

Miton Asset Management Limited Order Execution Policy

1. General information about this policy

Background

- 1.1 Miton Asset Management Limited ("**Miton**") manages portfolios of investments on a discretionary basis for investment funds and managed account clients (together, "**clients**"). Miton is authorised and regulated by the Financial Conduct Authority ("**FCA**") and is an investment firm subject to the requirements of the FCA Rules that implement the Markets in Financial Instruments Directive ("**MiFID**").
- 1.2 As a portfolio management firm, Miton makes, and then gives effect to, decisions to deal in financial instruments on behalf of its clients. There are two methods of giving effect to those decisions that are distinguished for the purposes of the FCA Rules that implement MiFID. First Miton can place an order with a third party (e.g. a broker or investment bank) for that third party to execute on behalf of the client. Such third parties are referred to in this policy as "**Brokers**". Secondly, Miton can execute the relevant transaction on behalf of the client directly with a counterparty or on an exchange or other trading system (for example, by dealing directly with a market maker on a "request for quote" basis or by accessing an exchange directly using a direct market access (DMA) system). The counterparty, exchange or trading system with whom Miton chooses to execute such a transaction is referred to in this policy as an "**Execution Venue**".

Miton's Core Best Execution Obligations

- 1.3 As a portfolio management firm, Miton is (under the FCA Rules that implement MiFID) required *inter alia*:
- to act in accordance with the best interests of its clients when placing orders with Brokers for execution that result from decisions by Miton to deal in financial instruments on behalf of those clients;
 - to take all reasonable steps to obtain the best possible result for its clients, when directly executing orders with or on an Execution Venue on behalf of its clients;
 - in order to comply with the above obligations, to take all reasonable steps to obtain the best possible result for its clients, taking into account the "**execution factors**" specified by MiFID, being price; costs; speed; likelihood of execution and settlement; size; nature; or any other consideration relevant to the order (including minimising market impact). The relative importance of these factors must be determined by reference to the "**execution criteria**" being:
 - 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 instrument that are subject to the order; and

- the characteristics of the Brokers and/or Execution Venues to which that order can be directed;
- to establish and implement a policy to enable it to comply with the obligation to take all reasonable steps to obtain the best possible result for its client. The policy must identify, in respect of each relevant class of instruments:
 - in the case of orders that Miton places with a Broker for execution, each such Broker. The Brokers identified must have execution arrangements that will enable Miton to comply with its obligations in relation to best execution; and
 - in the case of transactions that Miton itself executes directly on behalf of its clients, the Execution Venues on or with which it executes those transactions. The Execution Venues identified must at least include those that enable Miton to obtain on a consistent basis the best possible result for the execution of client orders;
- to provide appropriate information to its clients on the policy and, for clients for whom Miton effects direct executions, to obtain those clients' consent to the policy;
- to monitor on a regular basis the effectiveness of the policy and, in particular, the execution quality of the Brokers and Execution Venues identified in that policy and, where appropriate, correct any deficiencies; and
- to review the policy annually and whenever a material change occurs that affects Miton's ability to continue to obtain the best possible result for its clients.

The Execution Policy

- 1.4 **This is the policy referred to above which is required by the FCA rules that implement MiFID.** It will not apply to the extent that Miton follows **specific instructions** from a client when placing an order with, or transmitting an order to, another entity for execution. It is likely to be only in rare cases that Miton will receive such "specific instructions" from clients. In general, Miton (as discretionary portfolio manager) will make all dealing decisions itself and will, therefore, control the allocation of orders among brokers and investment banks which are used for execution. Miton will not normally take instructions from clients in that respect.
- 1.5 All Miton employees who are responsible for placing orders with Brokers for execution by those Brokers and/or for directly executing transactions on behalf of clients **must** ensure that any such activities are conducted in accordance with the requirements and guidance set out in this policy.
- 1.6 Miton gives effect to decisions to deal only on behalf of professional clients (as defined in the FCA rules that implement MiFID). This means that Miton is entitled to assess the best possible result for its clients in terms of the various execution factors and not simply on the basis of the total consideration (price and cost). Information on Miton's approach to assessing the relative importance of these factors, in the light of the execution criteria in MiFID, is set out below.
- 1.7 In accordance with the FCA Rules that implement MiFID, Miton has set out in section 2 of this policy the particular Brokers and/or Execution Venues that it uses for the purposes of executing client orders and the process for determining the relative importance that it places on the various applicable execution factors when it executes decisions to deal.

- 1.8 Section 2 of this policy differentiates between five separate categories of financial instrument - equities, debt instruments, units in collective investment schemes, exchange traded derivatives and OTC derivatives (each an “**Instrument Class**”). In relation to each Instrument Class, Section 2 lists the particular Brokers and Execution Venues used by Miton to execute decisions to deal in instruments falling within that Instrument Class and the relative importance of the execution factors in relation to decisions to deal in such instruments.

Placing Orders with Brokers

- 1.9 In choosing the Brokers that appear in Section 2 for a particular Instrument Class, Miton has taken care to select those Brokers that, in Miton’s view, consistently provide a high quality execution service in relation to that Instrument Class, taking account of the relevant execution factors for that Instrument Class. Where Miton places an order with a Broker for execution by that Broker, Miton is not responsible for controlling or influencing the arrangements made by the Broker relating to the execution of that order (e.g. Miton does not control the Broker’s choice of Execution Venues, such as exchanges, multilateral trading facilities or internal dealing facilities). Miton is not required to duplicate the efforts of the Broker to whom an order is passed in ensuring the best possible result. Miton’s obligations are therefore to ensure that the Brokers included in this policy are the ones who will assist it to comply with its best execution obligations (by delivering the best possible result) and that orders are passed to those Brokers in accordance with the policy.

Direct Execution of Decisions to Deal

- 1.10 In choosing the Execution Venues that appear in Section 2 for a particular Instrument Class, Miton has taken care to select those Execution Venues that, in Miton’s view, enable it to obtain on a consistent basis the best possible results for its clients. However, one issue relevant to this selection is that, as a portfolio manager, Miton is not, itself, a member of any exchanges or other trading platforms. However, Miton does use certain direct market access facilities (e.g. trading systems provided by its Brokers that allow it to transact (in the Broker’s name) directly on certain exchanges and/or trading platforms) to effect the execution of trades on behalf of its clients. Consequently, the list of Execution Venues in Section 2 includes the exchanges and trading platforms to which Miton has access via those systems.

Choosing Between Order Placement and Direct Execution

- 1.11 Once Miton has made a decision to deal in a financial instrument on behalf of a client, the relevant portfolio manager or trader will decide whether to place the order with a broker or to attempt to execute the transaction directly. This decision will be made having regard to the relative importance of the execution factors for the Instrument Class in question. For some Instrument Classes, there will be no choice. So, for example, where the financial instrument falls within the OTC Derivatives Instrument Class, the transaction will always be effected by way of Direct Execution. For equities and exchange-traded derivatives transactions, transactions will often be executed by placing an order with a broker who is a member of the relevant exchange (although, in some cases (where relevant exchange rules allow), Miton may (having regard to the execution factors) decide to execute the transaction directly).

Executing/Placing Orders with Execution Venues/Brokers that are not listed in Section 2

- 1.12 Miton employees must not directly execute decisions to deal with an Execution Venue or place orders with a Broker that is not listed in respect of the relevant Instrument Class in Section 2 of the Policy, unless there are exceptional circumstances. Exceptional circumstances might include where Miton wishes to trade in an unusual financial instrument that cannot be

executed with or by one of the Execution Venues or Brokers already listed (either at all or in a manner that would be likely to achieve the best possible result for the client). Any execution of a transaction with an Execution Venue or placing of an order with a Broker that falls outside the list of Execution Venues and Brokers for that Instrument Class must be pre-approved by Miton's Compliance Department. Miton's onboarding procedures for new Brokers and Execution Venues have been amended to include a requirement for them to be assessed in terms of their ability to enable Miton to comply with its obligations under this policy and to be included within the relevant parts of Section 2 before trading with, or on, them can commence.

Monitoring and reviewing this policy

- 1.13 Miton has an obligation to monitor the effectiveness of its order execution arrangements and this policy. This obligation has been incorporated into Miton's general compliance monitoring process.
- 1.14 The monitoring process for equities involves the use of Bloomberg's Transaction Cost Analysis function is used ("**BTCA**"). This function is automatically linked to all equity trades and assesses those trades on a T+1 basis against interval VWAP (i.e. VWAP from first fill to last fill) plus a tolerated slippage, the quantum of which is set dependent on assumed complexity of the relevant order. The Tool has the capability to use other assessment bases such as Arrival Price and post trade reversion but the main measure used for monitoring purposes is interval VWAP.
- 1.15 The exceptions that breach the tolerance rules in BTCA are flagged to the portfolio manager or trader who placed the order who is then asked to provide a reason as to why this trade was not within the tolerance. The provided narrative (for example, that the portfolio manager or trader placed greater importance on an eligible execution factor other than price, such as speed of execution) will then be reviewed by the Head of Execution/Trading Desk Manager who will satisfy himself or herself that the provided narrative is acceptable (and that best execution, taking into account that execution factor was, in fact obtained).
- 1.16 The monitoring process for Instrument Classes other than equities involves a periodic review by the Head of Compliance of a random sample of transactions to ascertain whether the best possible result was obtained in respect of those transactions. For transactions where price was the most important execution factor, this will involve a review of prices that were available at the time of execution. Where better prices than the price obtained were available, compliance will discuss this with the relevant member of staff who effected the transaction and determine whether, bearing in mind the other factors that the trader considered to be of importance (e.g. size and nature of order) at the time, the best result was nevertheless achieved. Where another execution factor was the most important (e.g. speed of execution), compliance will consider whether the best possible result was achieved in terms of that factor and again whether, bearing in mind the other factors that the trader considered to be of importance at the time (e.g. price, size and nature of order), the best result was nevertheless achieved.
- 1.17 If the Head of Compliance concludes that the best possible result was not achieved, compliance will also record (if applicable) whether this was because the relevant Member of Staff failed to follow this policy (e.g. using a Broker or Execution Venue that is not listed for the relevant Instrument Class) or because of a deficiency in this policy (e.g. the track record of the relevant Broker or Execution Venue indicates that it should no longer be included in it). The Head of Compliance may make changes to this policy depending upon the outcome of the monitoring process.

Review of policy

- 1.18 At least annually, Miton will review this policy and its execution arrangements. The review will focus on whether Miton would obtain better results for its clients if it was to:
1. include additional or different Execution Venues or Brokers (for the relevant Instrument Class);
 2. assign a different relative importance to the execution factors (for the relevant Instrument Class); or
 3. modify any other aspects of this policy and/or its execution arrangements.
- 1.19 Miton 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.
- 1.20 The review will be conducted by Miton's Broker Oversight Committee with input and assistance from the Head of Compliance. In conducting the review, the Broker Oversight Committee will take into account management information from the BTCA about the comparative performance of the Brokers and Execution venues used by Miton.

Client notification/consent requirements

- 1.21 Miton has an obligation to provide its portfolio management clients with appropriate information on this policy. In order to comply with this obligation, Miton has sent its portfolio management clients a summary of this policy. Note that this obligation only applies to the clients themselves – so, for example, where Miton manages the assets of a fund, the requirement to notify is limited to sending the summary of this policy to the governing body of the fund (not the underlying investors).
- 1.22 To the extent that Miton effects direct executions on behalf of a portfolio management client, it will also have an obligation to obtain the client's consent to this policy. Miton has evidenced this consent by including within its investment management agreements with those clients a summary of this policy within the agreements and a provision pursuant to which the client consents to this policy. Additionally, to the extent that Miton effects direct executions of transactions on behalf of clients in instruments that are admitted to trading on a regulated market or multilateral trading facility but executes those transactions outside of a regulated market or regulated multilateral trading facility, it needs to obtain its clients' consent to this. Again, Miton has evidenced this consent by including within its investment management agreements with its clients a provision pursuant to which the clients give that consent.
- 1.23 To the extent that Miton makes any material changes to this policy (whether pursuant to the review process or otherwise), it is obliged to notify the changes to its clients. The Head of Compliance will ensure that such notifications are made.

2. Detailed requirements of this policy for each Instrument Class

2.1 Equities and equity like instruments

This Instrument Class includes equities, warrants and depositary receipts and includes when Miton arranges the hedge for an equity CFD.

The firm uses the following Brokers and Execution Venues in respect of transactions in financial instruments falling within this Instrument Class:

Europe

Arden Partners
Autonomous Research LLP
Baden Hill
Bank of America Merrill Lynch
Barclays Capital
Bloomberg Tradebook Europe Limited
Canaccord Genuity Limited
Cantor Fitzgerald Europe
Cenkos Securities PLC
Charles Stanley (can we still deal with them)
Citigroup Global Markets Limited
Credit Suisse Securities (Europe) Limited
Davy Stockbrokers
Edmond De Rothschild
Finncap Limited
Fiske PLC
Goodbody Stockbrokers
Instinet Europe Limited
Investec Bank PLC
Jefferies International Limited
JP Morgan Chase Bank
Liberum Capital Limited
Liquidnet Europe Limited
Macquarie Bank Limited
Mirabaud Securities
Morgan Stanley & Co Intl PLC
Natixis
Northland Capital Partners Limited
Nplus 1 Singer Capital Markets Limited
Numis Securities Limited
Panmure Gordon (UK) Limited
Peel Hunt LLP
RBC Europe Limited
Redburn (Europe) Limited
Sanlam Securities UK Limited
Shore Capital Stockbrokers Limited

	Stifel Nicolaus Europe Limited
	UBS Limited
	Winterflood Securities Limited
Pan-Europe	Autonomous Research LLP
	Bank of America Merrill Lynch
	Barclays Capital
	Bloomberg Tradebook Europe Limited
	Citigroup Global Markets Limited
	Credit Suisse Securities (Europe) Limited
	Instinet Europe Limited
	Investec Bank PLC
	JP Morgan Chase Bank
	Liberum Capital Limited
	Liquidnet Europe Limited
	Macquarie Bank Limited
	Morgan Stanley & Co Intl PLC
	Natixis
	Numis Securities Limited
	RBC Europe Limited
	Redburn (Europe) Limited
	Stifel Nicolaus Europe Limited
	UBS Limited
North America	Bank of America Merrill Lynch
	Bloomberg Tradebook Europe Limited
	Citigroup Global Markets Limited
	Deutsche Bank Securities Inc.
	Instinet Europe Limited
	JP Morgan Chase Bank
	Morgan Stanley & Co Intl PLC
	Oppenheimer Holdings
	Piper Jaffray
	Raymond James Financial
	Robert W Baird & Co
	Sidoti & Co
	Stephens
	Stifel Nicolaus Europe Limited
	UBS Limited
Pan-Asia	Bank of America Merrill Lynch
	Instinet

The majority of equities transactions would be effected by passing an order to a relevant Broker rather than executing directly on or with an Execution Venue.

The most important execution factor for all trades in this Instrument Class is likelihood of settlement (because of the associated settlement risk (and resultant counterparty risk)).

However, the above list of brokers is felt to contain only brokers who present an acceptable low level settlement/counterparty risk.

The next most important execution factor (and the one that will, under normal circumstances, primarily be used to determine the choice of Broker or Execution Venue) is price. Other execution factors, in particular, cost, size of order and speed of execution are permitted to be taken into account at the discretion of the relevant portfolio manager or trader 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). The portfolio manager or trader is not required to make a record of the execution factors that were taken into account in respect of each individual transaction (although may, of course, choose to do so).

Where the order is to be passed to a Broker for execution, the portfolio manager or trader will select a Broker from among the list above that, in portfolio manager/trader'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, Miton makes use of limit orders to ensure that its orders are executed at desirable prices.

Where the order is to be executed directly with an Execution Venue, the portfolio manager or trader will usually check prices quoted by/available on at least two of the Execution Venues listed above. For larger orders, the portfolio manager/trader may consider that the minimisation of market impact will have greater importance. Where minimisation of market impact is taken into account in this manner, such orders may be split among multiple brokers.

2.2 **Fixed income/credit securities**

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 and includes repo and reverse repo transactions in relation to debt instruments.

Miton has arrangements with the following Execution Venues in relation to the execution of transactions in financial instruments falling within this Instrument Class.

Execution Venues	JP Morgan Chase Bank
	Morgan Stanley & Co Intl plc
	Citigroup Global Markets Limited
	Bank of America Merrill Lynch
	Deutsche Bank Securities
	Investec Bank
	Canaccord Genuity Limited

Note that relationships with some of these Execution Venues have been established only for a particular client or clients and so they may not be available for all clients. Any decision to execute or place an order with a particular Execution Venue or Broker on behalf of a client will be made from the available pool of Execution Venues/Brokers for that client.

The most important execution factor for all trades in this Instrument Class is likelihood of settlement (because of the associated settlement risk (and resultant counterparty risk)). However, the above list of brokers is felt to contain only brokers who present an acceptable low level settlement/counterparty risk.

The next most important execution factor (and the one that will, under normal circumstances, primarily be used to determine the choice of Execution Venue) is price. Other execution factors, in particular, cost, size of order and speed of execution are permitted to be taken into account at the discretion of the relevant portfolio manager or trader 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). The portfolio manager or trader is not required to make a record of the execution factors that were taken into account in respect of each individual transaction (although may, of course, choose to do so).

Where the order is to be executed directly with an Execution Venue, the portfolio manager or trader will usually check prices quoted by/available on at least [two] of the Execution Venues listed above. For larger orders, the portfolio manager/trader may consider that the minimisation of market impact will have greater importance. Where minimisation of market impact is taken into account in this manner, such orders may be split among multiple brokers.

In certain circumstances, transactions may be initiated by the Execution Venue (e.g. by a dealer approaching Miton with an opportunity) rather than by Miton. In these circumstances, particularly where speed of execution, certainty of execution or market impact are perceived to be important execution factors, it will not always be desirable to check the available price against alternative sources and the portfolio manager or trader is permitted to deal with the Execution Venue that has approached it.

2.3 **OTC Derivatives**

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 but excludes equity CFDs).

Miton 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.

Trading derivative contracts off-exchange will be effected by Miton with Execution Venues that act as principal under master derivatives documentation such as ISDA master agreements. All such transactions are effected on a request-for-quote or negotiated deal basis. Miton has established appropriate master documentation with the following Execution Venues in relation to which, it will trade the following types of derivative contract.

Types of investment**Execution Venues**

Foreign currency forwards

Bank of New York Mellon

Note that relationships with some of these Execution Venues have been established only for a particular client or clients and so they may not be available for all clients. Any decision to execute with a particular Execution Venue on behalf of a client will be made from the available pool of Execution Venues for that client.

The most important execution factor for all trades in this Instrument Class is likelihood of settlement (because of the associated settlement risk (and resultant counterparty risk)). However, the above list of brokers is felt to contain only brokers who present an acceptable low level settlement/counterparty risk.

The next most important execution factor (and the one that will, under normal circumstances, primarily be used to determine the choice of Execution Venue) is price. Other execution factors, in particular, cost, size of order and speed of execution are permitted to be taken into account at the discretion of the relevant portfolio manager or trader 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). The portfolio manager or trader is not required to make a record of the execution factors that were taken into account in respect of each individual transaction (although may, of course, choose to do so).

Where the order is to be executed directly with an Execution Venue, the portfolio manager or trader will usually check prices quoted by/available on at least [two] of the Execution Venues listed above. For larger orders, the portfolio manager/trader may consider that the minimisation of market impact will have greater importance. Where minimisation of market impact is taken into account in this manner, such orders may be split among multiple brokers.

In certain circumstances, transactions may be initiated by the Execution Venue (e.g. by a dealer approaching Miton with an opportunity) rather than by Miton. In these circumstances, particularly where speed of execution, certainty of execution or market impact are perceived to be important execution factors, it will not always be desirable to check the available price against alternative sources and the portfolio manager or trader is permitted to deal with the Execution Venue that has approached it.

2.4 **Exchange-traded derivatives**

This Instrument Class covers exchange-traded futures and options contracts and exchange traded contracts for differences.

Miton invests in exchange-traded derivative instruments to hedge against market risk or to gain exposure to an underlying asset.

Miton has established exchange traded derivatives execution relationships with the following Brokers and Execution Venues in relation to which, it will trade the following types of exchange-traded derivatives contracts:

Type of Investment	Execution Broker
Exchange Traded Options	GFI RBC Europe Limited

Note that relationships with some of these Brokers/Execution Venues have been established only for a particular client or clients and so they may not be available for all clients. Any decision to execute with a particular Broker/Execution Venue on behalf of a client will be made from the available pool of Brokers/Execution Venues for that client.

The majority of exchange-traded derivatives transactions will be effected by passing an order to a relevant Broker.

Exchange Traded Derivatives are settled using a Central Clearing Counterparty which reduces any concerns on the factor regarding the likelihood of settlement therefore the most important execution factor (and the one that will, under normal circumstances, primarily be used to determine the choice of Broker or Execution Venue) is price. Other execution factors, in particular, cost, size of order and speed of execution are permitted to be taken into account at the discretion of the relevant portfolio manager or trader 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). The portfolio manager or trader is not required to make a record of the execution factors that were taken into account in respect of each individual transaction (although may, of course, choose to do so).

Where the order is to be passed to a Broker for execution, the portfolio manager or trader will select a Broker from among the list above that, in portfolio manager/trader'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, Miton makes use of limit orders to ensure that its orders are executed at desirable prices.

Where the order is to be executed directly with an Execution Venue, the portfolio manager or trader will usually check prices quoted by/available on at least two of the Execution Venues listed above. For larger orders, the portfolio manager/trader may consider that the minimisation of market impact will have greater importance. Where minimisation of market impact is taken into account in this manner, such orders may be split among multiple brokers.

2.5 **Collective Investment Schemes**

For the vast majority of CISs there is no secondary market and it is almost invariably the case that Miton will place an order for the purchase or sale of units with the operator or manager or administrator of the fund. The "Broker" or "Execution Venue" for such transactions would therefore always be the operator/manager/administrator (as appropriate). 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. For exchange traded funds, the approach taken by Miton in selecting a Broker or Execution venue will be the same as the approach that it takes in relation to equities and equity like instruments.