

Best Execution Policy



BEST EXECUTION POLICY

Legislation

The Markets in Financial Instruments Directive (“MiFID”) and the rules of The Financial Conduct Authority (FCA) require Hubwise to establish and implement an order execution policy imposing on it the duty to obtain the best possible result for both retail and professional Clients when executing their orders or receiving and transmitting orders for execution where such orders relate to Securities and Funds (“Financial Instruments”). The purpose of this document, known as Hubwise’s “Best Execution Policy”, is to provide Platform users (Clients) with information on its execution policy and to obtain consent to the policy.

This policy document should be read in conjunction with the Hubwise Terms and Conditions and its Conflict of Interest Policy.

Orders

“Order” means an instruction to buy or sell a Financial Instrument which is accepted by Hubwise for execution or transmission to a third party and which gives rise to contractual or agency obligations to Clients.

Implicit in the instruction received will be the understanding that Clients are relying on Hubwise to protect their interests in relation to the pricing or other aspects of the transaction that may be affected by how Hubwise or the entity to which Hubwise transmits the order, executes the order. This includes where a trade is not immediately executable, where Hubwise are given discretion as to the manner of execution, exact terms of the transaction and where the trade can be executed and booked to Clients’ account without the need for further reference, or where Hubwise executes an order as agent on a Clients’ behalf.

Scope and Best Execution

Hubwise will have in place a policy and procedures which are designed to obtain the best possible result, subject to and taking into account the nature of Clients orders, the priorities Clients place upon Hubwise in filling those orders and the market in question and which provides, in its view, the best balance across a range of sometimes conflicting factors.

In the absence of specific Client instructions, Hubwise will take into account various execution factors whilst taking all reasonable steps to obtain the best possible result.

A combination of the following execution factors will be considered for the purpose of providing Clients with “Best Execution”: -

- Price;
- Costs in providing the total execution;
- Timely execution;
- Financial status, responsibility and solvency of the counterparty;
- The characteristics of the Client including the categorisation of the Client as retail or professional;
- The quality and efficiency of the settlement process post execution;
- Execution capability and settlement;
- Size, nature and type of the order;
- Market impact of the transaction

For Hubwise Clients price and speed to market will normally be the most important aspects in obtaining the best possible result unless they specify at the time of dealing that another factor is of greater importance.

Quality of Execution

Hubwise will determine the relative importance of the execution factors by using its industry experience, expertise and judgement in light of available market information with the prime aim of prompt, fair and expeditious execution of trades. This applies to all types of Financial Instrument dealt.

Hubwise’s commitment to provide Clients with “Best Execution” does not mean that it owes Clients any fiduciary responsibilities over and above the specific regulatory obligations placed upon it or as may be otherwise contracted between it and Clients.

Execution

Hubwise will execute Clients’ orders having identified those venues on which Hubwise will most regularly seek to execute such orders and which Hubwise believe offer the best prospects for affording Clients’ Best Execution.



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Hubwise will also assess, on a regular basis, the quality of execution afforded by those venues on which it executes Clients' orders and whether it needs to change its execution arrangements.

In providing Clients with Best Execution, Hubwise's policy is, so far as possible and subject to the processes set out below, to exercise the same standards and operate the same processes across all the different Markets on and Financial Instruments in which it executes orders.

However, the diversity in those Markets and Financial Instruments and the kind of orders that Clients may place means that different factors will have to be taken into account when Hubwise assess the nature of its execution policy in the context of different Financial Instruments and different Markets. For example, there is no formal Market or settlement infrastructure for over-the-counter (OTC) transactions. In some Markets, price volatility may mean that the timeliness of execution is a priority, whereas, in others that have low liquidity, the fact of execution may itself constitute Best Execution. In other cases, Hubwise's choice of venue may be limited (even to the fact that there may only be one venue upon which it can execute Clients' orders) because of the nature of Clients' orders or of Clients' requirements.

Model Investments and Portfolio Rebalancing

Once a Fund instruction has been submitted to Hubwise via the Online Trading Service (OTS) the initial trades will be aggregated and transmitted electronically in order to achieve the next available execution point. Where a deal cannot be completed via automatic or electronic means it will be manually completed by Hubwise or its agents.

Model investments are dependent on the underlying account meeting the requirements for trading and that cleared funds are available subject to the Platform's buying power calculations. If this is not the case the order instruction will be held for review the following day.

The cut off for receipt of model investments via the platform is 10.00am each working day. Orders received after this point may be transmitted the following day.

Implicit in the instruction received will be the understanding that Clients are relying on Hubwise to protect their interests in relation to the pricing or other aspects of the transaction that may be affected by how Hubwise or the entity to which Hubwise transmit the order executes the order.

This includes where a trade is not immediately executable, where Hubwise are given discretion as to the manner of execution and exact terms of the transaction and where the trade can be executed and booked to a Client's account without the need for further reference to Clients, or where Hubwise execute an order as agent on the Clients' behalf.

Any purchase trade dependent on sale proceeds will be executed when sufficient cash is available which may take place over a number of days, dependent on settlement periods. Longer timeframes may be experienced if the model includes the below:

- Large volumes/ values of Client trades submitted (i.e. >£50,000).
- Securities with non-standard dealing points (weekly, monthly, yearly etc.).
- Funds requiring a notice period.
- Listed Securities where there is insufficient liquidity to execute immediately and subsequently needs to be worked in the market for an extended period of time.
- Mutual Funds whereby Hubwise do not have an account opened at the Fund Managers Transfer Agent.

Subsequent purchases will then be released in line with settlement periods to ensure the Client's cash is being fully utilised and trades funded sufficiently.

MiFID II Class of Financial Instrument

Equities (Tick size bands 1 – 6) & Bonds

All UK Equity trades will be routed electronically in the first instance to a Retail Service Provider (RSP) subject to limits both in monetary value and Normal Market Size (NMS) relative to their market listing. These limits are in place to ensure the order is appropriate for a RSP and to ensure minimum market impact. Should the order size/ value be outside of these pre-set limits or the price returned from the RSP is outside of the current best BID/ ASK spread then the order will not be executed and move to an exceptions queue.



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Hubwise's Agents will be alerted to an exception immediately and fully review the order as part of pre-trade checks to establish liquidity, Average Daily Volume (ADV) etc. of the order, if they deem there to be sufficient liquidity or liaise with its range of Counterparties to obtain Best Execution as per above factors.

Exchange Traded Products (ETF's and ETN's)

Exchange Traded Products are quoted via the RSP by using the above limit rules. If, however, the Instrument is not available via the RSP network Hubwise will send the order via the Direct Market Access route directly to an appropriate order book of an exchange.

Execution Venues

Hubwise have access to a range of execution venues either directly or via approved counterparties in order to facilitate Best Execution for its Client orders. Counterparties are reviewed regularly by compliance to ensure Hubwise have sufficient relationships and coverage across all asset classes to provide Best Execution, which could lead to the addition of further Counterparties.

Hubwise will execute its Client orders on an agency basis using the following methods or a combination of:

- Regulated Markets (RE)
- Multilateral Trading Facilities (MTF)
- Organised Trading Facilities (OTF)
- Systematic Internaliser (SI)
- Other liquidity providers including Market Makers/Retail Service Providers (RSPs) or any other EEA approved liquidity provider
- Any other relevant execution venue

Execution Venues (via DMA service provider (3) or direct Hubwise membership (1))

- Bank of America Merrill Lynch Broker Crossing Network (MLXN)
- BATS Europe (BATE)
- BATS Europe Dark Order Books (BATD)
- Bolsa De Madrid (XMAD)
- Borsa Italiana S.P.A. (XMIL)
- CHI-X Dark (CHID)
- CHI-X Europe (CHIX)
- Credit Suisse AES Crossfinder (CAES)

- Deutsche Börse Xetra (XETR)
- Euronext Amsterdam (XAMS)
- Euronext Paris (XPAR)
- JMPX (JPMX)
- London Stock Exchange (XLON) (1)
- MS Pool ATS (MSPL)
- Posit (XPOS)
- SIX Swiss Exchange (XSWX)
- Turquoise Dark (TRQM)
- Turquoise Services (TRQX)
- UBS MTF (XUBS)

Counterparties utilised on the LSE via RSP Network (current as of date of this policy)

- Shore Capital
- Winterflood Securities
- Cantor Fitzgerald
- Royal Bank of Canada
- Numis Securities Limited, London
- Peel Hunt
- Virtu (formerly Knight Securities)

We also engage with Stifel Nicolaus Europe Limited as both Counterparty and as DMA and Cannacord, Investec and Susquehanna.

Hubwise will review these counterparties every six months for all MiFID II Class of Financial Instruments. Other counterparties may be used on the London Stock Exchange outside of the RSP Network as Hubwise or their agents deem appropriate.

Hubwise will never deal on its own account and therefore will never quote a price to a Client, again removing any conflict of interest when achieving Best Execution.

For UK equities Hubwise will normally use on-line dealing systems where the order is for standard settlement, or non-standard settlement where the venue is offering to deal.



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Overseas Securities

Wherever possible Hubwise will use a UK based entity quoting and dealing Securities in Sterling (GBP) as speed of execution may be more advantageous than price. Where, however, a better overall result would ensue under Best Execution Hubwise will use an approved and regulated foreign entity for the execution of orders.

Specific Instructions

If Clients have given instructions that price is not the most important factor in executing instructions, Hubwise will make every effort to comply with such instructions but cannot guarantee this. This may be due to either the nature of the order, or the type of Financial Instrument Clients wish to trade in. Hubwise will make all decisions as to where orders are placed in relation to the Execution Venue – it will therefore not accept specific instructions from Clients regarding the venue where an order is executed. In executing specific instructions, Hubwise may not be able to apply the methods of Best Execution set out in this policy.

Limit Orders / Types of Orders

Hubwise do not accept limit orders or stop orders.

Charges

It is Hubwise's policy that its commission and charging structure will not influence either the selection of Execution Venues or the order flow that follows as a result of the execution process. Hubwise will not therefore discriminate between the Execution Venues it uses to execute Client orders.

Use of Third Parties

Hubwise is classed as a 'Professional Client' with all counterparties and are not subject to Third Party Best Execution rules. The Client will therefore rely on Hubwise's own monitoring as per this Best Execution Policy which is overseen by the Best Execution committee.

Crossing Trades

In the event that Clients wish to execute opposing (i.e. buy/sell) transactions in the same security Hubwise's standard policy will be to execute these transactions in the market at the minimum possible cost to each Client and with the constant principle that the price achieved will be fairer to each participant in the transaction.

This policy will ensure that the transactions are executed at arms' length and with appropriate price discovery and transparency.

Funds Dealing (including Unit Trusts and OEICs – domiciled in the UK and offshore)

The price of the fund is based on the value of the underlying assets. Hubwise undertakes to make all sufficient efforts to execute all orders received up to one hour prior to the fund dealing cut-off time, wherever it has electronic order-routing in place.

For those instructions received after the Platform's cut-off and for any Funds which require manual dealing, orders will be placed prior to the next available dealing cut-off time, on a best endeavours basis.

Monitoring and Review of Our Execution Policy

Hubwise will have appropriate controls and procedures in place to give reasonable assurance that it is obtaining the best possible results for Clients when executing orders. These processes will be periodically monitored by Hubwise's Compliance Department.

Hubwise will review this Execution Policy and its order execution arrangements regularly by the Best Execution Committee and whenever a material change occurs that affects its ability to continue to obtain the best possible result for its Clients.

Hubwise will regularly assess the Execution Venues available in respect of any products that it trades to identify those that will enable it, on a consistent basis, to obtain the best possible result when executing orders. The list of Execution Venues will then be updated, where necessary, following such assessment.

The most recent version of Hubwise's Best Execution Policy, including any future amendments, will be available from its website: www.Hubwise.co.uk.

Where the order is for non-standard settlement and it is not possible to deal on-line Hubwise will execute the order by telephone, which may result in a delay in completing the order. Where the size of the order is higher than the normal market size and Hubwise are unable to deal on-line Hubwise will then revert to telephone dealing systems in order to achieve the best possible result. In the event of any downtime in Hubwise's electronic systems, or in extreme volume and volatility situations, automated trading solutions and/or electronic routing may be suspended in favor of manual execution.

Hubwise will use its reasonable endeavors, under those conditions to execute Clients' orders as quickly as is possible.



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For collective investment schemes, domiciled in the UK and offshore, Hubwise will deal directly with the Fund Manager or their designated Transfer Agent or Allfunds Bank.

On a yearly basis, Hubwise will publish its Top 5 Venues (Counterparties) on its website as per MiFID II rules: www.Hubwise.co.uk.

Executing Clients' Order

In executing Clients' orders, Hubwise:

- Will not trade as Principal;
- Will always trade as an Agent.
- May deal on a NET basis with due consideration given to the overall outcome.
- Will apply a range of criteria when determining which counterparties it deals with including the overall level of service delivered.

Such considerations under COBS Inducement rules will not affect Hubwise's principal objective to achieve the best possible price. Hubwise will not receive any remuneration, discount or non-monetary benefit for routing Client orders to a particular trading venue.

Client express instructions

Hubwise will transact orders or transmit orders for execution in accordance with express instructions from Client's Advisers or Discretionary Managers. These transactions may not specifically meet Hubwise's Best Execution considerations but will be deemed to achieve the best possible result for Clients and is therefore in compliance with MiFID requirements.

Orders with Client conditions attached will be executed in compliance with MiFID requirements and, as far as possible, Client requirements as long as the overriding responsibility to achieve the best possible result for Clients is not compromised.

Derivatives

For traded options, Contracts for Difference (CFDs), Foreign Exchange and Spread bets, orders are dealt via Hubwise's preferred providers which will be agreed with Clients.

Monitoring

Hubwise will monitor the quality of its Best Execution Policy and order execution arrangements, in a manner appropriate to each asset class, annually prior to the 31st January each year. Any deficiencies to its policy will be identified and where appropriate, corrected.

In addition, a review will also be carried out if a material change occurs that affects Hubwise's ability to continue to obtain the best possible result for Client orders on a consistent basis using the venues listed above.

Any changes to the policy as the result of a material change will be notified to Clients and the updated Policy will be effective within 1 month following completion of the review.

Aggregation and allocation

Hubwise maintain policies surrounding the aggregation of orders within its operating procedures. Comparable orders are in general executed in bloc format if the orders are generated simultaneously and allocated in line with its fair allocation procedures.

Clients' Consent

Hubwise are required to obtain Clients' prior consent to this policy. By giving Hubwise an order, Clients will be deemed to have given consent to this policy.

Glossary

Retail Service Provider (RSP): RSP network provides access to price quotation and automated trading services for intermediaries servicing the retail investor market.

Average Daily Volume (ADV): The average daily volume is the amount an individual security is traded in a day on average over a specified period of time. Trading activity relates to the liquidity of a security when average daily trading volume is high, the stock can be easily traded and has high liquidity.

Normal Market Size (NMS): The maximum number of shares in a listed company that can be traded in a single transaction at the price quoted by the market maker. The normal market size is normally set at 2.5% of the total volume of shares for a given company. This stops very large trades from affecting the share price as market makers are not obliged to provide quotes for transactions which fall outside of the normal market size.



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Market Maker (MM): A brokerage or bank that maintains a firm Bid and Offer price in a given security at publicly quoted prices (called making a market). These firms display Bid and Offer prices for specific numbers of specific Securities. Market Makers are very important for maintaining liquidity and efficiency for the particular Securities that they make markets in.

Bid/Offer "Spread": A bid/offer spread is the amount by which the offer price exceeds the bid price for an asset in the market. The bid/offer spread is essentially the difference between the highest price that a buyer is willing to pay for an asset and the lowest price that a seller is willing to accept to sell it.

DMA: Direct Market Access to the LSE Order Book.

Regulated Market or Regulated Investment Exchange (RIE): Is a multilateral trading facility operated by a market operator in the EEA, such as the London Stock Exchange, that brings together multiple third parties buying and selling interests in Financial Instruments where the instruments traded are admitted to the market, according to its rules and systems.

Multilateral Trading Facility: A multilateral system operated by an investment firm or market operator which brings together multiple third-party buyers and sellers in Financial Instruments and which is subject to nondiscretionary rules.