



# Best Execution and Client Order Handling Policy

## Introduction and Purpose

IDAD is required to act honestly, fairly and professionally in accordance with the best interest of clients when providing investment services. This is predominately set out in MiFID II, MiFIR and in the FCA's Handbook.

The Best Execution and Client Order Handling Policy sets out how IDAD will ensure that all sufficient steps are taken to obtain the best possible result for all clients and that their orders are handled in a fair, just and timely manner.

## Definition

Best execution is the obligation on a firm to take all sufficient steps to obtain the best possible result when executing client orders or placing orders with other entities to execute. There are a number of execution factors to consider when delivering best execution including price, cost, speed, likelihood of execution and settlement, size and nature of the order.

## Application

This Best Execution and Client Order Handling Policy applies to IDAD when executing client orders or placing orders with (or transmitting orders to) other entities for execution.

This Best Execution and Client Order Handling Policy applies to all financial instruments for which IDAD carries out orders on behalf of its clients. The Best Execution and Order Handling policy will not apply to the extent IDAD follows specific instructions from a client when executing client orders or placing an order with, or transmitting an order to, another entity for execution.

## Policy - Best Execution General Obligation

The best execution obligation requires IDAD to 'take all sufficient steps to achieve the best possible result on a consistent basis rather than in every case. In practice, IDAD has implemented improved Best Execution mechanisms, including:

- Ensuring this policy is designed with the intended outcomes in mind; strengthened front-office accountability;
- Strengthened systems and controls and detection capabilities to identify any potential deficiencies; and
- Monitoring of the execution quality obtained as well as the quality and appropriateness of the execution arrangements.

Please note that specific instructions from a client may prevent the firm from achieving best execution in line with this policy.

## **Execution Factors**

IDAD will assess best execution by taking into account the “execution factors” which include price, costs, speed, likelihood of execution and settlement, order size, execution reliability of executing broker, nature or any other consideration relevant to the execution of the order.

IDAD will exercise judgement in the best interests of its clients given their different needs and requirements and is required to take into account several criteria to determine the relative importance of the execution factors:

- The characteristics of the client, including the categorisation of the client as retail or professional, however currently, IDAD does not carry out orders for retail clients;
- The characteristics of the client order;
- The characteristics of the financial instruments that are the subject of that order; and
- And the characteristics of the execution venues to which that order can be directed.

IDAD is responsible for assessing the relative importance of the execution factors in light of these criteria and the process by which it determines the relative importance of those factors. This may result in a range of different permissible approaches, to executing client orders based on each financial instrument we trade.

## **Deciding Execution Venues**

IDAD is obliged to ensure that Brokers included in this policy are the ones who will assist the firm in complying with its best execution obligations (by delivering the best possible result) and that orders are passed to those Brokers in accordance with the policy.

In choosing the Execution Venues for a particular instrument class, IDAD has taken care to select those Execution Venues that, in the firm’s view, will enable it to obtain on a consistent basis the best possible results for its clients.

In many cases IDAD will act a matched principal when dealing with a client’s request to trade and will often in that case be considered the execution venue for such order.

## **Brokers and Execution Venues**

A list of approved brokers is kept (Z:\Bank & Provider Agreements\1. Brokers) by IDAD and is reviewed, at least annually, or whenever a material change occurs that affects the ability to continue to obtain the best possible result for clients. In respect of each class of instrument traded, the execution venues and entities with which orders are placed or to which IDAD transmits orders for execution. The following outlines IDAD’s approach to selecting counterparties. Generally, IDAD does not invite its clients to choose an execution venue. The firm will maintain a separate register listing the brokers used which can be provided upon reasonable request.

### **Placing Orders with Brokers**

In choosing a broker from the approved list, IDAD has taken care to select those Brokers that, in IDAD's view, consistently provide a high-quality execution service in relation to that type of investment instrument. Where IDAD places an order with a Broker, IDAD is not responsible for controlling or influencing the arrangements made by the Broker relating to the execution of that order (e.g. IDAD does not control the Broker's choice of execution venues, such as exchanges, multilateral trading facilities or internal dealing facilities). IDAD is not required to duplicate the efforts of the Broker to whom an order is passed in ensuring the best possible result.

### **Direct Execution of Decisions to Deal**

In the case of transactions that IDAD itself executes directly on behalf of clients, the Execution Venues on or with which it executes those transactions. The Execution Venues identified must at least include those that enable IDAD to obtain on a consistent basis the best possible result for the execution of client orders.

Where IDAD is dealing with brokers on a request for quote basis, and orders are not placed with the broker for execution, then the counterparty is classified as an "Execution Venue".

### **Executing/Placing Orders with Execution venues/Brokers that are not on the approved list**

IDAD's employees must not place orders with a Broker that has not been approved unless there are exceptional circumstances. Any execution of a transaction with an Execution Venue or placing of an order with a Broker that falls outside the approved list must be pre-approved by a member of senior management.

### **Best Execution Considerations for Each Instrument Class**

This policy differentiates between each of the separate categories of financial instrument where IDAD's clients invest.

### **Transmission orders**

IDAD only transmits an order to, another entity for execution via Bloomberg, simultaneously polling multiple dealers to give the best execution.

### **OTC products**

When executing orders or taking decision to deal in OTC products including bespoke products, IDAD will check the fairness of the price proposed, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products.

### **Inducements**

IDAD shall not structure or charge its commissions in such a way as to discriminate unfairly between execution venues or brokers.

IDAD shall inform clients about inducements it may receive from execution venues.

### **Client notification/consent requirements**

IDAD will provide its clients with appropriate information on this policy. To the extent that IDAD makes any material changes to this policy (whether pursuant to the review process or otherwise), the firm will notify the changes to its clients, via the website.

Upon request from a client, IDAD shall provide its clients or potential clients with information about entities where the orders are transmitted or placed for execution.

If applicable, IDAD will make public on its website on an annual basis the top five execution venues or investment firms in terms of trading volumes where it transmitted or placed client orders for execution in the preceding year in accordance with the technical standards for each financial instrument it trades.

### **Policy – Client Order Handling General Obligation**

IDAD will implement procedures and arrangements which provide for the prompt, fair and expeditious execution of client orders (“the Orders”) and to allocate Orders fairly when it conducts transactions involving several clients in the same security at the same time. This Order Handling and Allocation Policy sets out the procedures and arrangements that IDAD has implemented to meet these obligations.

### **Allocation Factors**

The nature of IDAD’s business requires it to select from a large array of possible eligible investments that are appropriate to its clients. It must decide on the quantity that is prudent to purchase, to which clients they should be allocated and in what size.

Trades will be allocated to clients on a basis believed to be fair and equitable; no client will receive preferential treatment over any other.

In determining the suitability of each investment opportunity to a client, consideration will be given to a number of factors, the most important being the client’s investment objectives and strategies, existing portfolio composition and cash levels. Having considered these factors and prior to executing any transactions, IDAD will determine the allocation of an order for each client.

### **Order Handling**

If an order is made by one client only, it is executed in the normal manner in accordance with the Best Execution Policy and the entire execution is allocated to this client. IDAD will ensure that any Orders executed on behalf of clients are promptly and accurately recorded and allocated.

IDAD will carry out otherwise comparable Orders sequentially and promptly unless the characteristics of the Order or prevailing market conditions make this impracticable, or the interests of the client require otherwise. IDAD will inform clients of any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty. IDAD will not misuse information relating to pending client orders and shall take all reasonable steps to prevent the misuse of such information by any of its relevant persons.

No allocations will be made to a personal account of the firm.

### **Aggregation and Allocation of Orders**

The portfolio management team will not carry out a client Order in aggregation with another client Order unless the following conditions are met:

- It is unlikely that the aggregating of orders and transactions will work overall to the disadvantage of any client whose Order is to be aggregated; and
- It is disclosed to each client whose order is to be aggregated, either orally or in writing and either specifically or in the terms of business that the effect of aggregation may work to its disadvantage in relation to a particular Order.

IDAD places Orders on a first come first served basis. Where an investment opportunity is suitable for two or more clients, IDAD will allocate the opportunity equitably in order to ensure that funds have equal access to the same quality and quantity of investment opportunities, and in determining such allocations will consider the Allocation Factors.

IDAD will only aggregate client orders if they initiated with the same set of execution instructions, if they are initiated on the same day and if they follow exactly the same order chain (e.g. same custodian).

In the first instance, orders will be allocated according to the size of the original order. Where this is not possible, for example because the order is not filled, then in order to ensure fairness, all deals will be allocated in accordance with the pre-trade allocation. Where changes are made to the pre-trade allocation, records are maintained of the changes made and the reason. IDAD will generally allocate trades on a pro-rata basis, based upon capital weighting, subject to the consideration of the Allocation Factors and the treatment of partial executions.

If an order is received from one client and, whilst this is being executed, other clients give orders in the same instrument, then the execution will go to the first client until the subsequent order was received and then executions will be prorated subsequently. Such orders will also be subject to further review to ensure that no front running has occurred. In the event that front running has occurred, the subsequent order may be cancelled or re-allocated.

If an aggregated order is partially executed, the order will be settled for the different clients on a pro-rata basis, according to the contribution made to the aggregated order. The order management system of IDAD is designed to only permit pro-rata allocation whenever an aggregated order is only executed.

When allocating aggregated orders, IDAD must not give unfair precedence to any party involved. All deals must be allocated prior to execution. If deals are not pre-allocated, then the reason must be recorded.

If an error is identified in an allocation, a re-allocation may be made for an aggregated order. In such cases, a record of the reason for and the basis of the reallocation must be fully documented, and the re-allocation will be completed within one business day of the identification of the error.

Allocation records for aggregated transactions must include the time and date of the allocation; the relevant product; the client's identity and any eligible counterparty and the amount allocated to each client and party involved. IDAD is required to retain the records relating to aggregated orders for a period of at least five years from the date on which the order is allocated or reallocated.

### **Procedures**

IDAD will adopt the following procedures to monitor the effectiveness of its order execution arrangements and this policy as well as be able to demonstrate to clients that it has acted in accordance with this policy.

### **Front Office Monitoring**

The systems necessary to record and monitor orders and executions as well as the links with the middle office and prime brokers lie within the front office. Therefore, all orders must be made through the front office. Additionally, all confirmations, if not communicated direct, will be passed to the front office.

It is solely the job of the front office to monitor the quality of executions and ensure compliance with FCA regulations and to also ensure proper control. Authorised traders are communicated to our counterparties with instructions to them not to accept orders from anybody else. Orders made by others; risk not being recognised.

The operations team is responsible for keeping copies of orders and trade confirmations.

### **Compliance Monitoring**

The compliance monitoring process will involve a periodic review by compliance of a random sample of transactions to ascertain whether the best possible result was obtained in respect of those transactions.

Compliance has set out various factors that will identify transactions that require further investigation to determine whether Best Execution was achieved.

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 portfolio manager/ 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 portfolio manager considered to be of importance at the time (e.g. price, size and nature of order), the best result was nevertheless achieved.

Compliance, as owner of this policy, may make changes to this policy depending upon the outcome of the monitoring process. The monitoring of the adherence to this policy and the record keeping forms part of the Compliance Monitoring Program performed by Compliance.

**Review**

At least annually, IDAD will review this policy to ensure it is capable of delivering best execution on a consistent basis and orders are handled in a fair, just and timely manner. IDAD 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. This could include close links, conflicts of interests and common ownerships with respect to any execution venues used to execute orders.

The reviews will be supervised by compliance, and this requirement has been incorporated into IDAD's compliance monitoring process.

Date	Version	Edited by	Notes
2022 and prior			Version control log started
January 2023	1.02	EM	Annual Review
May 2023	1.03	EM	Transmission Orders added
January 2024	1.04	EM	Annual Review
January 2025	1.05	EM	Annual Review
February 2025	1.06	TG and EM	Include 'No Retail' wording
January 2026	1.07	EG	Annual Review

### Detailed Requirements of the Execution Policy for each Instrument Class

Investment Class	Execution Factors
<p>Cash Equities</p> <p>This Instrument Class includes equities, warrants and depositary receipts and equity CFDs.</p>	<p>The firm uses the Brokers and Execution Venues listed on the Brokers log.</p> <p>For smaller orders, the portfolio manager will on many occasions consider that price is the most important execution factor. Other execution factors are permitted to be taken into account at the discretion of the relevant portfolio manager 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).</p> <p>Where the order is to be passed to a Broker for execution, the portfolio manager will select a Broker from among the list that, in the portfolio manager’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, IDAD makes extensive use of limit orders to ensure that its orders are executed at desirable prices.</p> <p>Where the order is to be executed directly with an Execution Venue, the portfolio manager will often check prices quoted by/available on at least two of the Execution Venues listed above. However, in circumstances where the portfolio manager/trader considers that speed of execution, certainty of execution and/or market impact are important execution factors, he or she is permitted to deal on the basis of the prices quoted by/available on a single Execution Venue.</p> <p>For larger orders, the portfolio manager will often consider that certainty of execution, reduction of market impact and speed of execution will have greater importance, and these factors will often drive the portfolio manager’s decisions as to whether to pass the order to a Broker or to execute directly with an Execution Venue. Often, to ensure quick executions and minimum market impact such orders may be split among multiple brokers.</p>
<p>Bonds</p> <p>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.</p>	<p>In relation to transactions in bonds, the portfolio manager will on many occasions consider that price (including costs) is the most important factor. Other execution factors are permitted to be taken into account at the discretion of the relevant portfolio manager as is appropriate for the size and nature of the relevant order.</p> <p>For larger orders, the portfolio manager will often consider that certainty of execution, reduction of market impact and speed of execution will have greater importance, and these factors will often drive the portfolio manager’s decisions which Broker/ Execution Venue to pass the order to.</p> <p>Often, to ensure quick executions and minimum market impact such orders may be split among multiple brokers.</p>

<p>OTC Derivatives</p> <p>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).</p> <p>IDAD 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.</p>	<p>Trading derivative contracts off-exchange will be affected by IDAD with Execution Venues that act as principal under master documentation. All such transactions are affected on a request-for-quote or negotiated deal basis. IDAD has established appropriate master documentation with each of the Execution Venues.</p> <p>For transactions in OTC derivatives, the portfolio manager will on many occasions consider that price (including costs) is the most important factor. Other execution factors can be taken into account at the discretion of the relevant portfolio manager as is appropriate for the size and nature of the relevant order.</p> <p>In certain circumstances, transactions may be initiated by the Execution Venue rather than by IDAD. 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/ trader is permitted to deal with the Execution Venue that has approached it.</p> <p>For larger orders, the portfolio manager will often consider that certainty of execution, reduction of market impact and speed of execution will have greater importance, and these factors will often drive the portfolio manager/ trader's decisions as to which Broker to pass the order to. Often, to ensure quick executions and minimum market impact such orders may be split among multiple brokers.</p>
<p>ETF Exchange Traded Funds (Bonds)</p> <p>IDAD invests in exchange-traded funds as they tend to be more cost-effective, and more liquid compared to mutual funds. They also offer the diversification and liquidity IDAD requires.</p> <p>Bond ETFs are used to provide regular income to investors. Their income distribution depends on the performance of underlying bonds. They might include government bonds, corporate bonds, and state and local bonds—called municipal bonds. Unlike their underlying instruments, bond ETFs do not have a maturity date. They generally trade at a premium or discount from the actual bond price.</p>	<p>IDAD execute Secondary trades and uses the Brokers log in respect of transactions in financial instruments falling within this Instrument Class.</p> <p>ETFs trade through both online brokers / traditional broker-dealers and electronic platforms.</p> <p>The portfolio manager/ trader will on many occasions consider that price (including costs) is the most important factor. IDAD works directly with electronic platforms i.e. Tradeweb and Bloomberg and with access to these IDAD can review instant prices from a large variety of brokers.</p> <p>Other execution factors can be taken into account at the discretion of the relevant portfolio manager as is appropriate for the size and nature of the relevant order.</p>

<p>Exchange Traded Derivatives</p> <p>This Instrument Class covers exchange traded futures and options contracts and exchange traded contracts for differences.</p> <p>IDAD invests in exchange-traded derivative instruments to hedge against market risk or to gain exposure to an underlying asset.</p>	<p>IDAD uses the Brokers/ Execution Venues listed in the table in the Brokers log in respect of transactions in financial instruments falling within this Instrument Class.</p> <p>The vast majority of exchange-traded derivatives transactions will be affected by passing an order to a relevant Broker. The portfolio manager/ trader will on many occasions consider that price (including costs) is the most important factor. Other execution factors can be taken into account at the discretion of the relevant portfolio manager as is appropriate for the size and nature of the relevant order.</p> <p>Where the order is to be passed to a Broker for execution, the portfolio manager will select a Broker from among the list that, in the portfolio manager’s view, has a track record of achieving the best result in terms of the relevant execution factors (taking into account the various Brokers’ relevant exchange memberships, geographic and product coverage). As an additional safety measure, IDAD makes extensive use of limit orders to ensure that it’s orders are executed at desirable prices.</p> <p>Where the order is to be executed directly with an Execution Venue, the portfolio manager will often check prices quoted by/available on at least two of the Execution Venues listed. However, in circumstances where the portfolio manager/ trader considers that speed of execution, certainty of execution and/or market impact are important execution factors, he or she is permitted to deal on the basis of the prices quoted by/available on a single Execution Venue.</p>
<p>Collective Investment Schemes</p>	<p>For the vast majority of CISs there is no secondary market, and it is almost invariably the case that IDAD 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 affected at the net asset value of the CIS. Certainty of execution (i.e. the ability to execute the order) is the most important factor.</p>
<p>Transmission orders</p>	<p>The investor communicates their interest to IDAD.</p> <p>Preserving the investor’s anonymity, using electronic dealing platforms IDAD is able to poll multiple dealers simultaneously. This tests for the best price in the market for the available size.</p> <p>The best returned pricing from this “Request for Quote” is given to the investor. A decision to trade is executed immediately.</p> <p>The trades are routed to clearers and confirms are sent automatically.</p> <p>Investor enquiries can be received on a security-by-security basis, or on a portfolio basis, where a number of transactions are executed simultaneously.</p>