



BEST EXECUTION POLICY

ARIA INVESTMENT PLATFORM

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1. Introduction and Objective

ARIA, acting as your agent, will arrange for the execution of trade orders placed on your behalf in accordance with this Best Execution Policy. Best execution refers to our duty to take all sufficient steps to obtain the best possible result for our customers, taking into account various execution factors relevant to order handling. This Policy applies to all customers and is designed to inform you and your Adviser about how ARIA achieves best execution on your behalf.

We will take all reasonable steps to obtain the best possible result when orders to buy or sell are transmitted for execution on behalf of Customers. When we deal on your behalf we will act in a manner that is consistent and fair to ensure the best possible execution result is achieved.

This document should be read in conjunction with the ARIA IP Terms & Conditions, which will be provided by your Financial Adviser and are also available on our website at <https://www.ariacm.com/wp-content/uploads/ariaiptermsandconditions.pdf>.

2. Order Placement

Due to the way we conduct our business i.e. online via the internet, orders are normally placed electronically via our platform.

We will also take your order via email sent to the mailbox dealing@ariacm.com, but any instruction received must be complete and must contain your signature and your Adviser's signature (where applicable) to allow us to verify the authenticity of the instruction. We shall not be liable for any delay in executing trades where incorrect information has been provided. We will accept an original wet signature or an electronic signature provided via one of our approved providers and accompanied by the relevant certification (this will be provided to us by your adviser). If we are unable to accept your electronic signature for any reason we will let your adviser know.

If you provide an original wet signature but we do not hold a sample signature for you, then we will need you to provide evidence to verify this signature (such as a copy of your driving licence) or for you to provide a sample signature verified by your adviser. ARIA will be unable to accept any liability for any losses caused under such circumstances.

Please note that if you or your Adviser place an order by email or letter you must notify us immediately by telephoning 0044 203 137 3840 to confirm that the order has been received by us. Failure to do so may result in a delay in executing your order and ARIA IP will be unable to accept liability for any losses caused under such circumstances.

3. Third Parties

ARIA IP acts as Agent for your orders and will not in any circumstance trade as Principal. In order to act as Agent for your order ARIA IP through the Custody Agent have contracted with Third Parties that provide order handling, aggregation, routing and execution services.

The Custody Agent, Fusion Wealth, appoints SEI Investments (Europe) Limited as custodian and administrator of the investments and money held for customers. SEI is responsible for order handling, aggregation and routing services. SEI appoints institutional partners to place funds in the market, with the exception of exchange traded funds (ETFs). Execution services for all exchange traded instruments is provided by Winterflood Business Services (Winterflood). In instances where Winterflood is unable to execute an order, the execution service provider may change. For more information relating to execution venues, please refer to the Execution Venues and Best Execution Disclosure Report section below.

All Third Parties with whom the Custody Agent contracts prioritise customer best interest and best execution in the same manner as the Custody Agent, whilst providing their services. The services provided by all firms in the chain enable ARIA IP to deliver best execution to its customers consistently.

ARIA IP does not execute any orders as we rely on third-parties to execute orders on our behalf. To be certain that best execution is achieved, the Custody Agent reviews Third Party processes and controls to assess their adequacy and to ensure that customer orders are handled fairly and in a manner conducive to obtaining the best outcome for our customers. The Custody Agent also monitors the performance of Third Party services.

4. Order Execution Factors

When we place an order for you, we and the Custody Agent consider the characteristics of an order, specific portfolio requirements, the type of instrument and the types of execution venue available in determining the relevant importance of the following factors (in no particular order of priority):

- »» Price
- »» Cost
- »» Speed of execution
- »» Likelihood of execution and settlement
- »» Size of deal; and
- »» Nature of order and other considerations

For most instruments, price will be the overriding factor in attaining best execution. Where the costs relating to execution,

including any expenses incurred by the customer in relation to the order, would make the total consideration of the trade prohibitive then these factors together will determine the best outcome.

Where there is only one execution venue to place your order, we will be required to use that venue irrespective of the above factors. This is the case when you place an order within a Collective Investment Scheme (i.e. Unit Trust or Open Ended Investment Company (OEICs)). The execution venue for such trades will be SEI, who will then place the trade with the relevant fund manager.

5. Execution Venues

“Execution venue” means a regulated market, a trading facility, a systematic internaliser, a market maker or other liquidity provider or an entity that performs a similar function.

Custody Agent uses one broker as their execution venue, Winterflood Business Services (Winterflood), to execute all customer orders, with the exception of Collective Investment Schemes, in order to obtain the best execution for your order. All orders handled by Winterflood will be handled in accordance with their own best execution policy which is available on request.

In some instances, it may be possible for Winterflood to place your order with a number of “execution venues”. In these cases the price for buying and selling will generally be viewed as the most important factor. Current execution used by Winterflood include:

- »» London Stock Exchange (LSE)
- »» Multilateral Trading Facilities;
- »» Third Party Brokers or Market Makers; and
- »» Off Exchange

Where you or your Adviser provide specific order handling instructions or conditions, best execution will not apply and you may incur additional charges.

Collective Investment Schemes

The execution venue for collective investment schemes will be SEI. Customer orders are placed directly with the relevant fund manager through SEI’s electronic fund messaging systems.

Regulated and Off-Market

Customer orders are normally placed on regulated markets (these are markets or trading facilities that are regulated and authorised by an appropriate authority). Customer orders may be executed off-market if best execution can be achieved.

7. Order Handling and Aggregation

Instruments that can currently be traded on the platform include:

- Collective Investment Schemes;
- Equities;
- Exchange Traded Funds (ETFs);
- Exchange Traded Commodities (ETCs);
- Fixed interest securities (Government bonds/gilts and corporate bonds); and
- Hedge Funds.

Collective Investment Schemes

Customer orders for Collective Investments Schemes will be automatically aggregated by SEI’s straight through processing systems where possible and placed via electronic fund messaging system(s) with the Fund Manager, via the sub-custodian. Aggregated trades are placed with the Fund Manager, via sub-Custodians at least once per trading day.

The aggregation of orders from strategies may result in several large market deals being placed over a period of days at different prices. Not all units within an order may be executed at the same price but may be executed in tranches. Where this occurs each tranche of the executed order will be applied pro-rata to the underlying customer Accounts, to ensure fairness. All system processes have been designed to achieve the best customer outcome when handling client orders and is one that is fair and consistent. This is monitored on a regular basis.

Exchange Traded Assets

For exchange traded assets only, once orders have been systematically aggregated by SEI’s systems, Custody Agent receives the orders that are awaiting routing to the Third Party broker. Orders are held for a maximum of 30 minutes, or until the relevant market re-opens. Where possible during this time, the system will look to further aggregate the order with other suitable orders with the aim being to reduce trading fees for all customers. The Government and corporate debt / fixed interest instruments, this further aggregation process is completed manually by the Custody Agent.

Aggregation

Aggregation is for the general benefit of all customers. Whilst it is unlikely to work overall to your disadvantage, on occasion aggregation may result in you obtaining a less favourable price in relation to a particular order. ARIA or the Custody Agent does not accept liability for any potential perceived disadvantage to any individual customer(s) resulting from the aggregation of trades. All orders will be placed with the third-party brokers in the order of receipt, with orders received simultaneously being processed in the same manner, unless the order has been aggregated with another order, whereby the aggregated order will be routed to the broker for execution within 30 minutes of having received the original order.

This repeatable and consistent process will be applied to all customers orders without prejudice. This process does not guarantee that for all customers orders aggregation will be achievable.

Execution timescales

It is our policy to deal with all customer orders in a prompt and fair manner, however certain factors may impact execution timescales.

Strategies are designed by discretionary fund managers (DFMs) and allow the DFM to select a number of securities to invest in and the proportion of the available Cash to be invested in each. When a strategy is rebalanced, either on a schedule or on an ad hoc basis, this may generate large volumes of buy and sell instructions.

Our ability to process these rebalances in a timely fashion depends upon, amongst other things:

- The volume of orders being generated;
- The type of instruments being bought or sold; and
- Existing investment restrictions.

Whilst not execution factors in their own right, these elements will contribute to our ability to generate orders ready for placement in the market and possibly execution. It is our Custody Agent's policy to aggregate orders. Where aggregated orders result in a very large order being placed in the market, the nature and scale of such an aggregated order may make order management more complicated and may impact execution timescales. For more information please refer to the Aggregation section above.

9. General

Dilution levy or exit charge

The aggregation of orders can lead to a large buy or sell in the market. Such aggregation may result in a fund manager applying a "dilution levy" to the transaction.

A dilution levy is an extra charge placed on a transaction by a fund manager to offset any significant movement in the price of a fund that may be generated by a large order. Such levies are not under the control of ARIA or our Custody Agent. They are normally expressed as a percentage of the value of the deal. If a dilution levy is applied to an aggregated order, the levy is apportioned to the individual orders making up the aggregated order in proportion to the units being sold. A dilution levy is shown clearly on the contract note for that transaction and on your quarterly statement.

Exit charges are charges imposed on orders by fund managers when a sell transaction is executed. They are normally set in advance as described in the terms and conditions of a fund.

If you are investing on an advisory or execution-only basis you should read the relevant fund literature carefully before purchase for any exit charges you may be liable to pay when you sell. The amount of any exit charge will be shown on your contract note and on your quarterly statement.

Stop loss or limit orders

As per the ARIA Investment Platform Terms and Conditions we do not accept stop loss or limit orders.

Cancellation

We reserve the right to cancel a transaction without notice at our discretion where we believe there is sufficient justification. This may include circumstances where we are requested to do so by our counterparty or the relevant exchange, or where we believe you have submitted duplicate or repeated instructions to take advantage of any market limitations or restrictions. We will not be liable for any loss or expense you incur as a result of the cancellation of a transaction in such circumstances. If multiple trades are processed, we will apply charges separately to each deal.

Negative trades

Where the value of an order for an exchange traded instrument is such that it would be negated by the impact of trading fees the Custody Agent will cancel the order to avoid a negative trade.

Please refer to the ARIA IP Charges Schedule for full details of trading fees relating to exchange traded instruments.

Monitoring and Reviewing

We will monitor the effectiveness of our Best Execution Policy and may change it from time to time if we believe it is in our customers' best interests to do so. We will notify you of any material changes where they are relevant to you.

If you wish to discuss the Best Execution Policy, or have any further questions, please contact your Adviser or us directly.

Execution Venue Disclosure

Our Custody agent, Fusion Wealth, is required to publish a list of the top 5 execution venues employed in the preceding year when placing trades as an agent on behalf of customers and a summary of the analysis and conclusions drawn from the execution quality monitoring that the firm has undertaken. This information is disclosed in the Best Execution Disclosure Report. This report may be viewed at <https://www.fusionwealth.co.uk/fusion-wealth/menu/best-execution-policy/>.

ARIA IP is a trading name of Absolute Return Investment Advisers (ARIA) Limited authorised and regulated by the Financial Conduct Authority in the UK, with Firm Reference number 527557.

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