

- UOBKH acts as an agent or principal to the client;
- Clients’ orders are executed directly on an execution venue OR placed with another capital markets intermediary or a person who is licensed, authorised, regulated or otherwise exempted in relation to dealing in capital markets products in a foreign jurisdiction, for execution;
- Clients’ orders are executed on exchange or off exchange.

The Best Execution obligation does not apply to dealing with institutional clients

Best Execution Obligation

Best Execution obligation arises when UOBKH is ‘acting for or with a client’, when UOBKH is able to exercise discretion when executing a client’s instruction or order (e.g. in discretionary fund management) and where the client is relying on UOBKH to protect its interest in relation to the order.

Best Execution is generally owed when UOBKH accepts an order to execute a transaction on client’s behalf, or place client’s order with, or place client’s order to, others for execution or in other circumstances where UOBKH otherwise expressly agreed to accept such Best Execution obligation.

The best execution obligation is also applicable when UOBKH is acting in a principal capacity and client is placing a legitimate reliance on UOBKH to protect the client’s interest in relation to the execution of the transaction.

Client's Specific Instruction

To the extent that UOBKH follows specific instructions received from a client, UOBKH is deemed to satisfy its best execution obligations when it places or transmits the client's order in accordance with those instructions. Examples of such transactions may include, but are not limited to, requests to execute on a particular venue or to execute an order over a particular timeframe.

However, where the client's instructions relate to only part of an order, UOBKH will continue to apply the policy of Best Execution to those aspects of the order not covered by specific instructions.

Where customers choose to execute an order via our online platform, the customer will select parameters of the trade (such as the price, the timing, the size and nature of interaction with the selected execution venue). In such a case UOBKH, while acting on its customer's behalf in providing the online service, is considered to have fulfilled its obligation on that aspect of the order to provide Best Execution, and the customer will be treated as having given specific instructions for the entirety of their order by means of the online platform.

Execution Factors and Criteria

UOBKH will consider the following factors to achieve the best possible outcome for clients' orders (not in order of priority):

- i. Price – This is the price at which order is executed excluding ancillary costs/fee.
- ii. Costs – Include both direct costs and indirect costs if any.
- iii. Speed – Time taken to execute the order.
- iv. Likelihood of execution and settlement – The likelihood that UOBKH will be able to complete the order or substantial part of the order.
- v. Size of order and liquidity of the share counter – Size of order and the liquidity of the share counter in the market may affect the price of execution.
- vi. Comparable Client Orders – For orders received from various clients, UOBKH will place/execute in accordance with the time of receipt of the order.
- vii. Other market considerations which may affect the placement and/or execution of order

Generally price will merit a higher importance. However there may be situations in which the relative importance of the above mentioned factors may be affected by clients' specific instructions. UOBKH reserves the right to intervene in the execution if a client's orders will result in adverse market movement (e.g. large orders).

Execution Venues

In meeting its Best Execution obligation, UOBKH will take into account the execution factors listed above in order to obtain on a consistent basis the best possible result

For certain financial instruments, there may only be one execution venue available and in executing a trade in such circumstances, UOBKH will assume that the selection of that venue satisfies the Best Execution factor for venue selection

UOBKH will conduct a periodic review of all appointed counterparties to ensure the best possible execution venues for clients.

Affiliates, Third Party Brokers, Counterparties and Note Issuers

In executing trades for clients, UOBKH may utilize affiliates (i.e. member companies of UOBKH in countries outside Singapore), third party brokers, counterparties and note issuers. Where UOBKH uses a third party broker, counterparty or note issuer to execute transactions, it retains an overarching Best Execution obligation.

UOBKH performs periodic due diligence assessments and reviews on affiliates, third party brokers, counterparties and note issuers.

Monitoring and Review

UOBKH will review its Best Execution policy annually or whenever a material change occurs that affects its ability to obtain the best possible result for the execution of its orders on a consistent basis.

UOBKH will also monitor the effectiveness of its policy periodically to identify and where appropriate correct any deficiencies. UOBKH carries out monitoring of execution quality against the execution factors, which includes monitoring as to the continuing suitability of third party brokers and counterparties viewed in light of their execution performance.

Customer may refer to the latest version of this document made available on our website.

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