



# CHAWTON

## GLOBAL INVESTORS

### Order Execution Policy

May 2023

#### 1. INTRODUCTION

This Order Execution Policy (the “**Policy**”) sets forth information relating to how Chawton Global Investors LLP (“**CGI**”) seeks to provide best execution, as required by the Markets in Financial Instruments Directive 2014/65/EU (“**MiFID II**”) and the Financial Conduct Authority’s Conduct of Business Sourcebook (**COBS**), when executing orders or placing orders with other firms for execution on behalf of clients.

The overarching requirement of MiFID II’s best execution regime is to take all sufficient steps to obtain the best possible result when executing orders on behalf of clients or using other affiliates or brokers to execute orders on behalf of clients, taking into account the following execution factors: price; costs; speed, likelihood of execution and settlement; size; and nature of the order or any other consideration relevant to the execution (the “**Execution Factors**”). “Best execution” does not require a firm to achieve the best possible result with every trade, but it does require a fund to take all sufficient steps for obtaining the best possible result on a consistent overall basis.

This Policy sets out general information in respect of CGI’s approach to best execution and is supplemented by appendices which provide further details to our considerations as they relate to differing classes of financial instruments (as defined in MiFID II). The appendices should be read in conjunction with this Policy and cover the following classes of financial instruments:

- Cash Equities
- Equity Derivatives
- Exchange Traded Derivatives
- FX
- Units/Shares in Funds
- Bonds

This Policy is provided to all clients at take-on and is available thereafter upon written request. Any material changes to this Policy will be notified to clients in writing.

#### 2. APPLICATION OF BEST EXECUTION OBLIGATION

CGI’s obligation to take all sufficient steps to obtain the best possible result for our clients will apply where we owe a contractual or agency obligation to our clients.

### *Direct Responsibility for Best Execution*

CGI does not deal with clients on a principal basis for its own account. Nevertheless, CGI shall have responsibility for best execution when we are deemed to be executing client orders. This will generally be the case where we deal:

- a) In dealer markets where we request a price quotation from a broker or other counterparty (e.g. bond trades, OTC derivatives and some FX transactions); and
- b) Directly in the market outside a Trading Venue.

### *Indirect Responsibility for Best Execution*

Responsibility for best execution applies to other entities when we place or transmit orders for clients rather than executing them ourselves, and we place reliance on the brokers and other counterparties to execute them on an agency basis. These entities are then responsible for the duty of best execution. CGI is responsible for oversight of and monitoring the quality of execution of the broker or other counterparty, as well as the quality of their execution arrangements. The effectiveness of the best execution policies that the entities have implemented is assessed by CGI's Compliance Officer before CGI enters into contractual relationships with such entities.

## **3. CLIENT SPECIFIC INSTRUCTIONS**

Where a client (“**you**”) gives CGI specific instructions as to the execution of an order or transmission of an order for execution, we will ensure that the order is executed or transmitted in accordance with those specific instructions. By following those instructions, CGI will have satisfied the obligation to provide you with best execution in relation to that order. Examples of such instructions may include but are not limited to requests to execute on a particular venue or through a particular broker, or to execute an order over a particular timeframe.

Where a specific instruction relates only to one part or one aspect of an order, we will follow that instruction so far as is reasonably possible when executing the trade or transmitting it for execution and will, by following your instruction, have satisfied the obligation to provide you with best execution in relation to the relevant part of the order to which such instruction applied. The best execution provisions in this Policy may apply to the remaining part of the order not covered by your instruction.

## **4. APPLICATION OF EXECUTION FACTORS**

In considering how we might achieve the best possible result in relation to a client order, we will determine the relative importance of the Execution Factors using our own commercial experience and judgment, and taking into account the following criteria:

- categorisation of the client;
- the characteristics (i.e. size and nature) of the order;
- the characteristics of the financial instruments that are the subject of the order; and
- the characteristics of the possible execution venues to which the order can be directed (certain financial instruments may only be traded on one execution venue).

The appendices to this Policy contain further information on how the Execution Factors are considered in order to achieve best execution for each asset class.

In general, we consider that price is the most important of these Execution Factors for our clients. However, there may be circumstances where the primary Execution Factors may vary and price is no longer the most important factor. For example, for transactions in illiquid securities, the likelihood of execution might be a more important priority than price in obtaining the best possible execution. The relative importance of each of these factors may also vary depending upon the following criteria:

- a) the investment intent of the relevant investment manager at CGI who created the order;
- b) the characteristics of the financial instrument to which the order relates; and
- c) the characteristics of the execution venues to which the order can be directed.

We shall use our commercial experience and judgment when considering which factors are most important. In applying this Policy, our aim is to treat each client order in a way that aims to maximize the chance of getting the best set of results when trading.

## 5. EXECUTION VENUES

In meeting our obligation to take all sufficient steps to consistently obtain the best possible result, and depending upon the financial instrument in question, one or more of the following venue types (each an “**Execution Venue**”) may be used when executing an order or placing an order with a third-party broker on our clients’ behalf:

- Regulated Markets (“**RMs**”);
- Multi-Lateral Trading Facility (“**MTFs**”);
- Organised Trading Facilities (“**OTFs**”);
- Third party investment firms and/ or affiliates acting as market makers or other liquidity providers; and/ or
- Non EU-entities performing a similar function to any of the above.

CGI does not have direct membership of any Execution Venue, and as such we generally use third party brokers for execution of orders on behalf of our clients. This is usually done by way of placing an order directly with a third-party broker for it to execute or by way of Direct Market Access (“**DMA**”). In either case, the relevant broker remains responsible for the actual execution of the order, even if we use DMA and choose the ultimate Execution Venue.

Subject to any specific instruction that may be given by a client, we will select the Execution Venue and/or choose the broker that we consider most appropriate for the execution of the relevant transaction, taking into account reasonably available information (including those reports published by Execution Venues and brokers pursuant to MiFID II and/or COBS and relating to the quality of execution).

You can find lists of the Execution Venues and/or brokers currently used in respect of each class of financial instrument in the appendices. These may be updated from time to time.

## **6. AGGREGATION AND ALLOCATION OF ORDERS**

Where we execute orders for more than one client, we seek to ensure that allocation of orders is effected promptly, fairly and expeditiously.

CGI's approach is that aggregated orders will be allocated in accordance with the original intended allocation. If the order is only partially filled, it may be scaled back and will then generally be allocated on a pro-rata basis as originally intended unless doing so may be inappropriate (e.g. if the total allocation is significantly scaled back a client may be left with a holding that is uneconomic, below the normal market size for subsequent trading or irrelevant when considered against the relative size of the rest of such client's portfolio).

This may mean that the order will be reverted back to the relevant portfolio manager within CGI who placed the order, who may then re-allocate based on the scaled back allocation. This will require a new investment decision and, subject always to CGI's responsibilities to treat clients fairly and manage any conflict of interest appropriately, it may consequently be that not all those clients who were included in the initial allocation are allocated.

## **7. OTC FINANCIAL INSTRUMENTS**

If executing orders or taking decisions to deal in OTC products (including bespoke products), CGI will check the fairness of the price proposed to you, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products.

## **8. CLIENT CONSENTS TO THIS POLICY, EXECUTION OF ORDERS OUTSIDE A TRADING VENUE AND NOT PUBLISHING ANY UNEXECUTED LIMIT ORDERS**

CGI is required to obtain its clients' prior consent to this Policy. This consent will usually have been obtained as part of client take-on. In any case, each time you place an order with us or by appointing us as your discretionary investment manager, we will treat you as having provided us with consent to this Policy.

In order to provide clients with the best possible result, trades may on occasion be executed outside a Trading Venue, via a third-party broker. In order for CGI to be able to do this, we are required to obtain your consent in accordance with the FCA's requirements. This consent will usually have been obtained as part of client take-on. Unless you have expressly indicated otherwise, each time you place an order with us or by appointing us as your discretionary investment manager, we will treat you as having provided us with consent to trade outside a Trading Venue as we believe that it is in your best interests for us to do so (because it allows us the flexibility to choose from a wider range of Execution Venues).

CGI is also required to obtain your express consent as to whether or not to make public any unexecuted limit orders. This consent will usually have been obtained as part of client take-on. Unless you have expressly indicated otherwise, each time you place an order with us or by appointing us as your discretionary investment manager, we will treat you as having provided us with consent not to publish any unexecuted limit orders, as we believe it is in your best interests for us not to do so.

## **9. MONITORING THE EFFECTIVENESS OF EXECUTION ARRANGEMENTS AND POLICY**

CGI will, on a regular basis, monitor the effectiveness of its order execution arrangements and this Policy and will assess the third-party brokers and the quality of execution provide by them. On a monthly basis, any identified outliers will be reviewed by the Compliance Officer and reported to the management committee. Where any deficiencies are identified, these will be corrected. For instance, if we identify a trend of outliers, we may change our execution arrangements to minimise future outliers. This will also enable CGI to determine whether alternative Execution Venues or brokers can provide materially better execution on an ongoing basis – this will be reviewed at least annually.

## **10. REVIEW OF ORDER EXECUTION POLICY**

CGI will review its order execution arrangements, this Policy and the quality of execution received from third party brokers annually. Such review will allow CGI to identify and implement changes to the Policy and execution arrangements as necessary. This review will also be carried out whenever a material change occurs that affects our ability to obtain the best result for the execution of your orders on an ongoing basis using the Execution Venues set out in the appendices. We will notify clients of any material changes to our order execution arrangements or this Policy. We will also update the list of Execution Venues when necessary, although the addition or removal of a broker will not typically be deemed a material change.

## **11. PROVISIONS OF INFORMATION TO CLIENTS**

We will provide you and any potential clients with information about those third-party brokers where we place orders for execution upon receipt of a reasonable request in writing to do so.

## **APPENDIX A: CASH EQUITIES**

This appendix provides asset class specific information concerning the application of best execution in relation to cash equity instruments, including ordinary shares, rights, warrants, preference shares and depositary receipts (together referred to as Cash Equities). This appendix forms part of the Order Execution Policy and should be read in conjunction with that document.

### **1. PRIORITISATION OF EXECUTION FACTORS**

Whilst we set out below the relative priority of Execution Factors, a variety of criteria will be taken into account in assessing the actual prioritisation of Execution Factors for each order. Criteria for consideration include the characteristics of each individual order, such as client preferences, market conditions, when the order is received and the size of order. Generally, the most important Execution Factor for our clients will be the price. However, as set out below, the primary Execution Factors may vary in more illiquid markets when, in particular, likelihood of execution may become the primary execution factor

The following gives an indication of the priority of Execution Factors that may be applied when choosing a broker or Execution Venue for executing an order, although these will be assessed on a case by case basis:

- Price
- Likelihood of Execution
- Size
- Costs
- Speed
- Other Considerations

In illiquid markets, Likelihood of Execution and Speed would be expected to have greater priority.

### **2. ORDER HANDLING**

We will generally handle an order by either transmitting it to a broker for execution via its dealing desk.

### **3. EXECUTION VENUES**

CGI may place orders for Cash Equities with the following brokers:

- Northern Trust Securities LLP

and/or any other broker which is a regulated entity and with whom CGI enters into an execution agreement.

These brokers in turn use the following key Execution Venues:

Any exchange on which a cash equity share may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is located in an EEA Member State. In addition, the following securities markets will be used:

United States of America	The New York Stock Exchange (NYSE) The NASDAQ Stock Market (NASDAQ) NYSE MKT LLC
Australia	The Australian Securities Exchange (ASX)
Brazil	BM&F Bovespa
Canada	Montreal Exchange (ME) Toronto Stock Exchange (TSX) TSX Venture Exchange
China	Shanghai Stock Exchange (SSE) Shenzhen Stock Exchange (SZSE)
Cyprus	Cyprus Stock Exchange (CSE)
Hong Kong	Hong Kong Stock Exchange (SEHK)
India	Bombay Stock Exchange (BSE) National Stock Exchange (NSE)
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv Stock Exchange
Japan	Japan Exchange Group (JPX) Nagoya Stock Exchange (NSE) Sapporo Securities Exchange
Korea	Korea Exchange (KRX)
Malaysia	Bursa Malaysia (MYX)
Mexico	Mexican Stock Exchange (BMV)
New Zealand	NZX Limited (NZX)
Russia	Moscow Exchange MICEX-RTS
Singapore	Singapore Exchange (SGX)

South Africa	JSE Limited (JSE)
Sri Lanka	Colombo Stock Exchange (CSE)
Switzerland	SIX Swiss Exchange
Taiwan	Taiwan Stock Exchange Corporation (TSEC)
Thailand	Stock Exchange of Thailand (SET)
Turkey	Istanbul Stock Exchange (ISE)
United Arab Emirates	Abu Dhabi Securities Exchange (ADX)
United Kingdom	The Alternative Investment Market (AIM)



## **APPENDIX B: EQUITY DERIVATIVES**

This appendix provides asset class specific information concerning the application of best execution in relation to equity derivative products, which include contracts for differences and equity swaps (together referred to as Equity Derivatives). This appendix forms part of the Order Execution Policy and should be read in conjunction with that document.

### **1. PRIORITISATION OF EXECUTION FACTORS**

Whilst we set out below the relative priority of Execution Factors, a variety of criteria will be taken into account in assessing the actual prioritisation of Execution Factors for each order. Criteria for consideration include the characteristics of each individual order, such as client preferences, market conditions, when the order is received and the size of order. Generally, the most important Execution Factor for our clients will be the price. However, as set out below, the primary Execution Factors may vary in more illiquid markets or for more complex instruments.

The following gives an indication of the priority of Execution Factors for vanilla contracts for differences or equity swaps, although these will be assessed on a case by case basis:

- Price
- Size
- Speed
- Costs
- Likelihood of Execution
- Other Considerations

### **2. ORDER HANDLING**

We will generally handle an order by either transmitting it to a broker for execution via its dealing desk.

### **3. EXECUTION VENUES**

CGI may place orders for Equity Derivatives with the following brokers:

- Northern Trust Securities LLP

and/or any other broker which is a regulated entity and with whom CGI enters into an execution agreement.

These brokers in turn use the following key Execution Venues:

Any exchange on which the relevant equity derivative may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is located in an EEA Member State. In addition, the following derivative markets:

Athens Stock Exchange (ASE)  
Australian Securities Exchange (ASX)  
Bolsa de Madrid  
Bolsa Mexicana de Valores  
Bombay Stock Exchange (BSE)  
Borsa Italiana S.p.A.  
Börse Berlin  
Börse Düsseldorf  
Börse München  
Börse Stuttgart  
Budapest Stock Exchange (BSE)  
Chicago Board of Trade (CBOT)  
Chicago Board Options Exchange (CBOE)  
Chicago Mercantile Exchange (CME)  
Chicago Stock Exchange (CHX)  
Copenhagen Stock Exchange (CSE)  
Deutsche Börse  
Eurex  
Euronext Amsterdam  
Euronext Brussels  
Euronext Lisbon  
Euronext N.V.  
Euronext Paris  
European Energy Exchange AG  
Finnish Options Exchange  
Hong Kong Stock Exchange  
ICE Futures Canada  
ICE Futures US  
Indonesia Stock Exchange  
Irish Stock Exchange (ISE)  
JSE Limited (JSE)  
Kansas City Board of Trade (KCBT)  
Korea Exchange (KRX)  
London International Financial Futures and Options Exchange (LIFFE)  
Mercado Español de Futuros Financieros (MEFF)  
Montreal Exchange (ME)  
Moscow Exchange MICEX-RTS  
NASDAQ OMX Futures Exchange (NFX)  
NASDAQ OMX PHLX  
National Stock Exchange of India  
New York Mercantile Exchange (NYMEX)  
New York Stock Exchange (NYSE)  
NYSE Arca  
NYSE MKT LLC  
NZX Limited (NZX)

OMLX The London Securities and Derivatives Exchange Limited  
OMX AB  
Osaka Securities Exchange (OSE)  
Oslo Stock Exchange (OSE)  
Singapore Exchange (SGX)  
SIX Swiss Exchange  
South Africa Futures Exchange (SAFEX)  
The Stock Exchange of Thailand (SET)  
Stockholm Stock Exchange  
The National Association of Securities Dealers Automated Quotations System (NASDAQ)  
Taiwan Stock Exchange Corporation  
Tokyo Stock Exchange  
Warsaw Stock Exchange

## **APPENDIX C: EXCHANGE TRADED DERIVATIVES**

This appendix provides asset class specific information concerning the application of best execution in relation to Exchange Traded Derivatives. This appendix forms part of the Order Execution Policy and should be read in conjunction with that document.

### **1. PRIORITISATION OF EXECUTION FACTORS**

Whilst we set out below the relative priority of Execution Factors, a variety of criteria will be taken into account in assessing the actual prioritisation of Execution Factors for each order. Criteria for consideration include the characteristics of each individual order, such as client preferences, market conditions, when the order is received and the size of order. Generally, the most important Execution Factor for our clients, all of whom are professional clients, will be the price. However, as set out below, the primary Execution Factors may vary in more illiquid markets when, in particular, likelihood of execution may become the primary execution factor.

The following gives an indication of the priority of Execution Factors in two particular scenarios, although these will be assessed on a case by case basis:

(a) For Listed Derivatives (Futures and Options) in liquid markets, we generally prioritise execution factors as follows:

- Price
- Size
- Speed
- Costs
- Likelihood of Execution
- Other Considerations

(b) For Listed Derivatives (Futures and Options) in illiquid markets, we generally prioritise execution factors as follows:

- Likelihood of Execution
- Price
- Costs
- Size
- Speed
- Other Considerations

### **2. ORDER HANDLING**

We will generally handle an order by either transmitting it to a broker for execution via its dealing.

### 3. EXECUTION VENUES

CGI may place orders for Exchange Traded Derivatives with the following brokers:

- Northern Trust Securities LLP

and/or any other broker which is a regulated entity and with whom CGI enters into an execution agreement.

These brokers in turn use the following key Execution Venues:

Any other exchange on which an exchange traded derivative contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is located in an EEA Member State. In addition, the following derivative markets:

Athens Stock Exchange (ASE)  
Australian Securities Exchange (ASX)  
Bolsa de Madrid  
Bolsa Mexicana de Valores  
Bombay Stock Exchange (BSE)  
Borsa Italiana S.p.A.  
Börse Berlin  
Börse Düsseldorf  
Börse München  
Börse Stuttgart  
Budapest Stock Exchange (BSE)  
Chicago Board of Trade (CBOT)  
Chicago Board Options Exchange (CBOE)  
Chicago Mercantile Exchange (CME)  
Chicago Stock Exchange (CHX)  
Copenhagen Stock Exchange (CSE)  
Deutsche Börse  
Eurex  
Euronext Amsterdam  
Euronext Brussels  
Euronext Lisbon  
Euronext N.V.  
Euronext Paris  
European Energy Exchange AG  
Finnish Options Exchange  
Hong Kong Stock Exchange  
ICE Futures Canada  
ICE Futures US  
Indonesia Stock Exchange  
Irish Stock Exchange (ISE)  
JSE Limited (JSE)  
Kansas City Board of Trade (KCBT)  
Korea Exchange (KRX)

London International Financial Futures and Options Exchange (LIFFE)  
Mercado Español de Futuros Financieros (MEFF)  
Montreal Exchange (ME)  
Moscow Exchange MICEX-RTS  
NASDAQ OMX Futures Exchange (NFX)  
NASDAQ OMX PHLX  
National Stock Exchange of India  
New York Mercantile Exchange (NYMEX)  
New York Stock Exchange (NYSE)  
NYSE Arca  
NYSE MKT LLC  
NZX Limited (NZX)  
OMLX The London Securities and Derivatives Exchange Limited  
OMX AB  
Osaka Securities Exchange (OSE)  
Oslo Stock Exchange (OSE)  
Singapore Exchange (SGX)  
SIX Swiss Exchange  
South Africa Futures Exchange (SAFEX)  
The Stock Exchange of Thailand (SET)  
Stockholm Stock Exchange  
The National Association of Securities Dealers Automated Quotations System (NASDAQ)  
Taiwan Stock Exchange Corporation  
Tokyo Stock Exchange  
Warsaw Stock Exchange

## **APPENDIX D: FX**

This appendix provides asset class specific information concerning the application of best execution in relation to FX instruments, which include Spot FX, FX forwards, FX swaps and FX options (together referred to as FX Orders). This appendix forms part of the Order Execution Policy and should be read in conjunction with that document.

### **1. PRIORITISATION OF EXECUTION FACTORS**

Whilst we set out below the relative priority of Execution Factors, a variety of criteria will be taken into account in assessing the actual prioritisation of Execution Factors for each order. Criteria for consideration include the characteristics of each individual order, such as client preferences, market conditions, when the order is received and the size of order. Generally, the most important Execution Factor for our clients, all of whom are professional clients, will be the price.

### **2. ORDER HANDLING**

#### *Spot FX and FX Forwards*

We will generally handle an order by either transmitting it to a broker for execution via its dealing desk.

As OTC products are not executed on any exchange, we chose appropriate counterparties to source the liquidity that we require for our clients. We will typically request quotes from 3 or more counterparties, with the most cost effective securing the order.

### **3. EXECUTION VENUES**

CGI may place orders for FX Orders with the following counterparties:

- Northern Trust Securities LLP

and/or any other broker which is a regulated entity with whom CGI enters into an execution agreement. In exceptional circumstances, we may use an Execution Venue not currently listed in this Policy, for example on a provisional basis or to achieve the overarching best execution requirement.

## **APPENDIX E: UNITS/SHARES IN FUNDS/COLLECTIVE INVESTMENT SCHEMES**

This appendix provides asset class specific information concerning the application of best execution in relation to units or shares in Funds. This appendix forms part of the Order Execution Policy and should be read in conjunction with that document.

Where shares or units in a fund or collective investment scheme are listed and tradeable on an exchange, the same best execution procedures as Appendix A will apply.

Where units in a fund, unit trust or CIS are not listed on an exchange, CGI will place orders directly with the relevant administrator or Authorised Corporate Director.



## **APPENDIX F: BONDS**

This appendix provides asset class specific information concerning the application of best execution in relation to bonds. This appendix forms part of the Order Execution Policy and should be read in conjunction with that document.

### **1. PRIORITISATION OF EXECUTION FACTORS**

Whilst we set out below the relative priority of Execution Factors, a variety of criteria will be taken into account in assessing the actual prioritisation of Execution Factors for each order. Criteria for consideration include the characteristics of each individual order, such as client preferences, market conditions, when the order is received and the size of order. Generally, the most important Execution Factor for our clients, all of whom are professional clients, will be the price.

### **2. ORDER HANDLING**

As OTC products are not executed on any exchange, we chose appropriate counterparties to source the liquidity that we require for our clients.

### **3. EXECUTION VENUES**

CGI may place orders for bonds with the following brokers and/or counterparties:

- Northern Trust Securities LLP

and/or any other broker which is a regulated entity and with whom CGI enters into an execution agreement.