

# ORDER EXECUTION POLICY

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This Order Execution Policy ('policy') summarises the general basis on which Cadogan Asset Management Limited ('we' or 'us') will provide 'best execution' when required by the European Union's Markets in Financial Instruments Directive (MiFID) and the rules, guidance, principles and codes in the Handbook of Rules and Guidance issued by the UK Financial Conduct Authority (FCA) or any regulatory body or bodies which may take over their role.

We have divided the policy into seven sections.

- What the policy covers
- Achieving Best Execution
- Keeping to your instructions
- Choosing an Execution Venue
- Updating the policy
- Agreeing to the policy
- Contact Details

## **1. What the policy covers**

*What is the purpose of the policy?*

We recognise the importance of achieving the best possible result when carrying out (executing) trades for you. This is important for maintaining and developing our relationship with you. At all times, we will do our best to act fairly and reasonably in dealing with you. In certain cases where we are providing order execution services to our clients, under MiFID and the FCA rules which apply, we have to develop and keep to a policy on order execution. The purpose of this policy is to set out this responsibility to you in a clear and concise way.

*When does the policy apply?*

The policy applies if we act on your behalf in executing orders relating to any financial instrument which is regulated under MiFID, and we agree to provide the best price or other terms for you in the market.

The policy will not apply when we are not executing an order on your behalf, for example, if;

We are following your specific instructions to execute your order in a particular way or at a particular price; or

We are following your specific instructions to execute a specific part or aspect of an order.

The financial instruments regulated under MiFID include most types of financial instruments that we would normally buy or sell for you, but do not include all financial instruments. The policy applies to all transactions we arrange or execute on your behalf, whether arranged or executed through affiliated companies or otherwise.

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## 2. Achieving 'best execution'

*What does best execution mean?*

Best execution means that we have a set policy designed to achieve the best possible result (taking into account all relevant factors described below) across all orders on a consistent basis, for any financial instrument covered by MiFID when placing the orders for execution with execution venues identified in this policy;

We are committed to keeping to the policy; and

We will take steps to monitor, review and update the policy to make sure that it continues to achieve these results.

Keeping to our best-execution responsibilities under MiFID does not involve a transaction-by-transaction analysis. Instead, we have to take all reasonable steps to get the best result overall when executing orders on your behalf after taking account of the factors set out in MiFID and the FCA rules which apply.

*What factors do you take into account to achieve best execution?*

In achieving best execution, we take into account a number of factors (unless you tell us otherwise as shown in section 3 below).

These include;

- price;
- costs;
- speed;
- likelihood of execution and settlement (liquidity);
- size;
- nature;
- type and characteristics of the financial instrument;
- characteristics of the possible execution venues; and
- any other consideration relevant to executing the order.

While total consideration (price and costs) are generally the main factors, the overall value to you of a particular transaction may be affected by the other factors listed above. We may decide that factors other than price and costs are more important in achieving the best possible result for you. The relative importance of each of the factors will depend on;

- whether you are a retail or professional client;
- any special aims you may have in relation to executing the order;
- the characteristics of your order;
- the characteristics of the financial instruments your order relates to; and
- the characteristics of the venues (if there is more than one) to which your order may be directed.

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*What is your responsibility when my order is executed for you by another organisation?*

We may pass an order to a non-affiliated third-party broker or dealer to execute your order. We have our own procedures in place to periodically review these brokers and dealers. This affects whether, taking into account all the factors shown above, the third-party broker or dealer is providing the best results for your orders on a consistent basis. In making this decision we will take account of;

- the prices offered for the particular type of instrument over time;
- the average costs per trade charged for the type of trade over time; and
- the best execution policy of, and any other guidance issued by, the relevant broker or dealer.

### **3. Keeping to your instructions**

*What happens if I give you specific instructions as to how to execute my order?*

If we have accepted your instructions in terms of executing an order, whether or not we have given you advice on any aspect of it, we will follow those instructions as far as we are able to.

The policy will not apply where we accept and follow your specific instructions when executing an order or a specific part of an order. However, the policy may apply to other aspects of the order if they are not covered by your instructions. The following are examples;

If you instruct us to execute an order for you at a particular price (for example, to subscribe for units in a fund, structured product or other securities at a specific price), we will execute the order at a specific price we have quoted to you.

If you instruct us to execute your order on a particular venue, we will not be responsible for choosing the venue.

If you instruct us to execute your order at a particular time or over a particular period, no matter what price is available, we will do our best to execute your order at that time or over that period in the best possible way. However, we would not be responsible for the timing, price or for the consequences that result from when we carry out the execution.

### **4. Choosing an execution venue**

*Which trading venues will you use?*

For the purposes of MiFID, a 'venue' includes an exchange, a multilateral trading facility (MTF) or a broker. Unless we agree with you otherwise, we will use a selection of venues that we will review periodically.

If your order is executed using third-party brokers, we will review the brokers that we use, taking into account the factors we describe below. This is to make sure that the broker or brokers that we use are providing best execution (taking into account all orders carried out during the review period).

If it appears that another broker, who we do not normally use, could execute the orders better, we may use them (on a case-by-case basis).

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*What factors do you take into account in deciding which execution venues to use?*

Factors that we consider in when choosing venues include;

- the general prices available;
- depth of liquidity (how easily tradable something is);
- relative volatility (the ups and downs) in the market;
- the speed of execution;
- the cost of execution;
- the creditworthiness of the counterparties on the venue or the central counterparty; and
- the quality and cost of clearing and settlement.

*How might factors vary between choices of venue?*

In some markets, price volatility may mean that timing of execution is a priority. In other markets that have low liquidity, the fact of execution may itself constitute best execution (for example, if stocks are traded infrequently, the fact they are traded at all means we are satisfying the requirement for best execution).

Please note that the choice of venue may be limited because of the nature of your order or your requirements. For example, when investment products are more illiquid (difficult to convert to cash), there may be little (or no) choice of venue.

*How often do you review venues?*

Generally, we review the venues we use each year.

*If you have a choice of venues for a particular order, how do you choose?*

We take into account factors such as costs, accessibility, and other benefits. In some circumstances, we may have access to more than one venue for executing an order in a particular financial instrument. We will do our best to choose the best venue for the order taking into account the factors which apply when we choose venues.

## **5. Updating the policy**

*How often will you update the policy?*

We will update the policy regularly to take into account changes as and when appropriate and will send you the updated policy as appropriate.

## **6. Agreeing to the policy**

We have to get your agreement beforehand to this policy. When you sign the application form to become a client, we ask you to confirm that you accept this policy.

We also have to get your permission before we execute orders in instruments admitted to trading on regulated markets or multilateral trading facilities away from a regulated market or multilateral trading facility. When you sign the application form to become a client, we ask you to confirm that you accept this policy.

## **7. Contact details**

*How do I contact you about this policy?*

If you have any questions about the policy, please contact us by emailing [compliance@cadoganam.com](mailto:compliance@cadoganam.com). Or, you can contact us by post or phone.