



# Frictionless world – Transaction costs management

---

## Executive summary

Transaction costs affect portfolio return with certainty and with negative impact. Hence, it is an important element in the investment process. Common transaction costs include broker commissions, exchange fees, taxes, bid-ask spread, delay cost, market impact cost, price movement risk, market timing cost and opportunity costs.

Cammillion approaches transaction costs management strategically. We integrate transaction costs into our portfolio formation process whereby the cost of entry and exit are estimated prior to investing. Hence, we try to minimise turnover without sacrificing too much of our value add "alpha".

Cammillion has been designed to minimise transaction costs throughout its whole value chain. Our mechanisms include the choice of markets, brokers, choice of investment strategy, frequency of rebalancing and our internal operational processes.

September 2018

Kim-Hwa Lim