

# **iFunds Asset Management Ltd (iFunds)**

## **Best Execution Policy**

### **Introduction**

When managing our funds and client portfolios, iFunds places trades with counterparties who in turn execute the trades on our behalf. In accordance with our regulatory duties, iFunds are required to take all sufficient steps to obtain, when executing orders, the best possible results for its clients taking into account the execution factors. To do this, iFunds considers carefully where to place trades with counterparties and this policy sets out how we do this.

All orders are placed in accordance with this Best Execution Policy and in accordance with the best execution rules of the Financial Conduct Authority (FCA). All orders are placed as soon as possible during normal market hours with the relevant broker or platform. iFunds will keep a record of every order and transaction for at least five years.

### **Best execution criteria**

When placing a client order, the firm takes into account the following criteria for determining the relative importance of the execution factors set out in the following section:

- 1) The characteristics of the client including the categorisation of the client as a retail or professional
- 2) The characteristics of the client order
- 3) The characteristics of the financial instruments that are the subject of that order and
- 4) The characteristics of the execution venues to which that order can be directed.

### **Execution factors**

The FCA requires iFunds to consider a number of execution factors. The factors and their importance are as follows:

#### **1. Price**

Price normally will be the most significant factor in obtaining the best possible outcome for clients. However, in some circumstances, we may determine that other execution factors are more important than price in obtaining the best possible outcome.

#### **2. Cost**

In order to calculate the overall price, iFunds will look at the 'total consideration'. This is the price of the financial instrument together with the costs related to execution, which include all expenses incurred by the client which are directly related 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.

#### **3. Size and speed**

The market may be quoting a price that represents trading in a particular size but this may not be the size that iFunds wishes to trade in. Large size orders through a platform may be given to a broker to negotiate and execute. It can also be important, particularly when trading for the funds, that buy and sell orders are executed at the same time to ensure settlement proceeds are available to meet new purchases.

#### 4. Likelihood of execution and settlement

Transactions in quoted shares, ETFs and AIM-listed shares are settled through the CREST clearing system and as such, iFunds does not regard the likelihood of settlement as relevant to its execution policy.

#### 5. Specific instructions

Where we have been provided with specific instructions from Execution Only clients regarding an order we will place the order in accordance with those specific instructions. This may prevent us from taking the steps set out in this execution policy to obtain the best possible result in respect of all, or part of, the transaction covered by the special instructions.

#### 6. Execution venues

iFunds currently place trade orders with Crossflow Financial Advisors GmbH (Crossflow) in respect of the VT iFunds Absolute Return Funds (Orange, Green and Indigo), the Marlborough ETF Global Growth Fund and the Marlborough ETF Commodity Fund. We have a copy of Crossflow's Best Execution policy which can be made available on request.

If Crossflow are unavailable, or if we consider that a better deal might be obtained through it, we can also use the Tradeweb platform to execute our deals.

In managing the discretionary portfolios of clients, iFunds place trade orders with the Raymond James Investment Services (RJIS) dealing desk to implement the agreed investment model or strategy. The RJIS best execution policy can be found at <https://www.raymondjames.uk.com/legal-regulatory/execution-policy/>

Although ultimate responsibility for executing the orders rests with Crossflow and RJIS, iFunds still have an obligation when placing orders to obtain the best possible outcome on behalf of our clients.

(There are a small number of portfolios on the HSBC and Transact platforms where iFunds may place orders to deal but these portfolios only hold shares or units in OEICs or Unit Trusts. HSBC and Transact will deal directly with the individual fund managers who calculate the price of the deal based on the value of the underlying assets on that day).

In the unlikely event that iFunds were to execute orders directly, trades will be executed on a venue that is an EU Regulated Market (RM) or Multilateral Trading Facility (MTF – a system that brings together multiple parties such as retail investors or other investment firms and enables them to buy and sell financial instruments). If this is not the case iFunds will obtain the agreement of the client before placing any order.

### **Monitoring and review**

In order to meet iFunds regulatory duties to ensure the best outcome for our clients, we undertake an ongoing analysis of the quality of execution provided by the counterparties with whom we place orders.

In respect of the OTC trades carried out by Crossflow, iFunds compare the price obtained with the order book on the exchange at the time that the deal was carried out. A report is provided by Crossflow and independently checked against a screenshot from Sharescope at the time the deal was instructed.

iFunds will from time to time, and no less frequently than annually, review the best execution policies of Crossflow and RJIS to ensure they remain appropriate to our clients.

In the case of RJIS, it is usually the decision of the financial adviser, in conjunction with the client, to use RJIS's platform for managing the client's investments. If we identify any issues or concerns with RJIS's best execution policy, we will notify these issues to the financial adviser as a factor they should take into account when recommending to their client whether they should continue to use the RJIS platform.

For any Execution Only clients with RJIS we will notify the client direct should we identify any issues so that the client can consider whether they wish to move their investments to an alternative platform or provider.

We will review this Best Execution policy on an annual basis. Should a material change occur that affects our ability to continue to obtain the best possible outcome for our clients, we will update our policy by posting a revised version on our website.

**iFunds Asset Management Ltd**

**11<sup>th</sup> February 2019**