

# **TRADING POLICY**

## Executive Summary

Brief Overview	Mirae Asset Global Investments (Hong Kong) Limited (the “Company”) and its investment members are committed to full compliance with all trading policies to ensure all trading activities are in compile with all the compliance rules and prevent the possible trading errors.
Objective	The objective is to provide a clear trading policy to related parties
Policy Owner	Trading Team
Version	1.0

## Approval Details

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Board of Directors	1.0	_____,2026

**CHANGE MATRIX**

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## I. Introduction

Mirae Asset Investment Managers (India) Private Limited IFSC Branch (the “Company”) and its investment members are committed to full compliance with all trading policies to ensure all trading activities are in compliance with all the compliance rules and prevent the possible trading errors. And, the objective is to provide a clear trading policy to related parties

## II. Scope

The scope of the trading policy is to give Fund Managers and Traders a clearer understanding of how to place and execute orders for funds that they manage to avoid violating compliance rules or trading errors

## III. Trading Policy

### A) Best Execution Policy

1. **Execution of trades** : MAIMI IFSCA Branch shall take all reasonable steps to obtain, when executing orders, the best possible results for its clients taking into account the relevant market at the time for transactions of the kind, size concerned, price, costs, speeds, likelihood of execution and settlement, nature or any other consideration relevant to the execution of the order.
2. **Best Execution** : MAIMI IFSCA Branch selection of brokers to effect securities transactions for client accounts must be guided by the principal objective of seeking to obtain best execution for clients. Best execution contains of several factors that may include, e.g.: price compared with the benchmark VWAP (based on daily commission excel spreadsheet), commission rates, markets coverage resulting in a continuous flow of information regarding bids and offers, brokerage services provided by the broker-dealer; the broker-dealer’s capital strength, creditworthiness, stability and reputation; the quality of the investment research and the investment strategies provided; special execution capabilities; clearance; settlement; custody; recordkeeping; and other services provided by such brokers.

The trading team maintains a list of approved broker-dealers with which the Company may conduct business. The list is periodically distributed to the Company’s Fund Managers, traders and other pertinent personnel. The Company may select an affiliated broker-dealer to effect securities transactions for the client accounts; however, the Company will not select an affiliated broker-dealer if that selection would be inconsistent with best execution each.

For ETF products, the benchmark is MOC

## **B) Fair Allocation Policy**

1. When dealer place the order as per the instruction of Fund Managers, orders are assigned to a pre-allocation ratio in the trading system (Bloomberg).
2. Executed orders are allocated into the appropriate fund accounts on a pro-rata basis in strict accordance with the initial allocation ratios. This ensures fair allocation is achieved through the Bloomberg.
3. Bloomberg setting also allows compliance settings and the aforementioned pre-allocation ratios to be inputted, meaning that compliance checking and fair allocation can be effectively enforced
4. Orders of the same security for different/same fund accounts, which are placed at different times during the day, are worked and filled separately by brokers. The purchase price of these orders, which are being placed and filled at various times, will be different at day end
5. Dealer orders of the same security may be aggregated only if:
  - They are placed at about the same time
  - They have almost the same pre-allocation ratios (ratio is within +/- 0.01);
  - They are for a single account (i.e. pre-allocation ratios do not apply); or
  - Executed shares are booked out according to previous allocation ratio of existing order(s) when new order comes in.

### **Fair Allocation for “Significant Orders”:**

**Define:** “Significant Orders” are orders potentially to have liquidity issue under Trading team’s judgments and orders with significant size to market turnover

### **Policy:**

- 1) When there are more than one “Significant order” of the same security, Trading team has the right to work the order with identical instruction with the consent of FM who place the orders and allocate the executed shares by pro-rate according to remaining order size. FM should discuss internally of how the order should work together and instruct Trading team with instruction if possible.
- 2) However, if a FM requests to keep separate instructions on the “Significant orders” after the situation is informed by Trader, Trader is allowed to work the orders separately according to respective FM’s instruction

- 3) Trader team has the right to inform respective FM if another FM's trade instruction may impact the performance of the other FM's existing orders

**Segregation of Duties:**

- 1) Central trading team should act as an independent function from Fund Managers in the trading process. Central traders allocate individual orders to broker according to the best execution standard and the broker ranking result from periodic broker evaluation performed
- 2) Direct involvement of Fund Managers in assigning brokers/traders will be prohibited. Transparency will be maintained by FMs giving specific orders on securities, trading volume and trading price, to the trading team.

**Block Trading Guidelines (HK Office):****General**

- 1) Block trading includes trade crossing VWAP, block at a price and any placement during/after markets.
- 2) Block trade shall be done in the manner of best execution and fair price. However, price is not necessary within the day's trading range but it must be reasonable.
- 3) Block trade details (i.e. stock quantities and prices) shall only be determined by Trading team through negotiation with relevant broker(s). However Fund Managers are prohibited from confirming with brokers on block trade details personally in avoid conflict of interest.

**Procedures**

- 1) In the event that Fund Managers wish to carry out a block trading, FM shall indicate to Trading team details of the block trade (i.e. shares and prices, etc.).
- 2) Trading team shall then negotiate with relevant brokers on the block trade terms and decide on the trade details afterwards. Traders should seek for advice from Compliance and CIOs for the block trades if any doubt.
- 3) Trading team shall keep record of any block trade done (By making notes in the trading report and at the EMS "instruction field")

**Cross Trading**

- 1) Internal account cross trading is prohibited

## **Day Trading**

- 1) Day Trading is strictly prohibited
- 2) Day trading can be defined as purchase and sale transactions of the same security are executed in the same day in an account
- 3) This restriction applies to placement as well, i.e. sale of shares brought previously on the same day when the placement is executed is disallowed

## **Underwriting and Sub-underwriting policy**

- 1) We are not permitted to carry out underwriting (or sub-underwriting) activities on behalf of our clients.

## **Depository Receipt (DRs) policy**

- 1) Trading OTC is prohibited. Trader shall work DRs (ADR/GDR/NVDR) orders in the market exchanges where it is listed.
- 2) For Thailand stocks, if portfolio manager input order to buy foreign stocks with voting rights but the foreign room is full, Trader may advise portfolio manager to re-input an order to buy NVDR instead\

## **IPO Policy**

### **(a) In General**

- 1) **Termsheet / Eligibility**– Trader will send out IPO termsheet to Investment/Compliance teams. FM should refer to Compliance’s comment to determine whether the fund they managed is eligible to subscribe or not.
- 2) **Grey market trading** – Trading pre-listing shares in grey market before the actual listing date is prohibited. Fund accounts are prohibited to entering off-balance sheet engagement and grey market transactions is classified as off-balance sheet engagement.
- 3) **Pre-allocation** – Fund Managers must indicate IPO demand with pre-allocation to each respective fund managed. All indications must be sent out through emails and Trader should inform Compliance about the IPO details and pre-allocation once collected all from FM.
- 4) **Compliance rules** - Fund Managers ensure the indication they placed do meet all compliance rules as Trading Team shall not do compliance check on IPO orders manually.

- 5) **100% total book limit** – Total indication by MAGI HK must not exceed 100% of total IPO deal/book size.
- 6) **Anchor Investor** – To be fair to all FM, FM are not allowed to put in additional order or change the indication after the Anchor Investor cut-off time. Special case requires approval from the CIOs.

## **(b) IPO indication limit for each fund type**

### **Korea Domiciled Fund/HK SICAV**

- **9% NAV limit** – The Fund can subscribe for an IPO stock up to 9% of NAV.
- **9% IPO deal size limit** - The Fund can subscribe up to 9% of the IPO deal size.
- Note: Most KDF are individual trust while all HK SICAV funds are sub fund under one master trust level.

### **US Fund**

- **5% NAV limit** – The Fund can subscribe for an IPO stock for up to 5% of NAV.
- **10% IPO deal size limit** - The Fund can subscribe up to 10% of the IPO deal size.
- **5%/25% limit rule** - The Fund can subscribe for an IPO stock up to 25% of NAV, given no other stock holdings in the fund account exceed 5%.
- Note: All USMF are sub fund under one master trust level

### **Trade Error Policy**

- Traders may on occasion experience errors with respect to trades made on behalf of Fund Managers. When an error has occurred, the trade error will be brought to the attention to CIO and the Compliance Team and the error should be corrected in a proper way.
- All trading errors must be fully documented from the point of discovery through resolution of all outstanding issues. The Compliance Team will regularly review all error reports with the objective of developing controls designed to minimize the likelihood of recurrences.
- Procedure: If there is any trading error found, the Trader will report to Head of Trading, CIO and Compliance team immediately. Trader will fill out the “Error Reporting Form” to describe the incident, the impact and remedial solutions. The form will be circulated to relevant parties

### **Trade Error Definition**

- Unauthorized trade: a trade in securities in which the fund may not invest.
- Incorrect trade: failing to place a trade in accordance with the instructions given.
- Incorrect Allocations: allocating a trade to the wrong fund or account.
- Delay: failing to execute or process a trade in a timely fashion

**Examples of trading errors that may come across from different teams:**

Type of Errors	Reason	Solution
GTC orders add-on	If FMs upsize of their GTC orders, traders need to send out the upsize amount plus the balance. However, traders might mistakenly send out the upsize amount with the original size, causing wrong order size.	Traders need to remind themselves not to add the extra amount with the original size and try to double check with the FMs.
Wrong IDs for ID market orders	Traders send out orders with wrong IDs causing error trades	Liaise with Operations to make sure correct IDs are always in place.
Taiwan orders aggregation	Orders cannot combined into one ticket to send out to brokers as they do not which ID belongs to which account, causing error trades	Traders should always bear in mind never aggregate Taiwan orders.
Taiwan trades for SICAV accounts	SICAV funds share the same ID for Taiwan market. Brokers may mix up holdings and cash of one SICAV fund with another one.	Traders should be responsible to give the full names of those SICAV funds to brokers for double checking.
Trading blocks/alerts by Compliance team	If Compliance team forgot to set trading blocks or alerts and those trades, which are not supposed to be sending to	Compliance team needs to makes sure the blocks are in place after confirmed from back office.

	Trading team, are done to cause trade errors.	
Cash management error	Back office mistakenly reports incorrect cash balance to FMs to cause them to buy/sell more than they need.	A proper cash management system should be in place to avoid cash management errors.

**Errors resulting in losses:**

- The fund must be reimbursed so as to bring it to the position it would have been in had the error not occurred.

**Errors resulting in gains:**

- Where the error results in a financial gain, such a gain is to be retained by the fund to which the error relates.

**Authorized Traders**

- When a new trader is appointed and a trader has resigned, we need to document the change of authorized traders.
- A board minute has to address this issue if any addition/removal of Traders.
- If there is a new hire, new Trader’s specimen signature should be recorded on the minutes
- COO and CIO need to sign-off for approval.

**Broker Evaluation Procedure**

- Trading team implements the broker evaluation every quarter.
- Trading team will send out the voting spreadsheet to each investment team members by email to collect broker votes and comments.
- Each member is given 100 points and they are assigned to different brokers that will reflect the consideration of execution capabilities, commission rates, meeting arrangements, research support, sales support, IPO and/or placement deals etc.
- Votes/points are weighed by each individual’s seniority and come up with a final broker ranking.
- The summation of each weighed score will be the final result.
- Trading team will use the broker ranking result as a reference in allocating commission with best execution.
- Comments are collected from each individual and written comments would be sent to brokers for review purpose. (Head Trader will send out the comment file to Investment team secretary and she will email to respective brokers.)
- Trading team needs to print out all members’ voting detail (excel spreadsheet) and give CIO and CEO to review and approval.

**Unused Brokers Arrangement**

- Unused brokers are not allowed to receive trades for the corresponded quarter(s).

- Unused brokers can only become rated after they have been scored by Investment Professionals during broker reviews.
- Trading and Compliance team will work closely together every quarter after broker review to make sure unused brokers are securely blocked.

### **Commission Paid Verification Procedure**

- Trading team to send out the final commission targets resulted from the broker evaluation to the Management and Compliance team for record after the broker evaluation process complete.
- Trading team allocates the commission to brokers by best execution and using the broker rankings resulted from the broker evaluation as reference.
- When the commission allocation period ends, Trading team will prepare the commission report and send an email to Fund Ops team to verify the correctness of the report.
- If there is no significant discrepancy, Trading team will print out all supporting and get Head of Operations/CIOs/CEO/COO to sign off the report and file for record.
- If there is significant discrepancy, CIO will request for explanation from the Trading team and follow up if necessary.

### **Add/Remove Broker Trading Account Procedure Broker On-boarding Procedure**

- New broker(s) setup to be requested Investment Professionals for MAGI.
- Trading team is responsible for handling new broker on-boarding process.
- Due Diligence form needs to be sent out to Compliance, Risk, and Operations for review, comment and approval.
- After approval has been obtained, CIOs, COO and CEO need to sign-off for final approval.
- Once Due Diligence is completed, Operations team can liaise with the new broker for fund accounts setting and initiate the Bloomberg broker setup.

### **Adding broker to the broker panel:**

- The staff initiating the request needs to state the reason for new broker request. Broker selection is mainly based on its research capabilities, trading service, electronic system feasibility, quality IPO deals, business perspective, etc.
- Due diligence on the new broker is done by various department including Compliance, Risk Management, Trading, Operations and the Management. If there are no adverse comments from various departments, Trading team will get the approval from the management and add to the broker list.
- Trading team to fill out the account opening form and send to various departments for endorsement. The form will be endorsed by Risk Management, Compliance, and Fund Ops and the following areas will be reviewed:
  - Trading: Competitive commission charge, electronic connection for order routing, proper Sales trading desk set up
  - Risk Management: financial details of the new broker
  - Compliance: licensing status (including disciplinary actions) of the proposed brokers

- Fund Operations: check the brokers to see whether they are/have OASYS/OMEGO participants, ALERT participants, Quarterly Operational performance Review
- Final approval would be granted by the CIO, COO and CEO
- Back Office will process account opening with broker once the approval is granted and have the new broker code setup on Bloomberg.
- Update the broker panel (At N:/Dealing team/Broker/Broker Panel.xls) and voting spreadsheet.

#### **Removing broker from the broker Panel:**

- Initiated by FMs/ Trading Team
- Email to be sent to CIO/CEO for approval
- Suspend trading with the broker once approval is granted. The respective broker will be removed from the next broker evaluation.

## **IV. Trading Procedure / Notes**

#### **Trading Procedure (For HK Office):**

- Fund Manager inputs Buy/Sell trades (with pre-allocation to Fund accounts) into Bloomberg's AIMS system. The trade will then appear on Trader's EMS trade blotter screen
- All trades are needed to go through Compliance check before executing which means all trades appeared on trade blotter are ready to go without further checking.
- Trader selects appropriate broker using the broker evaluation results as a reference and perform best executions
- Trader route the trade to broker electronically by FIX (by other means if the broker do not have FIX connection)
- Executed orders are allocated to the investment accounts according to our "Fair Allocation Policy"
- All steps are recorded at Audit Trail at system for compliance checking purpose

#### **Fair Allocation Policy (For HK Office):**

- Executed orders are allocated to the investment accounts that participated in the trade transaction on a pro-rata basis, i.e. according to the pre-allocation ratio determined at the time the orders were placed. In situations where the executed orders are too small that allocation on a pro-rata basis is not feasible, traders will seek consent from the Fund Managers to allocate all the shares to one single account in order to save transaction cost.
- Orders of the same security with different pre-allocation ratios from various investment accounts, which are placed at different times during a single day, are worked and filled separately by
- brokers. The purchase price of these orders, which are being placed and filled at various times, will be different at day end.
- Trade orders of the same security may be aggregated only if:
  - They are placed at about the same time;
  - They have almost the same pre-allocation ratios (ratio is within +/- 0.01);

- They are for a single account (i.e. pre-allocation ratios do not apply); or
- Executed shares are booked out according to previous allocation ratio of existing order(s) when new order comes in.

### **Auction Session**

- No transactions will be placed during the auction session.

### **IPO Order Placing Procedure**

#### **Procedure for IPO Indication (ex-India stock):**

- Trader will accept IPO demand in terms of US\$, no. of shares or % of NAV to individual fund account. If FM place order by % of NAV, Trader will obtain NAV figures from Back office to calculate the demand in US\$.
- FMs must indicate demands thru emails.
- FM to ensure the indication they placed do meet all Compliance rules, Trader has no responsibility to double check for them.
- Trader will update the IPO log, get an assigned IPO number and create/update the IPO spreadsheet with stock details and indication details.
- Total demand for MIRAE HK cannot over 100% of IPO deal size. If the original order size is over 100% of deal size, Trader will reduce the total indication to 100% of deal size and send to broker. The original indication will be used to calculate the allocation breakdown by pro-rate basis.
- Trader will send out an email to each FM on their indication details.
- Trader will send out an email to Compliance on ALL indication details and confirm with Compliance if ok to go ahead before sending out to broker.
- When allocation is out, Trader will send out allocation breakdown to FM, Compliance and Back office. Shares are allocated by pro-rate to order size.
- FM to input order into POMs for settlement and Trader will book out the order to Operations.

#### **Procedure for IPO Indication (Indian IPO):**

- Minimum bid for each fund account is INR200k.
- Follow same procedure as above (A) except the below.
- FM need to place order at least 1 working date prior to IPO book close (For transfer of margin)
- As per India's practice, Trader need to place order in no. of share with indicated price to broker. Trader will use the top price range (or price from FM within the IPO price range) and IPO's pre-set FX rate to calculate the indication in no. of share.
- After indication is sent to broker, Trader will send email to FM, Compliance and Operation team about the indication details.
- Operation then need to arrange 100% margins transfer (in INR) and the completion of subscription form with Custodian. (The 100% margin amount must be recorded by the broker by book closing time in order for broker to accept our order.)
- When allocation is out, Trader will inform Back office of allocation details. Operation will then notify the custodian to arrange net payment on settlement or allocate the refund from broker if the 100% margin is bigger than the subscription net amount.

**Procedure for IPO Indication (Anchor Investor):**

- Follow same procedure as above (A) except the below.
- FMs are not allowed to add/alter the indication after the Anchor Investor cut-off time even though the normal book is not closed. Special cases require CIO's approval.

**Procedure for IPO Indication (Cornerstone Investor):**

- Compliance/Legal team receives the request from FM to participating in an IPO as Cornerstone Investor and review the necessary agreement.
- If the agreement is reached, Compliance will inform the FM to go ahead.
- FM to inform Trader about the agreed size of indication for our firm and Trader to collect demands from various FM. At the same time, CIO to determine the indication restriction (e.g. same % of NAV for all participants)
- Then Trader follows same procedure as above (A) on allocation and settlement.

**Placement order placing procedure**

- Trading desk will accept placement demands in terms of US\$ or no. of shares only.
- FMs must indicate demand thru emails and sending actual orders for pre-trade checking.
- FMs to ensure the indication they placed do meet all Compliance rules. Dealing room has no responsibility to double check for them.
- Total demand for MIRAE HK cannot over 100% of placement deal size.
- Due to limited timing, FM should put in demand at their earliest possible. Dealing team will combine all demands and place out to broker at once.
- When allocation is out, trading desk will send out allocation breakdown to FM, Compliance and Back office. Shares are allocated by pro-rate to order size.
- FM to input order into POMs for settlement (Not necessary if FM has input indication order already) and dealing team will book out the order to Operations.
- Operations to process settlement and update commission file for Placement trades.
- Note: If FM is out of office, dealer will notify the FM about the placement by other means like SMS/Phone; or the back-up FM should take care of order placing if arranged in advance.

**Offer for Sale Indian Placement:**

- Placement method used if the promoters: 1) where free float of the company is less than 25% or 2) the company is a top 100 company by market cap in India
- The indication has to go thru the custodian. Where FMs place the order and Traders to inform the back office to instruct the custodian. Custodian then put in the order to SEBI.
- 100% margin is required.
- For QIP, minimum bid for each fund is INR20k of face value of the firm (e.g. if face value is INr2, minimum bid should be 10k shares).

- Any changes to the indication must go thru the custodian (including cancellation)

### **Anchor Investors in Indian IPO**

- 30% of the offering size reserved for institutional investors in an IPO can be allocated to anchor investors on a discretionary basis subject to below guidelines.
- The minimum application size by an Anchor investor shall be INR50m.
- The bidding for Anchor investors shall open one day before the issue opens and shall be completed on the same day.
- Anchor investors shall pay a margin of 100% on application, with balance (differential if any) payable within 2 days of date of closure of the issue
- If the price fixed for the public issue through book building process is higher than the price at which the allocation is made to Anchor investors, the additional amount shall be paid by the Anchor investors. However, if price is lower, difference shall not be payable to the Anchor investors.
- There shall be a lock-in of 30 days on the shares allotted to the Anchor investors from the date of allotment in the public issue.
- The applications made by Qualified Institutional Buyers under Anchor Investors category and under Non Anchor Investor category may not be considered as multiple applications.

### **Trade instruction by Bloomberg IB Chat:**

- When Fund Managers change instructions on orders by sending Bloomberg IB chat to Trading team, he should ensure at least one of the traders pick up the message by replying “ok” or “noted”. If trader has no response to the instruction change, Fund Managers should call the trader to acknowledge the instruction.
- This is to reduce the risk of traders overlooking portfolio manager’s instruction at IB chat as trader receive massive amount of IB chats from Fund Managers and brokers every day.