

## Best Execution and Order Execution

### Introduction

In accordance with regulatory requirements set by the European Union's Markets in Financial Instruments Directive (known as "MiFID") and the rules, guidance, principles and codes in the Handbook of Rules and Guidance issued by the UK Financial Conduct Authority or any successor regulatory body or bodies (the "FCA"), City Asset Management ("CAM") is required to put in place an order execution policy and to take all reasonable steps to obtain the best possible result (or "Best Execution") when executing client orders on behalf of Retail and Professional Clients.

### Scope

Our Best Execution Policy is applicable to CAM clients who have been classified as either Retail or Professional, where we have received an order in respect of financial instruments: such as shares, collectives, bonds or financial instruments, or which we pass on (i.e. transmit) at our discretion to another broker or dealer ('third party') for execution.

### Order Execution

Subject to any specific instructions received, when executing orders on behalf of clients, we will take all reasonable steps to obtain the best possible result for clients, taking into account the execution factors listed below. We will determine the relative importance of the execution factors by using our commercial judgement and experience in light of market information available considering the execution criteria.

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

In achieving Best Execution, we take into account a number of factors (unless otherwise instructed). These include:

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

While total consideration (price and costs) are generally key factors, the overall value to clients of a particular transaction may be affected by the other factors listed above. We may conclude

that factors other than price and costs are more important in achieving the best possible result for clients.

### ***Execution Criteria***

To assist us in determining the relative importance of each of the factors described above, we will consider the the following criteria:

- the customer (i.e. Retail or Professional clients);
- the order;
- the financial instruments that are the subject of that order and
- the execution venue to which an order can be directed

### ***Dealing Rules***

- CAM will not transact buy orders on unsettled funds.
- If an allocation is done in the 24 hours after a deal has been instructed, no connected parties can be involved in the deal allocation to the extent that they were not involved in the initial deal. This will ensure we abide by our own Treating Customer Fairly and Conflict of Interest objective.
- Market abuse, e.g. "Front Running", is explicitly prohibited and a Personal Account Dealing policy is one of the measures that CAM have in place to mitigate the risk of this activity occurring.

### **Which executing venues will we use?**

For purposes of MiFID, an "Execution Venue" includes an exchange, a multilateral trading facility ("MTF") and a broker. Unless we agree otherwise with clients, we will use a selection of venues that will be reviewed periodically. A list of the venues we currently use can be found later in this policy.

When carrying out client orders, we place significant reliance on the following Execution Venues:

- member firms of the London Stock Exchange and PLUS Markets;
- member firms of the International Capital Market Association;
- member firms of overseas stock exchanges;
- Euronext.
- LIFE Connect member firms;
- managers and administrators of collective investment schemes and other Investments;  
and
- other UK and overseas Execution Venues that we deem appropriate and that accord with our order execution policy.

Where a client order is executed through third-party brokers, we will review periodically the brokers that we use. In the course of such a review, we will take into account the factors we describe below for determining the entities with which the orders are placed or to which we transmit orders for execution. These factors are identified to enable us, to ensure that the broker or brokers that we use are providing Best Execution, taking into account all orders executed during the review period.

Where it appears in a particular case that better execution is available from a broker that we do not ordinarily use, we may use such other broker on a case-by-case basis.

### **What factors are taken into account in determining the Execution Venues?**

---

The factors considered in selecting the entities with which client orders are placed or to which we transmit client orders for execution in respect of a particular financial instrument include:

- general prices available;
- depth of liquidity;
- relative volatility in the market;
- speed of execution;
- cost of execution;
- creditworthiness of the counterparties on the venue or the central counterparty; and
- quality and cost of clearing and settlement.

### ***Specific customer instructions***

Where clients give us a specific instruction as to the execution of an order, for example, asking us to deal through a particular broker or at a specific price, we will execute it in accordance with that instruction. Where the instruction relates to only part of the order, we will apply our order execution policy to the parts of the order not covered by specific instructions. Clients should be aware that providing specific instructions may prevent us from taking the steps set out in our order execution policy to obtain the best possible result for those elements covered by those instructions.

### **Limit orders**

---

If an order has been placed with us with a 'limit' on the price for execution, we may not be able to execute it immediately. Consequently, in accordance with regulatory requirements and unless otherwise specifically instructed, we will publicly disclose details of any unexecuted part of such 'limit' order. However, with client consent, we can exercise discretion as to how and when unexecuted limit orders are shown to the market. We believe that this allows us to achieve the best possible result for our clients. We therefore seek a client's express consent on this matter – please see 'Consent' below.

## **Aggregation and Allocation**

---

We may combine ('aggregate') a transaction for an individual client with orders of other clients. The effect of aggregation may on some occasions work to a client's disadvantage.

If we make an application on a client's behalf for a new issue, clients should be aware that if the allocation is scaled back it will be applied pro rata across all clients, in the event of any scale backs no member staff will be included in the allocation to the extent they did not form part of the initial allocation.

## **Monitoring and review**

We regularly monitor our order execution arrangements, as well as the quality of both our execution and that of third parties to whom we have passed orders. Such reviews enable us to identify and implement changes to our Best Execution Policy and execution arrangements as necessary, which are reviewed annually. Clients should note that it may not always be possible to make an effective comparison of execution performance because reliable data is not always available for some markets.

We will notify clients about any material changes to our Execution Factors, Execution Venues, and Best Execution Policy by posting an updated version of this document on our website. Clients will not be notified separately about changes to our Best Execution Policy or Execution Venues.

## **Consent**

Our Regulator, the FCA, requires us to obtain clients' prior consent to our Best Execution Policy. Clients will be deemed to provide such consent when they instruct us to act on their behalf in relation to an order or, if clients only wish us to provide discretionary portfolio management services, when they appoint us to provide these services.

We are required to obtain clients' prior express consent 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.

All clients can request a hard copy of our Order Execution Policy at any time by contacting their Investment Manager.

## **List of Execution Venues**

This is a list of execution venues on which CAM places significant reliance in meeting its obligation to obtain on a consistent basis, the best possible execution result for our customers. This list may be subject to change, we will not notify you specifically of any changes but a current list is available on request and can be found on our website [www.city-asset.co.uk](http://www.city-asset.co.uk).

Financial instrument	Execution Venue
<b>Equities and Investment Trusts (UK and Overseas)</b>	A J Bell Securities Cantor Fitzgerald Europe Cenkos Securities plc FinnCap Investec Plc Jefferies International Limited Liberum Morgan Stanley & Co. International plc N+1 Singer Northland Capital Partners Limited Numis Securities Limited Oriental Securities Limited Panmure Gordon & Co Shore Capital Stockbrokers Ltd Westhouse Securities Limited WH Ireland Group PLC Winterflood Securities Zeus Capital Limited
<b>Fixed Income (Uk and Overseas)</b>	A J Bell Securities NCL Investment Limited RIA Capital Markets Winterflood Securities
<b>Open Ended Funds</b>	Euroclear External Fund Managers
<b>Structured Products</b>	Barclays plc Catley Lakeman Securities Credit Suisse HSBC plc Morgan Stanley & Co. International plc Royal Bank of Canada Societe Generale Corporate & Investment Banking UBS AG