

## **MARLBOROUGH INVESTMENT MANAGEMENT INTERNATIONAL (MIMI) ORDER EXECUTION POLICY**

This document sets out the Execution Policy and approach to providing best execution, as required under the Markets in Financial Instruments Directive II (MiFID II). Under MiFID II, MIMI is required to establish and implement a best execution policy and is required to take all sufficient steps to obtain the best possible result when executing orders on behalf of clients, taking into account the criteria and factors set out below and subject to any specific instructions given by our clients

### **Scope and Best Execution**

Best execution under MiFID applies to professional and retail clients and to all financial instruments dealt in the course of carrying out investment management business in the EU.

MIMI places a significant level of reliance on executing brokers to comply with its own best execution obligations. However, MIMI is responsible for elements of execution where it has exercised discretion. Brokers are contractually obliged to provide best execution and MIMI routinely monitors the performance of those brokers utilised.

This policy applies to all clients of MIMI Ltd.

### **Execution Factors**

In achieving best execution, we consider a number of factors, including but not limited to:

- Price, meaning executed prices of transactions
- Costs, meaning fees, commissions and implicit costs such as market impact
- Speed, meaning the time taken to execute the order
- Likelihood of execution, meaning the likelihood of completing the transaction
- Size and nature of the order
- Any other consideration relating to the execution of the order

Some of these factors are more important than others when executing a particular order and each order is considered independently with regard to the criteria above.

### **Execution Venues**

This policy limits the venues with whom MIMI will transact orders to those that are regulated by a local state or national regulator. MIMI will review its venues annually (or whenever a material change occurs to the process) to ensure they are appropriate and in accordance with best execution policy. When choosing execution venues, MIMI will focus on quality of execution available, costs and venues that have appropriate systems in place to enable the delivery of best execution to the satisfaction of MIMI.

For the majority of its trading, MIMI will transmit orders to another financial services firm (e.g. a broker) for execution. MIMI may directly execute the order on the following venue types:

- Regulated Markets
- Multilateral Trading Facilities (MTFs)
- Organised Trading Facilities (OTFs)
- Systematic Internalisers (SIs)
- Liquidity Pools
- Third-party investment firms, brokers, market makers or other liquidity providers.

MIMI will take into account different factors to determine the execution venues in order to obtain on a consistent basis the best possible result for the execution of orders.

Respective venues are chosen in regard to the following factors:

- Liquidity and prices: this allows MIMI to select liquid and price-efficient venues. Certain venues may offer prices which improve on those offered by others or they may offer the ability to trade in significant additional size at similar prices.
- Credit and settlement risk: MIMI will, in general, not select a venue if it is not able to determine the obligations to settle a transaction and resolve failed settlement.

- Performance/Infrastructure/Speed/Likelihood of execution: MIMI will monitor the performance of the venue to ensure it is reliable and stable enough for smooth trading. The venue should work in a way that does not hinder best execution.
- Costs: Fees charged by venues are monitored so that costs incurred by clients are considered fair.

During adverse market conditions, we will not always be able to deliver best execution according to the criteria identified above. However, MIMI will endeavour to achieve the best possible result for clients.

### **Transmission of Orders**

In most cases, MIMI will not directly access an execution venue and will not execute a client's order in its own name, but will pass it on for execution to another financial services organisation (e.g. broker). MIMI will provide more detail regarding which financial services companies it has used in the annual top five venues report published on our website.

MIMI will regularly review brokers used to ensure they continue to satisfy the necessary criteria for best execution on an ongoing basis.

See Appendix A of this document for a complete list of those execution venues (brokers) used by MIMI for transacting equities.

### **Record Keeping**

All client trades are to be promptly allocated and accurately recorded and reported for settlement. Records relating to client transactions are kept and stored in accordance with regulatory requirements.

### **Client Specific Instructions**

Specific instructions from a client may prevent MIMI from taking the steps it has designed and implemented in this policy and to obtain the best possible execution of such orders in respect of elements covered by those instructions.

### **Monitoring and review**

MIMI will monitor and assess the effectiveness of its Order Execution Policy at least annually. This monitoring includes a review of brokers/execution venues and will take into account the data gathered for its annual report of the top five execution venues and the execution quality. Both of these reports (collectively known as RTS 28) are made available on our firm's website.

In addition, our firm conducts post trade monitoring of all completed transactions. This includes comparing the completed transaction price versus the price in the market at the time the order was placed (known as the arrival price). Completed transaction prices that deviate from arrival prices outside of acceptable boundaries are investigated and reported internally with explanations for the deviations provided.

Post trade best execution reporting is also considered during internal reviews of the performance of brokers and execution venues used by the firm. Our firm must be confident in the suitability and resources of its brokers to obtain the best possible result for our clients and to consistently execute transactions according to the criteria set out in this document. This criteria includes where orders have not been completed. There may be valid reasons why an order may not be completed, especially for illiquid securities. However, our firm must be confident that the reasons for non-completion of an order are valid. To this end, our firm reviews a sample of non-completed orders as part of its broker reviews to determine if there are any trends in broker performance that may require action.

**Appendix A**

The following is a list of all execution venues used by MIMI for transacting equities:

Cenkos

Davy

FinnCap

Goodbody

Investec

Bank of America of Merrill Lynch

N+1 Singer

Panmure Gordon

Shore Capital

WH Ireland

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