

Best Execution Policy

1 General

This document explains WHEB Asset Management LLP's ("WAM's") execution policy in accordance with the regulatory requirements set out in Chapter 11 of the Financial Conduct Authority's (FCA) Conduct of Business Sourcebook (COBS 11). WAM must, when providing the service of portfolio management, comply with the obligation set out in COBS 11.2A Best execution – MiFID provisions and COBS 11.2B – Best execution for UCITS management companies, to act in accordance with the best interests of its clients when placing orders with other entities for execution that result from decisions by WAM to deal in financial instruments on behalf of its clients.

When buying and selling financial instruments on behalf of clients, WAM will take all reasonable steps to achieve the best possible result for those clients. Considerations of best execution apply to the maintenance and selection of brokers, the use of one or more brokers for a particular trade, and the timing and terms of any trade. Execution factors to be taken into consideration include price, costs, speed, likelihood of execution and settlement, size and nature of the order or any other consideration relevant to the execution of an order. WAM will generally give the highest priority to total consideration, representing the price of the relevant financial instruments and the costs related to execution. However, WAM may at its discretion prioritise other factors, including the impact on market prices of executing client orders, the speed and likelihood of execution, and availability of price improvement, in order to achieve the best possible execution result.

If a client gives a specific instruction to WAM (a situation that should be relatively rare given WAM's primary role as a discretionary asset manager) this policy will not be applied for those aspects of the execution relating to the specific instruction.

2 Existing arrangements

The broker services in place are monitored to ensure that they are consistent with the requirements of WAM's execution policy.

WAM requires the following from its broker services: (i) wide access to multiple execution venues to ensure best execution of trades; (ii) minimal counterparty risk; (iii) effective execution to minimise the market impact of trades; and (iv) effective administration and avoidance of complexity.

As at 31st December 2023, the Firm is the investment manager of the FP WHEB Sustainability Fund, Pengana WHEB Sustainable Impact Fund, Lyxor SEB Impact Fund, West Midlands Pension Fund, WHEB Sustainable Impact Fund, WHEB Environmental Impact Fund (a sub-set of the main strategy followed by the five preceding vehicles, focused on our environmental themes only) and the iMGP Sustainable Europe Fund (a carve-out of the main strategy invested in European stocks only). The Firm's strategy is trading long equities only, has AUM of around £1.2bn and publishes information (including top ten holdings) relating to its global strategy on a monthly basis as well as individual tailored reports on a monthly and quarterly basis to segregated mandate client(s). Therefore, WAM's dealing requirements are not overly complex.

WAM currently uses a single broker, Northern Trust ('NT'). By using NT, WAM considers that it benefits from improved service (it is a more meaningful client than if it were to split its trading between NT and another broker) and improved administration and trading systems, allowing accuracy of settlement, reconciliation and review.

WAM evaluates its broker arrangements and specific broker(s) on at least an annual basis, including a review of the following factors: WAM's obligation to achieve best execution for its clients, broker best execution policies, broker conflicts of interest, electronic communications, algorithmic trading and administration.

3 Execution factors

When executing orders on behalf of a client, WAM takes all reasonable steps to obtain the best possible result on a consistent basis, taking into account price, costs, speed, likelihood of execution and settlement, size and nature of the order or any other consideration relevant to the execution of the order (COBS 11.2B.5).

When executing a trade, WAM considers the following criteria for determining the relative importance of the execution factors:

- 1 The characteristics of the client, including categorisation of the client;
- 2 the characteristics of the trade;
- 3 the characteristics of the securities that are the subject of the trade;
- 4 the characteristics of the execution venues to which that trade can be directed; and
- 5 the objectives, investment policy and risks specific to a client, as indicated in its prospectus, instrument or segregated mandate documentation.

4 Process

4.1 Management of trades

WAM when managing client orders must take all reasonable steps to obtain the best possible order execution result for its clients. This may involve the aggregation of orders of clients. Where orders are aggregated this will occur in accordance with the relevant FCA Rules and records will be maintained as required by those Rules. The executed orders are allocated to clients fairly and proportionately in accordance with WAM's order allocation policy.

4.2 Commission

Commission is charged on trades executed for WAM by NT of 4bps. This is reviewed and monitored against the wider market on at least an annual basis by the Compliance Officer with assistance from Senior Management to ensure that it represents value for WAM's clients. research charges are no longer collected alongside transaction commissions, as the firm pays providers of research directly for these services.

4.3 Allocation

WAM may not trade on behalf of staff or aggregate orders for staff and for clients. WAM may only execute a trade for more than one client if: (a) it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated; (b) WAM has disclosed to each client whose trade is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order; and (c) the trade is conducted in accordance with the following:

- 1 The proceeds of a transaction conducted over a series of trades (which may vary by size, spread, pricing and speed of execution) will be allocated between clients pro-rata to their proportions of the trade on the basis of volume and price of orders.
- 2 If a trade is only partially satisfied, proceeds will be distributed between clients pro-rata to their proportions of the trade on the basis of volume and price of orders.

4.4 Record keeping

WAM stores the records of its trading activity for at least five years in accordance with the rules of the FCA. Such records would permit WAM to demonstrate that the orders of its clients have been executed in accordance with this policy.

5 **Monitoring**

In order to ensure that the effectiveness of order execution arrangements and this execution policy is monitored and deficiencies noted and corrected, WAM conducts an annual assessment of its broker(s) and execution venues, and the extent to which best execution has been achieved.

Currently WAM trades through a single broker, NT. WAM monitors:

- NT, its counterparty exposure, reputational risk, and financial position (by reviewing financial statements and interim financial reports);
- its arrangements with NT against other broker execution rates, taking into account the aggregate level of business and available market rates;
- the execution venues used by NT when executing trades for WAM, and NT's related policies and procedures;
- other relevant execution factors, including timely execution and price achieved, access to pools of liquidity; and
- sample individual trades to test best execution.

WAM seeks to identify trades that are outliers compared to certain pre-defined parameters, subject to tolerance limits of +/- 0.50% difference between VWAP and price achieved. Any exceptions are scrutinised by the Director of Operations, with input from NT on rationale for the execution achieved, and escalated to the Compliance Officer.

WAM also receives monthly transaction cost analytics (TCA) data from an independent source, Abel Noser, and NT, reporting on execution performance factors during the previous month.

6 **Review**

The Compliance Officer reviews this execution policy at least annually, or when a material change occurs to WAM's business and/or its ability to obtain the best possible results for the execution of its clients on a consistent basis using the venues included in the policy. The review is recorded and retained by the Compliance Department.

7 **Disclosure (COBS 11.2B)**

WAM makes available to its clients and to any investor in a Fund suitable information relating to its execution policy. WAM must be able to demonstrate to its clients (both Fund(s) and segregated mandate clients), that it has executed trades relating to those clients in accordance with this execution policy.

8 **Consent**

Client consent must be obtained to this best execution policy in relation to a client that is not a UCITS fund. Prior express client consent must also be obtained for any client before a trade is executed outside of a regulated market or MTF.

9 **Trading venues (COBS 11.2B.22)**

WAM trades equities and may trade derivatives for EPM purposes through NT. NT is permitted to trade over the Eligible Markets as notified to NT from time to time and agreed with the relevant fund administrator.