



**GUARDCAP**

GuardCap Asset Management Limited

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# **Order Execution Policy**

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## 1 Introduction

This Order Execution Policy sets forth information relating to how GuardCap Asset Management Limited (“**We**”, “**Our**”, “**Us**” or “**GuardCap**”) seeks to provide client transparency on execution arrangements and the manner in which we comply with our overarching best execution obligations under:

- Article 27 of the EU Markets in Financial Instruments Directive 2014/65/EU (“**MiFID II**”) and guidance published by the Financial Conduct Authority (“**FCA**”)

## 2 Scope

Our Order Execution Policy applies only to Professional Clients (within the meaning of MiFID Regulations) where we are executing Orders in Financial Instruments. We will be executing such Orders “on your behalf” or transmitting them to a third party firm for execution by that firm. In all cases we aim to achieve best execution on a consistent basis.

## 3 Order Handling

GuardCap operates procedures to ensure the prompt, fair and expeditious execution and allocation of Client orders relative to other Client orders. The firm do not trade for its own account.

GuardCap maintains and reviews periodically its Aggregation and Allocation Policy which govern the firm's order handling procedures. Clients may request copies of the policy upon request. Information on Cross Trading is documented further down this policy.

## 4 Placing orders

After a decision to trade is made by the Investment Teams, orders will be passed onto the Firm's trading desk, to execute your order.

GuardCap has internal processes and procedures in place to review periodically its choice of third party to determine that, the third party is providing the best possible results for client orders on a consistent basis. In making this determination GuardCap will have regard to;

- prices offered for the particular type of instrument over time;
- average costs per trade charged for the type of trade over time;
- the best execution policy of, and any other guidance issued by the relevant broker or dealer from time to time.

## 5 Order Execution

The Firm is required to take all sufficient steps to obtain the best possible result (“**Best Execution**”) on a consistent basis on behalf of its clients when executing orders taking into account the execution factors (“**Direct Execution**”).

The Firm is required to act in accordance with the best interests of its clients when transmitting or placing orders with other entities for execution that result from decisions to deal, and to take all sufficient steps to obtain the best possible result for the client taking into account the execution factors (“**Indirect Execution**”).

### a) Execution Factors

When executing or arranging execution of orders, the Firm will take all sufficient steps to obtain the best possible result, subject to and taking into account, any specific instructions from the client, the nature of such orders, the priorities its clients' place upon it in filling those orders and the nature of the markets and products in question.

In order to obtain the best possible result, the Firm uses its knowledge, experience and judgement to execute trades on behalf of its clients taking into consideration a number of execution factors including:

- The price that the order can be executed at;
- The costs of execution of the transaction to the client;
- The speed of execution of the transaction;
- The likelihood of achieving execution and settlement;
- The size and nature of the order; and
- Any other consideration relevant to the execution of the specific order (the "**Execution Factors**").

#### **b) Execution Criteria**

The Firm is required to determine the relative importance of the Execution Factors for its clients by taking into account the following criteria:

- The nature of the order and investment rationale supplied by our investment managers;
- The characteristics of the financial instruments that are the subject of that order; and
- The characteristics of the execution venues/brokers to which that order can be directed (the "**Execution Criteria**").

In considering the Execution Criteria and the importance of the Execution Factors, the Firm also takes into account the client's understanding and experience of the market in question, the client's dealing profile, the nature of the dealing service the client requires and the specific and general instructions given to the Firm by the client which may prioritise how the Firm fills client orders.

### **6 Execution Venues and Brokers**

The Firm will primarily select the execution venue or broker that in the Firm's judgment is the most appropriate, taking into account the Execution Factors and Execution Criteria. The Firm will also consider the market coverage and market intelligence that the execution venue or broker can provide and other relevant qualitative factors.

In selecting the most appropriate venues for the purpose of executing client orders, the Firm will take into full account the Execution Factors and Execution Criteria relevant to the order, and the following:

- (a) what the Firm reasonably assesses to be its clients best interests in terms of executing the orders; and

- (b) such other factors as may be appropriate, including the ability of the venue to manage complex orders, the speed of execution, the creditworthiness of the venue and the quality of any related clearing and settlement facilities.

The diversity in the markets and instruments in which the Firm trades mean that different factors will have to be taken into account when the Firm assesses the nature of its Policy in the context of different instruments and different markets. In some markets, price volatility may mean that the timeliness of execution is a priority, whereas, in other markets that have low liquidity, the fact of execution may itself constitute Best Execution. In other cases, the Firm's choice of venue may be limited (even to the fact that there may only be one platform/market upon which the Firm can execute client orders) because of the nature of the client order or of specific client requirements.

### **6.1 Selection of Brokers**

The Firm has a thorough selection process with respect to the brokers that it transacts with, which is designed to identify those brokers which consistently provide a high quality execution service, taking account of the relevant Execution Factors and Execution Criteria. Orders may only be placed with brokers who have been approved by the Firm following its selection process.

### **6.2 Cross Trades**

Internal cross trades may allow for cost reduction to the benefit of clients. Therefore, unless prohibited by law or by a client, internal cross trades are allowed if the following conditions are satisfied:

- The internal cross is opportune for both portfolios concerned;
- The reasons for the internal cross and why it is opportune for both portfolios are documented;
- The execution benchmark (if relevant) is unbiased between buying and selling party; and
- The internal cross is in line with the Best Execution procedures described in this Policy.

Any internal cross trade that does not satisfy these conditions is not permitted unless expressly authorised by the Compliance Department.

## **7 Requirements for each financial instrument class traded**

For each class of financial instruments that the Firm trades, the Firm has defined the key Execution Factors that will be taken into account when placing orders for execution, in order to choose the counterparty that best suits its requirements.

In case of extreme circumstances, such as disruption of the execution system, the Firm may not be able to execute an order in accordance with this Policy. In such exceptional circumstances the Firm will endeavour to execute client orders in the most advantageous way for its clients under the prevailing circumstances.

If only one place of execution exists, Best Execution is realised when executing the order in that execution venue. The Firm will be able to demonstrate that only one place of execution exists.

Set out below is a summary of the principal types of instruments on which we provide best execution, as well as the execution criteria we believe are important to our clients.

### **7.1 Instruments**

- UK and Overseas Equities
- Warrants
- Depository receipts
- EFTs
- Equity CFDs

### **7.2 Relevant Execution Criteria**

- Liquidity profile of the security
- Whether the security has to be held on swap
- Indications of interest
- Brokers specialising in the security
- Where geography is a factor, which brokers have the best local knowledge

We regularly evaluate these arrangements to ensure that they continue to be appropriate.

## **8 Specific Instructions**

To the extent that the Firm follows specific instructions from a client when placing an order with, or transmitting an order to, another entity for execution, such instructions supersede this Policy and the Firm will be deemed to have complied with its Best Execution obligations by following the clients' specific instructions. Specific client instructions may prevent the Firm from taking the steps it has implemented in this Policy to obtain Best Execution. It is likely to be only in rare circumstances that the Firm would receive such specific instructions. In general the Firm will make all dealing decisions itself in its capacity as discretionary portfolio manager.

## **9 Monitoring and Review**

The Firm actively monitors the effectiveness of its best execution arrangements and policy. The Firm's processes are designed to ensure that monitoring assists the Firm in delivering Best Execution for its clients on a consistent basis.

The Firm's senior management is responsible for ensuring that robust business practices are operating in all its trading activities to deliver Best Execution on a consistent basis and for promoting a culture that proactively identifies and manages conflicts of interest.

The Firm will regularly, and at a minimum annually, review its best execution policy and execution procedures and will notify its clients of any material changes to them.