

Order Execution Policy, V1.2

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1. Introduction

Atomos Investments (UK) Ltd (FRN 122588) "atomos" manages portfolios of investments on a discretionary basis for investment funds and managed account clients ("clients").

This document outlines the Order Execution Policy ("the Policy") for executing a client order as required by the Financial Conduct Authority (FCA) Conduct of Business sourcebook (COBS 11.2A) and as stipulated by the UK Markets in Financial Instruments Directive ("UK MiFID") and UK Markets in Financial Instruments Regulation ("UK MiFIR").

We will take all sufficient steps to obtain the best possible result for our clients by abiding by this policy when executing orders or receiving and transmitting orders to other entities for execution.

Aside from the explicit best execution rules explained in this policy, we have an overriding duty to act honestly, fairly, and professionally in accordance with the best interests of our clients at all times.

2. Scope

This policy applies to the execution of client orders by atomos on behalf of Retail and Professional Clients for the following classes of financial instruments: Equities, Exchange Traded Funds, Derivatives (both Exchange-traded and OTC), Units/Shares in Collective Investment Schemes, Fixed Income Instruments, as well as any other financial instruments in which we may execute orders from time to time. Eligible counterparties are not clients for the purposes of this policy; accordingly, this policy does not apply to the execution of orders on behalf of eligible counterparties as stipulated by UK MiFID.

atomos will always execute client orders as Agent, which we pass on (i.e., transmit) at our discretion to another broker or dealer for execution. However, in the cases where a client gives specific instruction to atomos, this policy will not be applicable for the specified instructions of the client order. The remaining elements of the order, though, will remain subject to best execution requirements.

3. Trade orders

These may result from:

- A decision made by atomos to deal on behalf of a discretionary client.
- A client instruction to deal, following the advice or a recommendation from us.
- A client instruction to deal on an 'execution only' basis.

Where we are appointed Discretionary Manager or provide an Advisory Managed service, the timing of transmitting orders will be at our discretion.

Where we are acting on an instruction from a client, the order will be transmitted as soon as practicably possible following receipt of the instruction.

4. Execution venues and other firms/brokers

An execution venue is the term used to describe a place where a client order is executed and includes Regulated Markets, Multilateral Trading Facilities (MTF), Organised Trading Facilities (OTF), Systematic Internalisers (SI) and market makers or any other liquidity providers. An MTF and OTF is a platform where buyers and sellers interact; posting orders or soliciting quotes via a request for quote (RFQ) process. A Systematic Internaliser is a counterparty, which executes client orders over the counter on its own account, outside a Regulated Market or other multilateral platforms on an organised, frequent, systematic, and substantial basis.

Retail Clients (Wealth Management/Model Portfolios)

atomos transacts the majority of market orders for retail clients via its appointed custodians, Pershing Securities Limited ("PSL", FCA No. 146576) and Hubwise Securities Limited ("Hubwise" FCA No. 502619). PSL and Hubwise execute our orders in accordance with their order execution policies and provide atomos with regular Best Execution monitoring data for assessment of the quality of this service and how it complies with the terms of this Policy.

5. Quality of Execution and Senior Management Oversight

Under UK MiFID, atomos has an obligation to monitor the effectiveness of its order execution arrangements and its Policy, including the execution quality of its transactions.

atomos Product Oversight Committee (POC), together with the Operations and Compliance teams, monitor the execution quality provided by atomos' custodians and approved brokers as relevant (See section 4 above). The POC is comprised of senior management members, i.e., Portfolio Management, Investment Operations and Compliance.

The POC reviews the effectiveness, scope, and performance of the Dealing process/function as it relates to the various portfolios managed by atomos. This includes:

- ensuring adherence to the FCA Dealing and Managing requirements.
- driving the delivery of best execution through adequate management focus, front-office business practices, supporting controls and reporting up to the Exco and Board as required.
- reviewing management information relating to best execution and acting on deficiencies identified.
- reviewing all breaches, errors or any other issues arising related to Dealing and Managing and acting on deficiencies identified.
- approving for implementation any new procedures, systems and controls where necessary to prevent re-occurrence of breaches.
- reviewing and where required approving any changes to our policies and procedures in respect of best execution and client order handling.
- reviewing the annual due diligence on appointed brokers.

Our methodology for achieving best execution for each financial instrument is outlined in Appendix 1.

6. Methods of Execution

There are two methods that atomos uses when executing trades on behalf of its clients and the funds it manages:

- Transmission - where atomos places an order with another entity for it to execute on behalf of the client (e.g., outsourced dealing desk, a broker or investment bank). In these instances, while we will owe our client a duty of Best Execution, we will also receive a duty of best execution from the third party. We select brokers that we are satisfied provide "Best Execution" in accordance with UK MiFID and FCA regulations and we have established and implemented order execution arrangements that enable us to obtain on a consistent basis the best possible result for our own clients.
- Execution - where atomos executes an order directly on an execution venue (e.g., a regulated market, Multilateral Trading Facility (MTF), Organised Trading Facility (OTF) or Systematic Internaliser (SI), including Request For Quote (RFQ), use of MarketAxess etc.) or a market maker or other liquidity provider. In these instances, when atomos executes a transaction on an execution venue (or market

maker or other liquidity provider) we will not receive a duty of best execution from the venue, but we will owe a duty of best execution to our client. As such, we will take 'all-sufficient steps' to obtain the best possible result for our client.

7. Execution Factors

Subject to any specific instructions received, atomos will take the following execution factors into consideration in determining how to obtain the best possible result for the order, namely:

- Price paid for the investment.
- Costs incurred as a result of the transaction being placed (including clearing and settlement costs).
- Speed of the execution and settlement.
- Likelihood of the order being executed and settled.
- Liquidity in the instrument being traded.
- Size and nature of the transaction.
- Nature of the financial instrument including whether it is executed on a regulated market, multilateral trading facility (MTF), organised trading facility (OTF), over-the-counter (OTC) or with a Systematic Internaliser (SI).
- Any other consideration relevant to the execution of the order.

In determining the relevant importance of each of the above factors when executing an order, we will use our commercial judgement, experience in light of current market information, as well as the following criteria (as defined in COBS 11.2A.8:

- 1) the characteristics of the client including the categorisation of the client as retail or professional.
- 2) the characteristics of the client order, including where the order involves a securities financing transaction (SFT).
- 3) the characteristics of financial instruments that are the subject of that order.
- 4) the characteristics of the execution venues to which that order can be directed.
- 5) For UCITS schemes, the objectives, investment policy and risks specific to the scheme, as indicated in its prospectus or instrument constituting the fund.

The total consideration of the trade (i.e., the price of the financial instrument and the costs related to execution) will be our primary focus for the majority of transactions, although in some circumstances we may determine that other execution factors are more important in obtaining the best possible execution result for our clients.

8. Monitoring of custodians and approved brokers

atomos has a process for the selection of counterparties and brokers with whom it executes client orders or transmits client orders for execution.

All brokers are reviewed/assessed on an on-going basis (see section 5) against mentioned above factors (see section 7) in accordance with our obligation to take all sufficient steps to obtain the best possible results when

executing orders. Also, as part of this process, brokers are regularly screened for negative media and potential sanctions, which may also include licence suspensions, disciplinary actions, and reputational issues.

9. Limit Orders under Client instruction

Limit orders are specific instructions received from the client to deal on their behalf where the client places a 'limit' on the price for execution. If an order has been placed with us with a 'limit' on the price for execution, we may not be able to execute it immediately. Consequently, in accordance with regulatory requirements and unless otherwise specifically instructed, we will publicly disclose details of any unexecuted part of such 'limit' order to other firms. However, with client consent, we can exercise discretion as to how and when unexecuted limit orders are disclosed. We believe that this allows us to achieve the best possible result for our clients. We, therefore, seek client's express consent on this matter – see 'Terms of Business':

<https://www.atomos.co.uk/legal-and-regulatory>. In the absence of an explicit response from the client in relation to this information, if they place an order with us, we will treat them as having provided us with consent not to publish any unexecuted limit orders, as we believe it is in the clients' best interest for us to do so.

10. Order Management and Aggregation

atomos will take all sufficient steps to obtain the best possible execution result for its clients. For all client orders, we will consider the different execution factors in the context of the clients' instructions in order for us to form a suitable execution strategy.

Where practical, atomos will look to aggregate purchase or sell orders for the same security or other instrument for multiple accounts so that the client may be able to benefit from the better prices achieved through larger, bulk transactions in line with our obligation to treat customers fairly. atomos aggregates orders when it considers doing so appropriate and in the interest of its clients generally, and may elect block trade treatment when available, as prescribed by the FCA in COBS 11.3.7.

Although it may do so in certain circumstances, atomos does not always aggregate orders for different accounts:

- if the portfolio management decisions relating to the orders are made by separate portfolio management teams.
- if aggregating is not appropriate or practicable from atomos operational or other perspective.
- if doing so would not be appropriate in light of applicable regulatory considerations.

The executed orders are allocated to clients fairly and proportionately in accordance with atomos Trade Aggregation and Allocation policy.

We will not perform crosses of stocks between atomos managed funds with different beneficial owners, but only via a third party e.g., the outsourced dealing desk. For funds with the same beneficial owner, an internal transfer may be performed between the funds using a specified time market price. This will save our clients from transaction costs i.e., incurring broker commissions, fees or charges and reduce market risk by reducing market exposure.

Due to the way we conduct our business and in order to enhance the quality and efficiency of record keeping during the order execution process, we will communicate with our Brokers and place orders electronically via an execution management system. Therefore, no trades will be executed over the telephone.

11. Review of the atomos Execution Policy

atomos reviews this execution policy annually, as well as whenever there is a material change that affects its ability to continue to obtain the best possible result for the execution of orders on a consistent basis.

12. Conflict of Interest

In order to minimise the risk of potential conflicts of interests, atomos does not receive any form of remuneration, discount, or non-monetary benefit for directing orders to a particular venue or broker for execution. The selection of a broker for an order is driven solely by the factors and inputs as described in section 6 of this policy.

Appendix I - Execution Methodology for Financial Instruments

I. Equities

As mentioned in section 4, there may be various reasons for executing equities orders undertaken as part of a number of possible contractual relationships with a client, namely discretionary, advisory, or execution-only. In order to meet these distinct needs, we will investigate and consider a number of execution strategies, trading entities and venues in order to facilitate the most appropriate choice.

Execution Factors

The execution factors considered for **Equities** are listed below in the order of importance.

Price and liquidity	It is key to identify venues/brokers which are sources of natural liquidity before entering an order into the market; deep liquidity is likely to provide material opportunities which may take the form of a better price and the ability to trade significant additional size at a similar price.
Speed and likelihood of execution	This is the rate at which our brokers are able to progress the order; we will seek a balance between creating a market, and thereby potentially moving the price, and executing an order in a timely manner so as to reduce execution risk.
Size and nature of the order	With large single stock orders we would expect our brokers to use MTFs to try to find a block-size match for our business that will prevent an adverse market impact for the traded stock.
Costs	We believe that one of the steps to achieve best execution in equity markets is to negotiate the lowest possible terms for the explicit cost of trading (such as commissions) and minimise the implicit costs (such as market impact and opportunity cost). We negotiate commission rates by market and the method of execution (algorithmic or high touch). Algorithmic trades have lower rates than high-touch orders.
Likelihood of settlement	Our approved counterparty selection process helps us mitigate the credit and settlement risk we may face. We will generally not use an execution venue/broker if we cannot either settle a transaction or resolve failed settlements.

For orders in **Investment Trusts**, the execution factors are listed below in the order of importance.

Price and cost	Price achieved, specifically total consideration, will be our primary focus for the majority of transactions, whether we are acting for retail or professional clients.
Likelihood of execution	Strategies may also depend on the underlying assets held within the fund, in particular the liquidity, as well as whether we are trading in an open-ended or closed-ended fund.

The execution factors order of importance might slightly vary depending on the stocks if they are highly liquid or less liquid.

2 Exchange-traded funds (ETFs)

There may be various reasons for executing ETF orders undertaken as part of a number of possible contractual relationships with a client, namely discretionary, advisory, or execution-only. In order to meet these distinct needs, we will investigate and consider a number of execution strategies, trading venues and entities in order to facilitate the most appropriate choice.

Execution Factors

The execution factors considered for **ETFs** are listed below in the order of importance.

Price	The price achieved will be our primary focus for the majority of transactions, given that the ETFs we typically deal with are highly liquid.
Speed and likelihood of execution	This is the rate at which we are able to progress the order; we will seek a balance between creating a market, and thereby potentially moving the price, and executing an order in a timely manner so as to reduce execution risk.
Costs	We believe that one of the steps to achieve the best execution in ETFs is to negotiate the lowest possible terms for the explicit cost of trading (such as commissions) and minimise the implicit costs (such as market impact and opportunity cost).

3. Fixed Income (FI)

This policy covers fixed income instruments held on a regulated market or multi-lateral trading facility, organised trading facility, over-the-counter (OTC) fixed income securities, asset-backed credit products, any other credit products and money-market instruments. Fixed Income instruments are executed on multilateral trading facilities (MTF). A MTF is a platform where buyers and sellers interact; posting orders or soliciting quotes via a request for quote (RFQ) process.

There may be various reasons for executing FI orders undertaken as part of a number of possible contractual relationships with a client, namely discretionary, advisory, or execution-only. In order to meet these distinct needs, we will consider a number of execution strategies, trading venues and entities in order to facilitate the most appropriate choice, taking into consideration the specifics of the fixed income security. The execution factors considered for Fixed Income are as follow below.

Execution Factors

The execution factors considered for **Fixed Income instruments** are listed below in the order of importance.

Likelihood of execution and settlement	Unlike equity markets, there is seldom a continuous two-way market of buyers and sellers whereby a minor change in price by one or the other can result in a trade. Due to the large variance in liquidity across FI, the
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	likelihood of execution is usually the most important execution factor. There is also a risk that the counterparty with which atomos trades FI over-the-counter might default and fail to meet its transactional obligations to pay us. atomos will trade on a MTF in order to mitigate this risk.
Price and size	Price achieved is always in our focus but the less liquid nature of trading fixed income, often off-exchange, means we will normally take a more strategic approach in order to achieve the best execution. The size of the order will have an influence on the best price available.

4 Units/Shares in Collective Investment Schemes

This policy covers Units/Shares in Collective Investment Undertakings for open-ended funds e.g., Unit Trusts and OEICs. There may be various reasons for executing Units in Collective Schemes orders undertaken as part of a number of possible contractual relationships with a client, namely discretionary, advisory, or execution-only. In order to meet these distinct needs, we will investigate and consider a number of execution strategies, trading venues and entities in order to facilitate the most appropriate choice.

For orders in Collective Investment Schemes (e.g., Unit Trusts, OEICs) we will place the order directly with the relevant fund manager/platform provider and/or the operator of the Collective Investment Scheme at the official NAV price. This does not include Investment Trusts, ETFs, and close-ended funds, which will be executed in the secondary market (see section I Equities and section II Exchange-traded funds).

