



# Titan Investment Solutions Limited Order Execution Policy

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Private and Confidential

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## 1. Introduction

This Order Execution Policy document (the 'Policy') sets out the approach adopted and effective arrangements established and implemented by Titan Investment Solutions Limited (the 'Firm') for (i) the prompt, fair and expeditious execution of orders (COBS 11.3.1R(1)) on behalf of the respective Funds (UCITS and NURS; 'the Fund(s)') the investments of which it manages on a discretionary basis, (ii) taking all sufficient steps to obtain, on a consistent basis, the best possible results when itself executing orders on behalf of the Funds (COBS 11.2A.2R; COBS 11.2A.20R-21R), and (iii) acting in accordance with the best interests of the Funds when placing orders that result from its decisions to deal in financial instruments on behalf of the Funds (COBS 11.2A.34UK65(1)) with other entities for execution.

The Firm does not deal as principal (i.e., on its own account); consequently, there is no potential for conflicts of interest with the trading that it undertakes on behalf of the Funds.

## 2. Order Handling and Aggregation

When executing orders resulting from decisions to deal, the Firm must:

- (a) ensure that orders executed are promptly and accurately recorded and allocated;
- (b) 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 Fund to which the execution of the order relates require otherwise. (COBS 11.3.2AUK 67 (1)(a) and (b))

The Firm must not misuse information relating to pending orders, and must take all reasonable steps to prevent the misuse of such information by any of its staff. (COBS 11.3.5AUK)

Orders may be aggregated, and this is the Firm's default practice, provided it will work to the advantage of each of the Funds concerned, for example, by achieving a more advantageous price through benefits of scale, or by achieving processing efficiencies. Correspondingly, the Firm will not aggregate orders in circumstances in which, were it to do so, aggregation would result in a disadvantage to one or more of the Funds to which the order relates.

The Firm's policy is to allocate an aggregated order according to the respective investment strategies of the Funds to which the aggregated order relates, at the reasonably-exercised discretion of the investment manager(s) of the Funds in question. (COBS 11.3.AUK68(1))

## 3. Obligation to obtain Best Execution

The Firm must take all sufficient steps to obtain, when executing orders resulting from decisions to deal on behalf of each Fund whose investments it manages, the best possible result ('**best execution**'), taking into account the '**execution factors**', namely:

- (1) price;
- (2) costs;
- (3) speed;
- (4) likelihood of execution;
- (5) likelihood of settlement;

(6) order size and nature; and  
(7) any other consideration relevant to the execution of the order. (COBS 11.2A.2R(2))  
Such considerations include the availability of liquidity, the market impact of the order and, where relevant, the availability of appropriate credit lines.

The Firm must determine the relative importance of the execution factors, taking into account the following criteria:

(a) the characteristics of the Fund to which the order relates;  
(b) the characteristics of the order;  
(c) the characteristics of the financial instruments that are the subject of that order; and  
(d) the characteristics of the execution venues to which that order can be directed.  
(COBS 11.2A.8UK64(1))

Ordinarily, price will merit a high relative importance. The next most important factor is likely to be liquidity. (COBS 11.2A.26G(2))

The Firm's order execution policy must identify, for each type of financial instrument, the entities with which the Firm itself places orders, or to which the Firm transmits orders for execution. The entities identified must have execution arrangements that enable the Firm to comply with its obligations when it places orders or transmits orders to other entities for execution. (COBS 11.2A.34UK65(5))

#### **4. Definitions**

Financial instruments are (in summary): transferable securities; money market instruments; units in collective investment undertakings; derivatives on a range of underlying assets, including: securities, currencies, interest rates or yields, emission allowances, or other derivative instruments, financial indices or financial measures that may be settled physically or in cash; commodity derivatives; derivative instruments for the transfer of credit risk; and, financial contracts for differences.

Spot FX does not constitute a financial instrument for these purposes.

Execution venues are: regulated markets (exchanges); multilateral trading facilities (MTFs); organised trading facilities (OTFs); systematic internalisers; and, market makers; or, any other liquidity provider or entity that performs a similar function in a third country.

Trading venues are: regulated markets; MTFs; and, OTFs.

#### **5. Order execution - considerations relating to commissions and charges**

The Firm must take into account its own commissions and costs for executing an order, when assessing and comparing the results that would be achieved for a Fund by executing the order on each of the execution venues listed in the Firm's execution policy that is capable of executing that order. (COBS 11.2A.15R)

The requirement that costs of execution include the Firm's own commission or fees charged to the Fund should not apply for the purpose of determining which execution venues are included in the Firm's execution policy. (COBS 11.2A.18G)

The Firm must not receive any remuneration, discount or non-monetary benefit for routing orders to a particular trading venue or execution venue that would infringe the requirements on conflicts of interest or inducements. (COBS 11.2A.19R)

The Firm must not structure or charge its commission in a way that discriminates unfairly between execution venues. (COBS 11.2A.8UK64(3))

The Firm would be considered to discriminate unfairly between execution venues were it to charge a different commission or spread to Funds for execution on different execution venues and that difference did not reflect actual differences in the cost to the Firm of executing on those venues. (COBS 11.2A.17G )

## **6. Selection criteria For Execution Venues**

In order to be selected as a venue for the execution of orders in financial instruments on behalf of the Funds whose investments the Firm manages, a third party must first be vetted, to check that it::

- Is appropriately regulated;
- Has adopted appropriate arrangements (in the form of its own Order Execution Policy) to provide best execution in the relevant financial instrument. ;
- Is charging competitive rates for execution (and, separately, research);
- Has agreed not to publish the unexecuted portion of any limit order;
- In respect of OTC derivatives in financial instruments, is creditworthy and able to offer appropriate credit lines (as required);
- Is able to transaction-report on reportable financial instruments to the FCA or a competent authority in the EEA;
- Is able to post trade reports as required.
- Has agreed to accept the best execution obligation to the Firm, either by treating the Firm as a professional client (where the broker is subject to MiFID or the equivalent in its local regulatory environment), or otherwise by its inclusion in the Firm's terms of business.

A third party will not be selected as an execution venue by the Firm where it is considered that it would offer low likelihood of settlement.

## **7. Selection of Execution Venues; consideration of relevant factors**

### **USE OF A SINGLE EXECUTION VENUE**

There is provision to utilise a single execution venue in circumstances in which multiple execution venues are nevertheless available, provided that the Firm is able to show that this arrangement enables it to obtain best execution, or when placing orders with other entities for execution, the best possible result, for the Funds whose investments it manages, on a consistent basis, and that it can reasonably expect that the selected execution venue or entity will enable it to obtain results for each Fund that are at least as good as those available from using alternative execution venues or entities. To demonstrate this, the Firm undertakes analysis of the execution results that it achieves against those available via alternative execution venues/entities. (COBS 11.2A.29G and COBS 11.2A.36G)

It is the Firm's practice, by reference to this provision, to utilise a single execution venue for the respective asset classes/types in which it invests on behalf of the Funds, as follows:

- Exchange-Traded Products - TradeWeb;
- Open-ended Mutual Funds (Collective Investment Schemes) - RBC;
- Equities - Global Prime Partners ('GPP');
- Foreign exchange products (currency forwards) - BNP.

#### EXCHANGE-TRADED PRODUCTS - TRADEWEB

The Firm uses the TradeWeb software, which operates as a Multilateral Trading Facility ('MTF'), for meeting its best execution obligation for trading in Exchange-Traded Products (namely, Exchange-Traded Funds and Exchange-Traded Commodities). TradeWeb provides highly-efficient global trading by connecting buy-side institutions with sell-side dealers.

TradeWeb provides electronic trading and pre-trade price transparency, and its Request-For-Quote (RFQ) functionality enables dealers to compete for business. The Firm has selected thirteen Market Makers in Exchange-Traded Products (which selection it keeps under review) to which it has access via the TradeWeb software and, in respect of any given order, the Firm seeks Bid-Offer quotes from five of the thirteen Market Makers (which it chooses based on experience/knowledge as to which of them offer the most competitive prices for the instrument in question); the TradeWeb software then only permits trading in the best quote. Thus, TradeWeb embeds best execution, and, accordingly, TradeWeb is the Firm's selected single execution venue for trading in ETFs and ETCs.

#### OPEN-ENDED MUTUAL FUNDS (COLLECTIVE INVESTMENT SCHEMES) - RBC

Both regulated and unregulated Collective Investment Schemes (each, a 'Scheme') are likely to have only one execution venue, namely, the operator for regulated Schemes or the administrator for unregulated Schemes respectively.

The Firm uses RBC's Global Fund Platform ('GFP') for trading in (open-ended) Mutual Funds; the GFP is the portal through which the Firm is able to access the various classes of holdings in Schemes managed by some four hundred issuers. In the absence of any other factor that might adversely impact obtaining the best result for the Fund (for example, an unnecessary delay in placing an order via the GFP), the Firm meets the best execution obligation by way of the use of the GFP portal, which facilitates execution directly with the operator or administrator of the Scheme in question.

In the event that there is a secondary market in a particular Scheme, the Firm should consider the prices available from that source for the purpose of meeting its best execution obligation.

It is noted that Investment Trusts are treated in the same way as equities (rather than Schemes) for the purpose of achieving best execution.

#### EQUITIES - GPP

For execution of transactions in equities, the Firm uses GPP, which offers comprehensive coverage and direct market access. GPP is an FCA-authorized firm that maintains its own

execution policy, which sets out the rationale for its selection of execution venues by reference to the execution factors. The Firm recognises the potential conflict of interests in its selection of GPP as the execution venue for transactions in equities appears (as GPP and the Firm are members of the same group and under the same ownership). To address this potential conflict of interests, and demonstrate that this arrangement does not have an adverse impact on the interests of investors, the Firm has carried out independent research to satisfy itself that GPP charges competitive rates for its execution services. The Firm keeps this independent research under review.

#### FOREIGN EXCHANGE PRODUCTS - BNP

OTC or exchange-traded currency derivatives are financial instruments and are therefore subject to the best execution obligation. (Spot foreign exchange is not classified as a financial instrument.)

Foreign exchange derivatives are traded OTC by the Firm with BNP. BNP operates in the capacity of a Systematic Internaliser, thereby dealing on its own proprietary book. The Firm's relationship with BNP, as the execution venue for such financial instruments, is long-established, and kept under review.

The Firm passes an order to trade in foreign exchange derivatives to BNP, on the basis that BNP accepts the Firm's order on an Agency basis, and that BNP thereby owes the obligation of best execution to the Firm. The Firm then reviews the trade details following execution, to check that the best execution obligation has been met.

Other important factors in the selection of BNP as execution venue for currency forwards are the credit line that BNP makes available to the Firm and the favourable collateral arrangements that it offers to the Firm.

#### FIXED INCOME AND ASSOCIATED INSTRUMENTS

The Firm does not currently invest directly in any fixed-income instruments (such as gilts and corporate bonds) on behalf of any of the Funds whose investments it manages. Exposure to fixed-income instruments is achieved through investment in certain ETFs and collective, open-ended mutual funds, which in turn invest in fixed-income instruments.

### **8. Monitoring and review of Order Execution arrangements, including Order Execution Policy**

The Firm must, on a regular basis:

- a) monitor the effectiveness of its order execution arrangements and policy, to identify and, where appropriate, correct, any deficiencies;
- b) assess whether
  - the execution venues included in the order execution policy provide for the best possible result for the Funds whose investments it manages; and
  - it needs to make changes to its execution arrangements, taking into account relevant data or other internal analyses that it has conducted for the purpose of reviewing its order execution arrangements (COBS 11.2A.31R(1); and
- c) monitor the execution quality of entities with which it places orders for execution, to identify and, where appropriate, correct, any deficiencies (COBS11.2A.34UK65(7)).



Accordingly, the Firm compares and analyses relevant data to monitor and review its order execution arrangements. Such ongoing monitoring includes comparison of the execution results that the Firm achieves off-exchange with the results that it might otherwise have achieved on-exchange, and keeping abreast of market developments in respect of execution. (COBS 11.2A.33G)

The Firm must review its execution policy, as well as its order execution arrangements, at least annually, and whenever a material change occurs that affects the Firm's ability to continue to obtain the best possible result for the Funds whose investments it manages.

If a material change has occurred in the Firm's order execution arrangements then the Firm must consider making changes to the execution venues or entities on which it places significant reliance in meeting the overarching best execution requirement.

For these purposes, a material change is a significant event that could impact parameters of best execution such as cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. ((COBS 11.2A.25UK66(1) and COBS 11.2A.34UK65(7)))

Changes to this Policy (such as to execution venues) must be approved by the Board.

## **9. Information requirements**

The firm must make available to the unitholders of each Fund whose investments it manages appropriate information on this execution Policy, and on any material changes to this execution Policy. (COBS 11.2A.22R(1) and COBS 11.2A.31R(2))

The Firm must make available the following details on its execution policy:

- (a) an account of the relative importance that the Firm assigns to the execution factors, or the process by which the Firm determines the relative importance of the execution factors;
- (b) a list of the execution venues on which the Firm places significant reliance in meeting its obligation to take all reasonable steps to obtain the best possible result for the execution of orders on a consistent basis, specifying which execution venues are used for each type of financial instrument;
- (c) a list of the factors used to select an execution venue, which:
  - (i) includes qualitative factors such as clearing schemes, circuit breakers, scheduled actions, or any other relevant consideration, the relative importance of each factor; and
  - (ii) is consistent with the controls used by the Firm to demonstrate that best execution has been achieved on a consistent basis, when reviewing the adequacy of its policy and arrangements;
- (d) how the execution factors of price, costs, speed, likelihood of execution and any other relevant factors are considered as part of all sufficient steps to obtain the best possible result for the Fund;
- (e) where applicable:
  - (i) information that the Firm executes orders outside a trading venue;
  - (ii) the consequences of this, for example counterparty risk arising from execution outside a trading venue; and
  - (ii) a statement that additional information about the consequences of this means of execution is available on request; and



(f) a summary of:

(a) the selection process for execution venues;

(b) the execution strategies employed;

(c) the procedures and process used to analyse the quality of execution obtained; and

(d) how the Firm monitors and verifies that the best possible results were obtained for the Funds whose investments it manages.

(COBS 11.2A.25UK66(3))

Upon reasonable request from a unitholder or potential unitholder, the Firm must provide information about entities where orders are placed, or to which orders are transmitted, for execution. (COBS 11.2A.34UK(6))

## **10. Record retention**

This policy, any changes to it, its annual reviews and evidence of execution quality monitoring, must be retained for a period of at least five years. (SYSC 9.1.2R)

## Appendix One - asset class/type by Fund

### 1. ACUMEN FUND RANGE

- Exchange-Traded Products (Exchange-Traded Funds and Exchange-Traded Commodities)
- Foreign exchange derivatives (currency forwards)

### 2. TITAN EQUITY GROWTH FUND

- Equities

### 3. MAZARIN FUND RANGE

- Open-Ended Mutual Funds (Collective Investment Schemes)
- SME Note (an unregulated fund). This instrument is traded OTC, directly with its issuer. Accordingly, trading in it does not entail an execution venue.