

## **EFG Asset Management (UK) Limited**

### **Order Execution Policy**

#### **1. Purpose of this Policy**

This Order Execution Policy (the “Policy”) applies to EFG Asset Management (UK) Limited (“EFGAM UK”). EFGAM UK is a full-scope Alternative Investment Fund Manager with MIFID top-up permissions to manage separately managed accounts and provide portfolio management services, investment advice and the receiving and transmitting of orders in relation to financial instruments.

This Policy explains EFGAM UK’s set of steps that will be taken to obtain, when executing orders, the best possible result for its clients taking into account the execution factors as required by the Markets in Financial Instruments Directive 2014/65/EU (“MIFID II”).

We have established and implemented arrangements, included in this Policy, which are designed to allow us to meet our regulatory obligation to obtain the best possible result for our client orders (“best execution”).

Our commitment to provide you with best execution does not mean that we owe you any fiduciary responsibilities over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us.

The information on the execution principles is tailored to the respective class of financial instruments. Therefore, this Policy is supplemented by appendices which provide further details to our considerations as they relate to differing asset classes. The appendices should be read in conjunction with this Policy and cover the following products:

- Equities – Shares & depositary receipts;
- Debt instruments;
- Money-market instruments
- FX derivatives;
- Securitised derivatives;
- Structured notes; and
- Exchange traded products.

EFGAM UK is required to obtain the consent of each client to the Policy. By signing the terms of the Client Agreement, you, the client, are deemed to have given consent and confirm acceptance of this Policy.

As set out in our Terms of Business we may decline to accept instructions and orders from you.

#### **2. Scope**

This Policy only applies to Professional Clients in accordance with the Financial Conduct Authority (“FCA”) client categorisations; and does not apply to business conducted with Eligible Counterparties. This Policy applies when EFGAM UK purchases or sells financial instruments in fulfilment of its obligations arising from a portfolio management mandate with its Clients.

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# **Order Execution Policy Appendices**

**These Appendices explain EFGAM UK's set of steps that will be taken to obtain, when executing orders, the best possible result for clients taking into account the execution factors.**

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# 1. Equities

## a. Scope

The best execution considerations for equities apply to the following financial instruments:

Level 1	Level 2	Level 3	MIFID categorisation
Equity	Listed Equity	Listed Equity	(a) Equities - Shares & Depositary Receipts
Equity	Listed Equity	Listed Convertible Equity	(a) Equities - Shares & Depositary Receipts
Equity	Listed Equity	China A Share	(a) Equities - Shares & Depositary Receipts
Equity	Listed Equity	Thailand - Foreign Owned	(a) Equities - Shares & Depositary Receipts
Equity	Listed Equity	HK H Share	(a) Equities - Shares & Depositary Receipts
Equity	Listed Equity	HK Red Chip	(a) Equities - Shares & Depositary Receipts
Equity	Listed Equity	REIT	(a) Equities - Shares & Depositary Receipts
Equity	Collective Vehicle (Equity)	Open Ended Investment Company	N/A
Equity	Collective Vehicle (Equity)	Open Ended Property Fund	N/A
Equity	Collective Vehicle (Equity)	Exchange-Traded Fund	(k) Exchange Traded products
Equity	Collective Vehicle (Equity)	Investment Trust	(a) Equities - Shares & Depositary Receipts
Equity	Collective Vehicle (Equity)	Real Estate Investment Trust	(a) Equities - Shares & Depositary Receipts
Equity	Other Equities	Other Equities	(a) Equities - Shares & Depositary Receipts
Equity	Other Equities	Participation Note	(k) Exchange Traded products
Equity	Rights	Rights	(a) Equities - Shares & Depositary Receipts
Equity	Depositary Receipt	American Depositary Receipt (ADR)	(a) Equities - Shares & Depositary Receipts
Equity	Depositary Receipt	Global Depositary Receipt (GDR)	(a) Equities - Shares & Depositary Receipts
Equity	Depositary Receipt	Non-Voting Depositary Receipt (NVDR)	(a) Equities - Shares & Depositary Receipts
Equity	Depositary Receipt	European Depositary Receipt	(a) Equities - Shares & Depositary Receipts

## b. Approach to Trading

For equity trading on New Capital Funds, execution is specific to the individual fund and the primary listing of the underlying stock being traded. Further details are in the EFGAM procedures document.

### c. Approach to obtaining Best Execution

Equity orders are executed through the venues outlined in Appendix A, or where appropriate through Tradeweb's Request for Quote electronic trading platform.

### d. Prioritisation of Execution Factors

The most important factors are price, liquidity and service. Other relevant factors are the size of the order and the likelihood and speed of execution. In executing orders in equities, EFGAM UK uses brokers that have direct access to a number of trading platforms (Regulated Market, Systematic Internalization or Multilateral Trading Facility). In general the orders are executed on the trading platform that offers the highest liquidity.

## 2. Fixed Income

### a. Scope

The best execution considerations for Fixed Income apply to the following financial instruments:

Level 1	Level 2	Level 3	MIFID categorisation
Bond	Conventional	Conventional	(b) Debt Instruments (i) Bonds
Bond	Floating Rate	Floating Rate	(b) Debt Instruments (i) Bonds
Bond	Index Linked	Index Linked	(b) Debt Instruments (i) Bonds
Bond	Collective Vehicle (Bond)	Open Ended Investment Company (Bond)	N/A
Bond	Collective Vehicle (Bond)	Investment Trust (Bond)	(a) Equities - Shares & Depository Receipts
Bond	Collective Vehicle (Bond)	Exchange-Traded Fund (Bond)	(k) Exchange Traded products
Cash	Liquid Asset	Term Deposit	(b) Debt Instruments (ii) Money Markey Instruments

### b. Approach to Trading

For Fixed income, depending on liquidity and size of the trade, the trader will determine if the transaction should be dealt electronically or by VOICE (IB chat, phone). In both cases, the trader will ask for a minimum of three quotes unless the trader deems beneficial to clients to maintain a high level of market anonymity by only contacting one or two Counterparties to obtain a price. The best price will be used to trade and all quotes will be recorded. Where prices are contingent on a buy and a sell leg of a trade we may at our discretion seek to achieve the lowest overall cost which may not represent the best individual price on any single leg. The selection of Counterparties for Best Execution will be based on screen prices, RUNS, liquidity and frequency of quotes. All timestamps will be recorded in the trading platform, along with the competing quotes to ensure Best Execution.

### c. Approach to obtaining Best Execution

EFGAM uses Bloomberg MTF, Tradeweb and MarketAxess as the primary venues of execution, where it is possible to interact with prices from a range of

brokers. In limited circumstances, an order may be routed to a single broker, or smaller field of brokers, on an OTC basis.

#### d. Prioritisation of Execution Factors

Price (typically observed through an RfQ mechanism), will be the primary criteria to obtain the best result for clients however alternative strategies could be used where it is deemed to be in the best overall interest of the trade. Other factors such as timing and transaction costs will also be actively considered.

### 3. Derivatives

#### a. Scope

The best execution considerations for Derivatives apply to the following financial instruments:

Level 1	Level 2	Level 3	MIFID categorisation
Derivative	Future	Interest Rate Future	(c) Interest rates derivatives (i) Futures and Options admitted to trading on a trading venue
Derivative	Future	Stock Index Future	(g) Equity Derivatives (i) Options and Futures admitted to trading on a trading venue
Derivative	Future	Bond Future	(d) Credit derivatives (i) Futures and Options admitted to trading on a trading venue
Derivative	Future	Currency Future	(e) Currency derivatives (i) Futures and Options admitted to trading on a trading venue
Derivative	Future	Commodity Future	(i) Commodities derivatives and emission allowances Derivatives (i) Options and Futures admitted to trading on a trading venue
Derivative	Future	Financial Index Future	(g) Equity Derivatives (i) Options and Futures admitted to trading on a trading venue
Derivative	Option	Option on Future	N/A - depends on the Future
Derivative	Option	Option on Equity	(g) Equity Derivatives (i) Options and Futures admitted to trading on a trading venue
Derivative	Option	Option on Stock Index	(g) Equity Derivatives (i) Options and Futures admitted to trading on a trading venue
Derivative	Option	Option on Security	N/A - depends on the Security
Derivative	Forward	Deliverable Forward	(e) Currency derivatives (ii) Swaps, Forwards and other currency derivatives
Derivative	Forward	Non Deliverable Forward	(e) Currency derivatives (ii) Swaps, Forwards and other currency derivatives
Derivative	Credit Linked Note	Bond Like Note	(b) Debt Instruments (ii) Money Market Instruments

Derivative	Warrant	Warrant - Other Equity	(h) Securitised Derivatives (i) Warrant and Certificate Derivatives
Derivative	Collective Vehicle (Derivative)	Collective Vehicle (Derivative)	N/A
	Swap	Equity	Equity Derivatives

### b. Approach to Trading

Listed derivatives are primarily executed via MS Passport (Morgan Stanley). FX and FX derivatives can be executed via individual trading platforms from HSBC Bank of America Merrill Lynch, and JP Morgan. Alternatively, these products can be traded via FXAll Request for Quote trading platform. We also have “give up” agreements in place with four other counterparties that can be used to execute listed derivatives, however Morgan Stanley remains our clearing broker on all trades. The current view is that in order to minimise the transactional costs associated with execution we have selected one venue for executing.

In the case of OTC derivatives, the level of service is also an important factor in selecting where the order is executed. The procedure for OTC derivatives is described in the Order Execution Procedures.

### c. Prioritisation of Execution Factors

Price will be the primary criteria to obtain the best result for clients through direct market access to the order book. Other factors such as timing and transaction costs will also be actively considered.

For Warrants - Due to the illiquid nature of these financial instruments, timing and liquidity will be prioritised alongside price as the primary criteria to obtain the best result for clients.

For Structured Products - Due to the illiquid nature of these financial instruments, timing and liquidity will be prioritised alongside price as the primary criteria to obtain the best result for clients

## 4. Investment Funds

### a. Scope

The best execution considerations for Investment Funds apply to the following financial instruments:

Level 1	Level 2	Level 3	MIFID categorisation
Cash	Collective Vehicle (Cash)	Open Ended Investment Company (Cash)	N/A
Other Instrument	Collective Investment Scheme units	UCITS units	(m) Other Instruments
Other Instrument	Collective Investment Scheme units	AIF units	(m) Other Instruments

### b. Approach to Trading

With investment funds, quality and settlement costs are the decisive factors. The trading price is not determined by supply and demand but primarily by the net asset value, which is the value of the underlying investment portfolio of the

investment fund concerned divided by the number of units of participation in issue.

**c. Approach to obtaining Best Execution**

Given the singular pricing nature of Collective investment schemes, it is not possible to use traditional methods to verify best execution. Information regarding fees and expenses should be taken into account and made available on request however.

**d. Prioritisation of Execution Factors**

In order to obtain an execution in a CIS, time is the most important factor given that funds typically have a cut off time for when the next available NAV can be achieved.



In case EFGAM UK accepts a specific client instruction with respect to the execution of the order, we will follow the instruction to the extent it is possible for us to do so. EFGAM UK will have no responsibility for compliance with the Policy to the extent that EFGAM UK accepts and follows the specific client instruction.

### **3. Execution Factors**

Where we execute an order for you, in the absence of specific instructions from you as to how an order is to be executed, we will take into consideration all the following factors that allow us to deliver Best Execution:

Our obligation is to take all sufficient steps to obtain the best possible results for you. The best possible results means the best overall price - being the purchase price at which an order is executed (for a buy order) plus transaction costs passed on to you, or the sale price at which an order is executed (for a sell order) minus transaction costs passed on to you, across the execution venues on which we may execute orders.

In addition to best overall price, we may consider the following factors and give them precedence over the immediate price factors where they are instrumental in delivering the best possible results for you in terms of total cost to you:

- a) Liquidity of the financial instrument
- b) Costs;
- c) Speed;
- d) Likelihood of execution or settlement;
- e) Size of your order;
- f) Nature of your order;
- g) The execution venues available and their trading status; and
- h) Any other consideration relevant to the efficient execution of your order, including liquidity and market impact.

We will determine the relative importance of each factor and therefore there may be trade-offs where certain execution factors are considered as having higher importance over others in obtaining the best possible results for you.

Ordinarily, price will merit a high relative importance in obtaining the best possible outcome for clients. In certain circumstances, for some client orders, financial instruments or markets, we, in our absolute discretion, may decide that other factors are more important in determining the best possible results for you in accordance with our policy.

### **4. Execution Criteria**

The following execution criteria shall be considered when applying relative weights to the execution factors (see section 3):

- the characteristics of the client including your regulatory client categorisation;
- the characteristics and nature of your order, including whether any specific instructions are given;
- the characteristics of the financial instruments that are the subject of your order; and
- the characteristics of the execution venues to which your order can be directed.

In providing best execution, we will follow the same standards and apply the same processes to all markets and financial instruments. However, the relative importance of any one or several of the abovementioned criteria may vary on a case-by-case basis as a result of the diversity of the markets, financial instruments and orders types. For example, whereas price volatility may result in timely execution to be a priority in some markets, in other markets with low liquidity, the likelihood of execution of the order may alone constitute best execution. The nature of your order and any specific instruction linked to that order may also limit the choice in the selection of the execution venue.

## **5. Execution Venues**

When executing your transactions, we will take all sufficient steps to obtain on a consistent basis the best possible result for you and therefore we may use one or more venue types, including but not limited to the following:

- Regulated broking firms (including affiliates);
- Regulated Markets;
- Other exchanges that are not Regulated Markets;
- Multilateral Trading Facilities (MTF's);
- Organised Trading Facilities (OTF's);
- Systematic Internalisers (SI's),
- Market Makers,
- Or other liquidity providers.

Execution venues by asset class are listed in Schedule A of this Policy Document.

EFGAM UK reserves the right to use other execution venues where deemed appropriate in accordance with our policy and EFGAM UK may add or remove any execution venue from this list.

We will undertake on-going assessments of the execution venues used to determine whether existing venues continue to provide for the best possible result for clients and also to review the suitability of new execution venues. In making this assessment we will utilise information derived from our own internal best execution monitoring tools and processes as well where applicable execution quality data reported by execution venues under MiFID II and its implementing measures.

The list will be updated, where necessary, following such assessment.

## **6. Order Management and Handling**

Where we handle client's orders either on a client's behalf or as part of its portfolio management activities, it must ensure that orders are:

- Executed promptly in accordance with objectives;
- Accurately recorded and allocated; and
- Executed sequentially unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the client require otherwise.

This may involve the aggregation of orders of other clients. Where orders are aggregated this will occur in accordance with the relevant MiFID II rules when EFGAM UK reasonably believes it will not be to your detriment. However, on occasion, aggregation may result in you obtaining a less favourable price. Records will be maintained as required by the rules. The executed orders are allocated to clients fairly

and proportionately. All client orders are pre-allocated on our order management system before they are sent to the dealing desk for execution.

Where trades are partially filled, fills are allocated on a pro rata basis by the order management system. In the event of an uneven allocation, such as a minimum tradeable piece, the trading desk will consult with the relevant fund manager and compliance, in an effort to obtain the fairest outcome for clients. All post trade allocation changes will be documented, and records kept.

In exceptional circumstances, such as technical faults or loss of connectivity at execution venues, EFGAM UK may be forced to employ other methods of execution other than the methods stated above.

## **7. Express Prior Consent**

Occasionally, we may wish to execute orders outside a regulated market or multilateral trading facility or organised trading facility, for example if a particular bank or investment firm is offering the best execution terms but intends to trade off-exchange. EFGAM UK is required to obtain your prior express consent to execute orders away from a Regulated Market<sup>1</sup> or a Multilateral Trading Facility (MTF)<sup>2</sup> for an instrument that is ordinarily traded on a Regulated Market or MTF. By signing the terms of the client agreement you have given such prior express consent.

You agree, by signing the terms of the client agreement, that EFGAM UK will not make public client limit orders in respect of shares admitted for trading on a Regulated Market which are not immediately executed under prevailing market conditions.

## **8. Monitoring and Review**

Our execution arrangements and the Order Execution Policy may change from time to time. This policy will be reviewed at least annually, including an assessment of the execution venues used, or whenever a material change occurs that affects our ability to obtain the best result for the execution of your orders.

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<sup>1</sup> A regulated market is a market place, trading system or exchange which meets the minimum EU standards set out in title III of the MiFID. Under MiFID, entities that offer multilateral trading for financial instruments (such as an order book), must be organised as either a regulated market or a MTF, with slightly different standards applying to each

<sup>2</sup> MTF means a system that brings together multiple parties (e.g. investors or other investment firms) that are interested in buying and selling financial instruments and enables them to do so. These systems can be crossing networks or matching engines that are operated by an investment firm or a market operator. Instruments may include shares, bonds and derivatives. This is done within the MTF operator's system.

## Schedule A – Execution Venues

<b>Equity and Exchange traded product Counterparties</b>	
Sanford C Bernstein Ltd	Morgan Stanley & Co International
Berenberg	EFG Harris Allday
CLSA (UK)	CIMB Securities Ltd
Strategas Securities LLC	ISI Evercore Group LLC
Kepler Cheuvreux SA	Stifel EU Bank AG
Flow Traders BV	UBS AG
Virtu Americas LLC	UOB - Kay Hian Private Ltd
Maybank	Stifel Nicolaus Europe Ltd
HSBC plc	Mirabaud Securities Ltd
JP Morgan Securities	Investec
Liberum Capital Ltd	Peel Hunt LLP
DBS Vickers Securities Ltd	Canaccord Genuity Limited
ZKB	Jane Street
Instinet	TFS Derivatives
Jefferies	Goldman Sachs

<b>Fixed Income and Convertible Bond Counterparties</b>	
Toronto Dominion Bank	Banco Santander SA
Mitsubishi UFJ Trust International Ltd	Jefferies International Limited
Morgan Stanley & Co International	SocGen International Ltd
JP Morgan Securities	HSBC plc
Goldman Sachs International	CIBC
Bank of America Merrill Lynch International	UBS AG
Standard Chartered Bank plc	
Citic CSLA	Mizuho International plc
Kepler Cheuvreux SA	Bridport & CIE SA
E D &F Man Capital Markets Inc	Bradesco Securities Inc
Nomura International plc	RBC Europe Ltd
Liquidnet	MarketAxess
Scotia Bank	DBS Bank
Deutsche Bank AG	Wells Fargo Securities International Ltd
Lloyds Bank Corporate Markets	ZKB
SMBC Nikko	Laranvial
ANZ Banking Group	Credit Agricole Corporate and Investment Bank
National Australia Bank Ltd	Natixis SA
Intesa Sanpaolo	Credit Agricole
Barclays	Citigroup
Daiwa Capital Markets	Seaport Global
Berenberg	Exane
FYNSA	Jane Street
Oddo Sedayler	Stonex

<b>Derivatives</b>	
Morgan Stanley & Co International	JPM MORGAN
UniCredito	Societe General

<b>Foreign Exchange</b>	
Bank of America Merrill Lynch International	HSBC plc
JP Morgan	

<b>Multi-Lateral Trading Facilities (MTF) (Equities and Fixed Income)</b>	
Market Access Europe Ltd	Bloomberg Trading Facility Ltd
Tradeweb	Liquidnet
FXAll	