

## Best Execution and Client Order Handling Policy

### Introduction and Purpose

Signia is required to act honestly, fairly and professionally in accordance with the best interest of clients when providing investment services. This is predominately set out in MiFID II, MiFIR and in the FCA's Handbook.

The Best Execution and Client Order Handling Policy sets out how Signia will ensure that all sufficient steps are taken to obtain best possible result for all clients and that their orders are handled in a fair, just and timely manner.

### Definition

Best execution is the obligation on a firm to take all sufficient steps to obtain the best possible result when executing client orders or placing orders with other entities to execute. There are a number of execution factors to consider when delivering best execution including price, cost, speed, likelihood of execution and settlement, size and nature of the order.

### Application

This Best Execution and Client Order Handling Policy applies to Signia when executing client orders or placing orders with (or transmitting orders to) other entities for execution.

This Best Execution and Client Order Handling Policy applies to all financial instruments for which Signia carries out orders on behalf of its clients. The Best Execution and Order Handling policy will not apply to the extent Signia follows specific instructions from a client when executing client orders or placing an order with, or transmitting an order to, another entity for execution.

### Policy – Best Execution

#### General Obligation

The best execution obligation requires Signia to 'take all sufficient steps to achieve the best possible result on a consistent basis' rather than in every case. In practice, Signia has implemented improved Best Execution mechanisms, including:

- ensuring this policy is designed with the intended outcomes in mind;
- strengthened front-office accountability;
- strengthened systems and controls and detection capabilities to identify any potential deficiencies; and
- monitoring of the execution quality obtained as well as the quality and appropriateness of the execution arrangements.

Please note that specific instructions from a client may prevent the firm from achieving best execution in line with this policy.

#### Execution Factors

Signia will assess best execution by taking into account the "execution factors" which include price, costs, speed, likelihood of execution and settlement, order size, execution reliability of executing broker, nature or any other consideration relevant to the execution of the order.

Signia will exercise judgement in the best interests of its clients given their different needs and requirements and is required to take into account several criteria to determine the relative importance of the execution factors:

- the characteristics of the client, including the categorisation of the client as retail or professional;
- the characteristics of the client order;
- the characteristics of the financial instruments that are the subject of that order; and
- the characteristics of the execution venues to which that order can be directed.

Signia is responsible for assessing the relative importance of the execution factors in light of these criteria and the process by which it determines the relative importance of those factors. This may result in a range of different permissible approaches to executing client orders based on each financial instrument we trade.

When carrying out orders for retail clients, the best possible result shall be determined in terms of total consideration, representing the price of the financial instrument and costs relating to execution.

### **Deciding Execution Venues**

Signia is obliged to ensure that Brokers included in this policy are the ones who will assist the firm in complying with its best execution obligations (by delivering the best possible result) and that orders are passed to those Brokers in accordance with the policy. Signia does not use Brokers to execute trades. All orders are passed on to the client's custodian to work the order.

In choosing the Execution Venues for a particular instrument class, Signia has taken care to select those Execution Venues that, in the firm's view, will enable it to obtain on a consistent basis the best possible results for its clients. Execution venues are the chosen Custodian for the client for all financial instruments.

### **Brokers and Execution Venues**

A list of approved brokers and execution venues is kept by Signia and is reviewed, at least annually, or whenever a material change occurs that affects the ability to continue to obtain the best possible result for clients. Appendix I currently identifies, in respect of each class of instrument traded, the execution venues and entities with which orders are placed or to which Signia transmits orders for execution.

### **Best Execution Considerations for Each Instrument Class**

Signia's assessment of the relative importance of the execution factors in relation to decisions to deal in each Instrument Class is detailed in the table Appendix I. This policy differentiates between each of the separate categories of financial instrument where Signia's clients invest.

### **OTC products**

When executing orders or taking decision to deal in OTC products including bespoke products, Signia will check the fairness of the price proposed, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products.

### **Inducements**

Signia shall not structure or charge its commissions in such a way as to discriminate unfairly between execution venues or brokers.

Signia shall inform clients about inducements it may receive from execution venues.

### **Annual publication of information on the identity of execution venues and on the quality of execution**

Signia will make public on its website on an annual basis the top five execution venues or investment firms in terms of trading volumes where it transmitted or placed client orders for execution in the preceding year in accordance with the technical standards for each financial instrument it trades.

Signia will also publish on its website an annual assessment of the execution quality obtained on all execution venues for each class of financial instrument. The information includes, for each class of financial instruments, a summary of the analysis and conclusions drawn from the detailed monitoring of the quality of execution obtained on the execution venues where they executed all client orders in the previous year including:

- an explanation of the relative importance the Signia gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;
- generally, Signia does not charge its clients for the placing of orders and costs paid to the execution venue will relate entirely to the associated execution costs. However, in rare instances this is not fitting, the firm will notify its client;
- an explanation of the factors that led to a change in the list of execution venues listed in the execution policy, if such a change occurred; and
- an explanation of how Signia has used any data or tools relating to the quality of execution.

## **Policy – Client Order Handling**

### **General Obligation**

Signia will implement procedures and arrangements which provide for the prompt, fair and expeditious execution of client orders ("the Orders") and to allocate Orders fairly when it conducts transactions involving several clients in the same security at the same time. This Order Handling and Allocation Policy sets out the procedures and arrangements that Signia has implemented to meet these obligations.

### **Allocation Factors**

The nature of Signia's business requires it to select from a large array of possible eligible investments that are appropriate to its clients. It must decide on the quantity that is prudent to purchase, to which clients they should be allocated and in what size.

Trades will be allocated to clients on a basis believed to be fair and equitable; no client will receive preferential treatment over any other.

In determining the suitability of each investment opportunity to a client, consideration will be given to a number of factors, the most important being the client's investment objectives and strategies, existing portfolio composition and cash levels. Having considered these factors and prior to executing any transactions, Signia will determine the allocation of an order for each client.

### **Review**

At least annually, Signia will review this policy to ensure it is capable of delivering best execution on a consistent basis and orders are handled in a fair, just and timely manner. Signia will also review this policy and/or its execution arrangements whenever a material change occurs that could affect its ability to obtain the best possible result for the execution of its clients' orders. What is material will depend on the nature and scope of any change. This could include close links, conflicts of interests and common ownerships with respect to any execution venues used to execute orders.

The reviews will be supervised by compliance and this requirement has been incorporated into Signia's compliance monitoring process.



Appendix I: Detailed Requirements of the Execution Policy for each Instrument Class.

Instrument Class	Execution Factors
<p><b>Cash Equities</b></p> <p>This Instrument Class includes equities, warrants and depository receipts and equity CFDs.</p>	<p>We do not currently trade Cash Equities, however should we undertake trades in these instruments, the firm usually uses the clients Custodian for execution and the below would apply:</p> <p>For smaller orders, the portfolio manager will on many occasions consider that price is the most important execution factor. Other execution factors are permitted to be taken into account at the discretion of the relevant portfolio manager as is appropriate for the size and nature of the relevant order (and one or more of these other factors may displace price as the most important factor).</p> <p>Where the order is to be passed to a Broker instead of the client's custodian for execution, the portfolio manager will select a Broker from among the list that, in the portfolio manager's view, has a track record of achieving the best result in terms of the relevant execution factors (taking into account the various Brokers' geographic and product coverage). As an additional safety measure, Signia makes use of limit orders to ensure that its orders are executed at desirable prices. Where the order is to be executed directly with a Broker, the portfolio manager will check prices quoted by/available on at least two Execution Venues.</p> <p>For larger orders, the portfolio manager will often consider that certainty of execution, reduction of market impact and speed of execution will have greater importance and these factors will often drive the portfolio manager's decisions as to whether to pass the order to a Broker or to execute directly with the Custodian.</p>
<p><b>Bonds</b></p> <p>This Instrument Class includes corporate and government bonds, convertible and exchangeable bonds, commercial paper, asset-backed securities, mortgage-backed securities, certificates of deposit and structured debt securities.</p>	<p>The firm usually uses the clients Custodian for execution. In relation to transactions in bonds, the portfolio manager will on many occasions consider that price (including costs) is the most important factor. Other execution factors are permitted to be taken into account at the discretion of the relevant portfolio manager as is appropriate for the size and nature of the relevant order.</p> <p>For larger orders, the portfolio manager will often consider that certainty of execution, reduction of market impact and speed of execution will have greater importance and these factors will often drive the portfolio manager's decisions as to which Execution Venue to pass the order to.</p>
<p><b>OTC Derivatives</b></p> <p>This Instrument Class includes OTC options, OTC forward transactions, OTC swaps (including credit default swaps, total return swaps, variance swaps interest rate swaps and currency swaps).</p> <p>Signia invests in OTC derivative instruments to hedge against market risk or to gain exposure to an underlying asset. Such derivatives will be either standard contracts or will be structured contracts.</p>	<p>Trading derivative contracts off-exchange will be affected by Signia with the client's custodian. All such transactions are affected on a request-for-quote or negotiated deal basis.</p> <p>For transactions in OTC derivatives, the portfolio manager will on many occasions consider that price (including costs) is the most important factor. Other execution factors can be taken into account at the discretion of the relevant portfolio manager as is appropriate for the size and nature of the relevant order.</p> <p>In most circumstances, transactions may be initiated by the Execution Venue rather than by Signia.</p> <p>For larger orders, the portfolio manager will often consider that certainty of execution, reduction of market impact and speed of execution will have greater importance. Where using a Broker, these factors will often drive the portfolio manager/ trader's decisions as to which Broker to pass the order to.</p>
<p><b>Exchange Traded Derivatives</b></p> <p>This Instrument Class covers exchange-traded futures and</p>	<p>The firm uses the client's custodian in respect of transactions in financial instruments falling within this Instrument Class.</p> <p>The vast majority of exchange-traded derivatives transactions will be effected by passing an order to the custodian. The portfolio manager/ trader will on many occasions consider</p>

<p>options contracts and exchange traded contracts for differences.</p> <p>Signia invests in exchange-traded derivative instruments to hedge against market risk or to gain exposure to an underlying asset.</p>	<p>that price (including costs) is the most important factor. Other execution factors can be taken into account at the discretion of the relevant portfolio manager as is appropriate for the size and nature of the relevant order.</p> <p>Where the order is to be passed to a Broker for execution, the portfolio manager will select a Broker from among the list that, in the portfolio manager's view, has a track record of achieving the best result in terms of the relevant execution factors (taking into account the various Brokers' relevant exchange memberships, geographic and product coverage). As an additional safety measure, Signia makes extensive use of limit orders to ensure that its orders are executed at desirable prices.</p> <p>Where the order is to be executed directly with an Execution Venue, the portfolio manager will often check prices quoted by/available on at least two of the Execution Venues listed. However, in circumstances where the portfolio manager/ trader considers that speed of execution, certainty of execution and/or market impact are important execution factors, he or she is permitted to deal on the basis of the prices quoted by/available on a single Execution Venue.</p>
<p><b>Collective Investment Schemes</b></p>	<p>For the vast majority of CISs there is no secondary market and it is almost invariably the case that Signia will place an order for the purchase or sale of units with the client's custodian. The Custodian Transactions are effected at the net asset value of the CIS. Certainty of execution (i.e. the ability to execute the order) is the most important factor.</p>

