



Psigma
Investment Management

Psigma Investment Management Limited

Order Execution Policy

January 2018

1. Introduction

The purpose of this document is to provide clients of Psigma Investment Management Limited ("Psigma") with information on our Order Execution Policy. This document forms part of the Psigma Investment Service Terms and Conditions, acceptance of which provides your consent to this Policy.

This order execution policy is designed to ensure that we take all sufficient steps to achieve the best possible result (best execution) for you when we buy or sell investments on your behalf or when receiving and transmitting orders or passing orders onto others for execution as part of discretionary investment management services. The Company must also be able to demonstrate upon request that orders have been executed in accordance with this policy.

The rules regarding Best execution are set out by the Financial Conduct Authority "FCA" and are further enhanced under the EU Market in Financial Instruments Directive ("MiFID & MiFIDII"). The rules apply to professional and retail clients and relate to all financial instruments dealt in the course of carrying our investment management business anywhere in the European Economic Area "EEA".

This policy applies to all execution provided to clients and professional advisers with a direct contractual relationship with the Company. An order for the purposes of the Policy is an instruction to buy or sell a financial instrument, where Psigma is acting as the discretionary manager for a client or as directed by a client.

Professional Advisers using Psigma's model portfolios on behalf of their Retail Clients through a Platform Service Provider should be aware that Psigma will maintain the model portfolios through the service providers interface, the service providers Order Execution Policy will determine the obligations to provide best execution to retail clients using the Psigma Model Portfolios on Platforms.

Psigma acts as agent to all client orders for the purposes of this policy and Psigma does not trade for its own principle account.

2. Order Execution – Best Execution

In the course of carrying out our investment business in the European Economic Area, Psigma is obliged to act in the best interests of its professional and retail clients when placing orders with other entities for execution that results from the decisions by the firm to deal in financial instruments on behalf of its client ("best execution"). Whilst Psigma will endeavour to obtain the best available result in carrying out each client order, this does not mean obtaining the best possible result for each individual order on a transaction-by-transactions basis. Psigma is obliged to apply these policies to each order with a view to obtaining the best possible result in accordance with this Policy.

As a part of our terms of business, all clients do give their express permission for their orders to be executed on their behalf outside a regulated market or multi-lateral trading venue (MTF) / Organised Trading Facility (OTF) where it is reasonable to believe to be in the best interest of clients.

2.1. Execution Factors

The rules on best execution are not prescriptive in many areas meaning that we are required to exercise judgement and discretion. Psigma will utilise its industry experience and available market information to determine the relative importance of the execution factors. For Retail clients, we will generally lend more importance to the factors that allow us to deliver the best possible result in terms of value (total cost) to the client however, there may be occasions when the total cost is not of greatest importance and you may specify at the time of instructing (see Execution Only – Client Orders) a trade that other factors take priority, the order will be placed in accordance with such instructions.

Psigma will take all sufficient steps to obtain the best possible result for trades by taking into account the following execution factors:

2.2. For Transferable Securities (Equities and Fixed Income)

- Price (fairness of the price proposed to the client for bespoke products)
- Costs (total consideration the sum of the asset price and any costs associated in the purchase, all expenses incurred by the client which are directly relating to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.
- Speed
- Likelihood of execution
- Impact of Execution on the market
- Settlement
- Order size
- Liquidity
- Nature or any other consideration relevant to the execution of an order

To determine the relative importance of the execution factors we will consider:

- Your client categorisation (i.e. retail or professional)
- The characteristics of your order and the financial instruments subject to that order
- The characteristics of where such orders can be directed (i.e. execution venues)

2.3. For Units in Collective Investment Undertakings (Unit Trusts, OEICS etc.)

- Likelihood of execution (whether the proposed venue has access to required asset)
- Speed / Timing (Speed of trading and cut off times)
- Cost (total cost of trading to the client)

- Ongoing support and administration

To determine the relative importance of the execution factors we will consider:

- Your client categorisation (i.e. retail or professional)
- The characteristics of your order and the financial instruments subject to that order
- The characteristics of where such orders can be directed (i.e. execution venues)

2.4. Execution Venues

Investment in equities and bonds

When we buy or sell these instruments on your behalf, we send the order to a stockbroker selected by us. The stockbroker must provide us with the best execution that it can achieve in the circumstances, taking into account the relevant execution factors listed above.

Currently we use:

- Hobart Capital Markets LLP (until 31st Jan 2018)
- Winterflood Securities limited (from the 1st February 2018)

Investment in Units in Collective investment undertakings

When we buy or sell these instruments on your behalf we will send an order to our custodians. Our custodians will execute the order directly with the manager of the fund, as in the vast majority of cases this will be the only execution venue available. Sometimes a fund may be available via another trading platform, provided by a third party. If we believe that placing the order with this third party would provide best execution for you, we will instruct our custodians to do so.

Currently we use:

- Cofunds Ltd
- Royal Bank of Canada Luxembourg

3. Investments in Model Portfolios Through External Platform Service Providers

When we re-balance our model portfolios that are available through Platform Service Providers, we will use the interface maintained by the Platform Service Provider to transmit such orders. Once transmitted the orders are released to the dealing team at the Platform Service Provider. The Platform Service Provider has an obligation to execute the orders in

accordance with their Order Execution Policy. We recommend that Professional Advisers ensure their clients are aware of the Platforms Order Execution Policy.

4. General

The venues to be used will be updated from time to time, depending on the nature of any changes to the type of investments that we manage and in the light of experience. From time to time we may use execution venues that are not explicitly mentioned above, where we deem this to be appropriate in order to be able to continue to meet our obligation to obtain the best possible results for our Client(s).

5. Aggregation and Allocation of Orders

The aggregation and allocation of client orders must be effected in a manner which is fair and equitable to all clients.

5.1. Aggregation

Psigma may aggregate discretionary client trade orders with those of other clients, (and clients of affiliates of Psigma), and its own account from time to time, where it reasonably considers that it is in the best interests of its clients and in line with the FCA regulations.

In most instances, order aggregation will be used by the investment manager where it reasonably considers that it will achieve the best outcome for the client. However, there may be occasions when order aggregation is less advantageous to an individual client for a specific order.

5.2. Allocation

Psigma has in place an order allocation policy that describes the fair allocation of aggregated orders and transactions, including how the volume and price of orders determines allocations and the treatment of partial executions.

When allocating orders across funds or client accounts, the following methodologies and factors will be considered and appropriate records maintained:

- Pro rata
- Pari passu
- Volume of the order
- Capacity of the relevant portfolio in line with investment restrictions
- Time horizons
- Price of the order

Psigma will in most cases allocate orders on a pro-rate basis, and at the weighted average price achieved where an order is executed in multiple tranches at various prices.

If an order is partially executed and allocated, any subsequent related orders required to complete the original aggregated order must be allocated on the same basis as the original order.

Deviations from the general rule may be permitted in specific circumstances where allocations may be based on:

- Existing positions in the client accounts;
- Shares to be allocated to the largest account if the number of securities traded are too small to be reasonably allocated to all clients

Allocation is monitored on an on-going basis to ensure compliance with Psigma's policy and any variation to the policy or reallocation of a transaction following its allocation must be pre-approved by the Compliance Officer.

Clients may request that Psigma demonstrates compliance with the policy and Psigma will maintain a record of all allocations.

6. Execution Only – Client Orders

All instructions from you to buy and sell assets are confirmed back to you by telephone prior to processing. In accordance with the regulations, our policy is that this will be on a recorded line and Psigma keeps a copy of all electronic communications. Our policy prohibits the use of mobile phones for this purpose.

Psigma transmit orders for execution when we receive specific instructions from you as how you would like your order dealt with (Execution Only Accounts). These transactions may not specifically meet the criteria that Psigma considers for best execution and may prevent us from adhering to all of the steps outlined above that we have designed to ensure best execution.

7. Trade Instructions

Where Psigma gives specific trading instructions to a third party to execute in a certain way on a client's behalf, we take responsibility for these specific instructions and their impact upon execution quality. For example we may choose to split a large order into smaller shapes, or direct a transaction to a specific counterparty where we believe it is in the best interests of the client. Psigma will keep under review the impact that specific instructions have upon execution quality as part of its monitoring procedures.

If you are instructing trades on an Execution Only basis, we may accept the following order types:

At best order – Psigma will transmit the order via the relevant broker immediately and it will be dealt at the best available price.

At limit order – Psigma will confirm the terms of a Limit order with you, before we transmit the order to the relevant broker who will deal at, or better than, a specified minimum price for sales or a maximum price for purchases. If it is not possible to execute the order within the terms set out by you, we will notify you within an agreed timeframe.

Where an order is placed with a limit price (either on your instructions or by us) the stockbroker must take measures to facilitate the earliest possible execution of the order, but will not make that order public to other market participants.

If the terms of the order instructed by you do not comply with the terms set out in this Order Execution Policy, and will not allow us to fulfil our obligation to achieve the best possible outcome for you, Psigma will endeavour to achieve the best outcome for you within the limits you have defined.

8. Monitoring and Policy Review

Psigma has procedures in place to monitor on a regular basis our stockbroker and our custodians to ensure that they are meeting their best execution obligation. As a part of this monitoring, Psigma will review the publically available reports issued by the venues annually, alongside the above ongoing monitoring, and issue our own statement annually to our website, covering the top five venues we have dealt with and how they have been assessed for providing best execution.

We review our policy at least annually and whenever a material change occurs that could affect our ability to continue delivering best execution to you. Reviews also include Psigma's execution arrangements to consider whether the approved brokers and/or execution venues are providing the best possible result for our Client(s).

Where the monitoring reveals the need for any changes or enhancements to be made, these will be implemented as appropriate.

Should you require further information or assistance in relations to our Order Execution Policy, please contact your Investment Manager.

Psigma Investment Management Limited

www.psigma.com
