



Applicable entity: Waystone Investment Management (“WIM” or the “Firm”)

Best Execution Policy

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1. Introduction

This Policy sets out the Best Execution Policy for WIM as required by the Markets in Financial Instruments Directive 2014/65/EU and Delegated Regulation 2017/565 (“MiFID II”).

MiFID II requires that WIM as a regulated Firm to take all sufficient steps necessary to obtain the best results for its clients when executing trades.

2. Purpose

The purpose of this Policy is to outline the arrangements and framework that WIM has adopted in order to satisfy the requirement to take all sufficient steps necessary to obtain the best possible results for clients and to keep that framework and related arrangements under review i.e. to ensure Best Execution.

3. Scope

This Policy applies only to clients classified as Professional Clients and only to dealings in Financial Instruments (each as defined in MiFID).

Financial Instruments include but are not limited to:

transferable securities (such as shares and bonds); money market instruments; units in collective investment undertakings; exchange-traded and OTC derivatives, whether cash or physically settled, including futures, options and swaps; and emission allowances. Financial Instruments do not include spot FX and spot physical commodities.

4. Policy

When receiving a client order, WIM will make a specific assessment of how the order is to be executed to obtain Best Execution. WIM will in choosing the method of execution take into account price, costs, speed, likelihood of execution and settlement, size, nature, and other relevant factors (collectively the execution factors).

When WIM executes a client order, the following elements will be considered when the relevance of the execution factors is to be weighted:

- Client characteristics
- Characteristics of the order, including any specific instructions received
- Characteristics of the Financial Instruments that are the subject of the order
- Characteristics of the execution venues / brokers to which the order can be directed

WIM will monitor not only the execution quality obtained when executing orders but also the quality and appropriateness of the execution arrangements in order to identify circumstances under which changes may be required. Such considerations will be performed in a structured manner, on a periodic basis with the considerations and resultant decisions being fully documented.

Assessing Best Execution

Best execution will be reviewed formally on at least an annual basis by the Board, such review will consider the execution quality achieved and the policy’s ranking of the execution factors for each financial instrument. The discussion and resultant decisions and action points will be documented as part of the Board Meeting minutes. The Head of Trade Execution will be responsible for collating and presenting this information to the Board.

Additional Considerations

Impact of a Specific Client Instruction

Whenever there is a specific instruction from the client WIM will execute the order following the specific instruction. This means that, to the extent of the specific instruction, WIM's obligation of best execution will be satisfied by executing the order in accordance with the specific instruction. Where the specific instruction covers only a portion of an order and there is discretion over the execution of other elements of the order, then WIM will continue to be subjected to the Best Execution obligation in respect of the elements of the order not covered by the specific instruction.

Client Order Aggregation

In certain circumstances, it may be preferable to aggregate trades in order to achieve a better price and reduce transaction costs and it is only in these circumstances that aggregation is considered. Where WIM performs Investment Management services for a fund, aggregation of trades is only permissible between funds which share a common sponsor or Investment Advisor.

Execution Venues

WIM may use one or more of the following venue types to obtain on a consistent basis the best possible result for execution:

- Regulated Markets;
- Multilateral Trading Facilities;
- Organised Trading Facilities;
- Systematic Internalisers;
- Third party Investment Firms;
- Non-EU entities performing similar functions

WIM do not typically execute equity orders directly on to trading venues, instead orders are transmitted to other brokers for execution. WIM utilise third party investment firms that we consider, according to our ongoing assessment, enable us to obtain on a consistent basis the best possible result for client orders. These brokers are listed in Appendix I

Dealing in OTC Products:

WIM check the fairness of the price when taking decisions to deal in OTC products, including bespoke products, by gathering market data used in the estimation of the price of such products and, where possible, by comparing with similar or comparable products. For more complicated structures a third-party calculation agent may be employed. Characteristics of the Financial Instruments that are the subject of the order; and Characteristics of the execution venues / brokers to which the order can be directed.

Selection of Third-party Brokers / Counterparties:

When selecting third-party brokers for order placement or transmission, relevant consideration include:

- Reputation, financial strength and stability
- Licensed, as required, to execute the type of transaction
- Accurate and timely execution, settlement, clearance and error/dispute resolution processes
- Willingness to execute difficult transactions

- Overall costs of a trade including commissions, mark-ups, markdowns or spreads

Monitoring and Review

As noted above the WIM Board will monitor the effectiveness of the order execution arrangements and assess on a regular basis whether the execution venues / brokers selected provide for the best possible result for client transaction that are subject to best execution.

This Best Execution Policy is reviewed annually as well as whenever a material change arises that requires a change to WIM's approach to Best Execution. WIM will notify clients of any material changes in its order execution arrangements or its Best Execution Policy.

Where WIM uses third-party brokers to execute transactions, WIM complies with this obligation by undertaking periodic reviews of the execution quality of its third-party brokers in accordance with the criteria outlined above.

Application of the Policy based on class of financial instrument

Equities

Across all equity products WIM rank the Execution Factors as follows:

1. Price
2. Likelihood of Execution and Settlement
3. Costs

The remaining Execution Factors – speed, order size, nature of the order and any other consideration relevant to the execution of the order – are generally given equal ranking.

This is subject to any agreement with the client in relation to a particular trade or trades where the ranking of the execution factors may differ. Such agreement may be on an order-by-order basis, or may be agreed on a systematic basis, provided that any such agreement will be treated by WIM as an instruction from the client that we have accepted in respect of the relevant transactions.

Fixed Income

The ranking of the Execution Factors is typically as follows:

1. Likelihood of execution and settlement
2. Price
3. Order size, speed and likelihood are given equal ranking

The remaining Execution Factors – Costs, nature of the order and any other consideration relevant to the execution of the order – are generally given equal ranking.

This is subject to any agreement with the client in relation to a particular trade or trades where the ranking of the execution factors may differ. Such agreement may be on an order-by-order basis, or may be agreed on a systematic basis, provided that any such agreement will be treated as an instruction from the client that we have accepted in respect of the relevant transactions.

Money Market Instruments

The ranking of the Execution Factors should typically be as follows:

1. Price
2. Likelihood of execution and settlement
3. Costs

The remaining Execution Factors – speed, order size, nature of the order and any other consideration relevant to the execution of the order – are generally given equal ranking.

Swaps

The ranking of the Execution Factors should typically be as follows:

1. Price
2. Likelihood of execution and settlement
3. Costs

The remaining Execution Factors – speed, order size, nature of the order and any other consideration relevant to the execution of the order – are generally given equal ranking.

FX Derivatives

The ranking of the Execution Factors should typically be as follows:

1. Price
2. Order size and Speed are given an equal ranking

The remaining Execution Factors – Costs, speed, order size, nature of the order and any other consideration relevant to the execution of the order – are given equal ranking.

In some markets, if liquidity is deemed to be limited, likelihood of execution and settlement may be more important than price.

These rankings are subject to any agreement between WIM and the client in relation to a particular trade or trades where the ranking of the execution factors may differ. Such agreement may be on an order-by-order basis, or may be agreed on a systematic basis, provided that any such agreement will be treated by WIM as an instruction from the client that we have accepted in respect of the relevant transactions.

Spot FX

Spot FX is not a Financial Instrument as defined under MiFID and so will not be covered by MiFID's best execution rules. However, in line with acting in clients' best interests, WIM will always strive to achieve best execution and monitor the performance of third parties/counterparties to ensure so.

Commodities

The ranking of the Execution Factors should typically be as follows:

1. Price
2. Likelihood of Execution and Settlement

The remaining Execution Factors – Costs, speed, order size, nature of the order and any other consideration relevant to the execution of the order – are given equal ranking.

In some markets, if liquidity is deemed to be limited, likelihood of execution and settlement may be more important than price.

These rankings are subject to any agreement between WIM and the client in relation to a particular trade or trades where the ranking of the execution factors may differ. Such agreement may be on an order by order basis, or may be agreed on a systematic basis, provided that any such agreement will be treated by WIM as an instruction from the client that we have accepted in respect of the relevant transactions.

Availability

This Policy will be made available to clients on request by emailing execution@waystone.com.

5. List of Associated Procedures

- Execution Quality Disclosure Policy (RTS28)
- Record Keeping Policy
- NFA Compliance Manual
- Error & Incident Handling Policy
- Inducements Policy
- Error/Incident Escalation Process
- Mandate specific procedures

6. Error/Incident Escalation Process

Any breach of this policy shall be escalated and documented as outlined in the WIM Procedure for Managing and Reporting Investment Breaches, Incidents and Errors.

7. Responsibilities

The Trade Execution Team are responsible for insuring that all trades are completed in line with this Policy.

8. Record Keeping and Monitoring

WIM maintains all records relating to this policy for a period of at least five years, in line with its Data Retention Policy.

9. Disciplinary Action

Non-compliance with either the letter or spirit of Waystone policies may result in disciplinary action against an employee or employees, including, but not limited to: mandatory retraining, reduction in or loss of contingent employee benefits, and/or termination. The level of disciplinary action that may result is dependent on a number of factors, including: the severity of the event, whether the non-compliance was wilful or accidental, and the willingness of the relevant parties to engage in transparent and efficient escalation and correction of the matter.

It is the responsibility of all employees to remain aware of and follow WIM's Policies and Procedures, and to escalate any incidents of non-compliance to their relevant supervisor and/or Risk or Compliance as the second line of defence.

10. Policy Review Frequency and Ownership

As per the Waystone Group Policy on the Use of Policies and Procedures, all Policies of WIM are subject to at least annual review and approval by the Board of Directors.