

# Veritas Investment Management LLP Order Execution and Dealing Policy

## INTRODUCTION

### Who does this policy apply to?

This policy applies to both retail and professional clients. It deals with Order Execution and Dealing for both clients that trade through the SEI platform and also the Protea Fund which trades through the Pictet & Cie platform.

### What is the purpose of this policy?

Best Execution is a regulatory requirement and this document sets out the arrangements that Veritas Investment Management ("VIM") has established to take sufficient steps to obtain the best possible result for its clients when transmitting orders for execution.

VIM is a discretionary investment manager and outsources its dealing activity. VIM does not execute client orders itself.

## SEI

VIM utilises a custody and administration outsourced service by agreement with SEI Investments (Europe) Limited and SEI Investments (Guernsey) Limited ("SEI"). Under this agreement VIM uses the SEI Wealth Platform ("SWP") to construct and input its clients' orders.

### How is a trade routed?

VIM creates and communicates order Instructions to SEI via SWP. SEI then routes these Instructions, either electronically (straight-through processing) or manually, depending on the connectivity with the broker/sub-custodian and the nature of the order. Specifically, SEI routes Equity, Bond, Exchange Traded Products (ETP) and Investment Trust orders to Winterflood Business Services ("WBS"). SEI routes orders for any Collective Investment Schemes ("CIS"), such as OEICs or Unit Trusts, to the applicable Fund Manager and/or Transfer Agent via its platform network.

In its capacity as order router on VIM's behalf, VIM being a professional client of SEI, SEI monitors speed, timeliness and certainty of trade execution and settlement. It does not consider any other factors or related execution criteria with respect to said orders.

SEI takes sufficient steps to obtain the best possible result when following VIM's Instructions, to monitor its order handling and the trade execution, in order to ensure that VIM's best interests are maintained and that orders are routed in a prompt, fair and expeditious manner. Where securities are held in different custody buckets, this may affect the shape in which orders are worked.

### Best Execution – WBS

WBS is a service division of Winterflood Securities Limited which is wholly owned by Close Brothers Group PLC. WBS has been appointed as VIM's approved broker.

The following provides an outline of WBS's arrangements for executing VIM's orders to help you understand the trading process it follows.

### **How does WBS achieve Best Execution?**

When WBS receives Instructions to place a trade, WBS will take a number of steps depending upon the type of Instruction VIM has transmitted.

### **Equity, Bond, ETP and Investment Trust Instructions Traded in the UK**

For these orders, WBS will use its technology to assess the prices provided by a number of Retail Service Providers (RSP) and Market Makers that it has selected. Typically, it will then execute the trade electronically with the provider which offers WBS the most competitive price, with consideration also given to the other factors laid out below.

### **Equity, Bond, ETP and Investment Trust Instructions Traded Internationally**

For these orders, WBS will execute the trade with its internal market making business or a third-party broker where appropriate. VIM's order will typically be executed electronically using WBS's automated technology. Where WBS executes with its internal market making business, it has negotiated competitive pricing to ensure that VIM's order is executed at the same price or better than the standard price available to the market.

### **Specific Instructions**

Where VIM gives WBS a specific Instruction, WBS is obliged to follow that Instruction and thus may not be able to follow its usual process to achieve best execution. However, if the specific Instruction only relates to part of the order, WBS will follow its usual process for the other parts of the order.

### **What are the key factors WBS considers when executing a Trade?**

WBS has put a number of arrangements in place to ensure that it can meet its obligations to VIM when executing orders.

### **Factors WBS considers**

When WBS is determining the approach to achieve best execution, it will consider the following factors. These are listed in the order of priority for a typical trade.

- Price and cost
- Likelihood of execution
- Likelihood of settlement
- Size and nature of the Instruction
- Speed of execution
- Market impact

When executing a trade, WBS does not only consider these factors in isolation, but also considers the trade-off and interplay between them.

### Execution Venues

Transactions generally will be carried out and reported to an appropriate venue as detailed below and will be subject to the rules and regulations of that market.

When selecting execution venues, WBS consider the price offered by the venue, the amount of any commissions and any other charges that are passed through to the client, the ability of the venue to manage complex orders including the sophistication of its systems, the speed of execution, the creditworthiness of the venue, settlement and clearing facilities, the quality of applicable regulation and any other venue characteristics relevant to the execution of the order.

If WBS executes an order away from a trading venue, the trade is not subject to the rules of the relevant venue. This may result in additional risks such as delayed settlement.

Main European Exchanges	Deutsche Bourse Euronext Irish Stock Exchange London Stock Exchange Nasdaq OMX Nordic NEX
European MTFs	Bloomberg MTF BATS Europe CHI-X Turquoise
Systematic Internalizers	Commerzbank AG
European Secondary Bourses	Austria German Regional Exchanges Italy Spain Norway (including Norwegian OTC) Switzerland
USAAMEX	Nasdaq
Canada	Toronto Vancouver Venture Exchange

Market makers/brokers/RSPs

Canaccord  
Flow Traders BV  
Investec Bank  
Virtu Financial  
Peel Hunt  
Shore Capital  
Stifel  
Susquehanna  
Philip Securities  
Winterflood Securities

## HOW LONG WILL IT TAKE TO EXECUTE VIM'S INSTRUCTION?

### Speed of Execution

WBS's execution process is designed to ensure VIM's orders are executed as quickly as possible using its automated technology. This typically occurs within a few seconds. In some instances, WBS may not be able to execute VIM's order through its automated technology. This may be due to a number of issues, such as the size of the order or the frequency with which the security is traded. In these scenarios WBS will contact Market Makers to execute VIM's order manually

### Trade sequence

All orders are executed in the order in which they are received by WBS.

### How do Client Instructions impact Best Execution?

Where you give us specific Instructions with regard to the execution of an order, we will transmit the order for execution in accordance with those specific Instructions. If your Instructions relate to only part of the order, we will continue to apply this order execution policy to those aspects of the order not covered by your specific Instructions. You should be aware that providing specific Instructions to us in relation to a particular order may prevent us from obtaining the best possible result in respect of the elements covered by the Instructions.

## PERIODIC REVIEW, MONITORING & INFORMATION TO CLIENTS - VIM

### How frequent are VIM's periodic reviews?

VIM reviews this Order Execution and Dealing Policy ("the Policy") at least annually. Such a review will also be carried out whenever a material change occurs.

### What does VIM monitor in respect of the order execution arrangements?

VIM monitors the effectiveness of this Policy to identify and, where appropriate, correct any deficiencies. Specifically, VIM assesses whether the execution venues employed and included in this policy provide the best possible result for its clients or whether it needs to make changes to its execution arrangements. If any material changes occur to this Policy, an updated Policy is made available on the firm's website [www.veritasinvestment.co.uk](http://www.veritasinvestment.co.uk).

### What information is available to clients and is this readily available?

Information is available to clients on our website at [www.veritasinvestment.co.uk](http://www.veritasinvestment.co.uk). We will make the following pieces of information available to clients:

- A list of execution venues on which VIM places significant reliance by financial instrument type and client type;
- A list of factors used to select an execution venue including the factors leading to the selection and how these are used to obtain the best possible result for the client;
- Where a client requests information about VIM's policies or arrangements, VIM shall make relevant policies available to clients.

### What are the charges for dealing?

Costs associated with dealing may include, but are not limited to, trade execution, stamp duty and any local market charges. These will be added to the cost or deducted from the proceeds of each transaction. These charges are itemised on your valuation schedule and on your contract notes (if you have elected to receive these).

There are no execution charges for Collective Investment Schemes.

WBS's order execution charges are as follows:

UK securities	0.05% per deal
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International securities (excluding Asia)	0.07% per deal
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Asian securities	0.12% per deal
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Minimum execution fees apply, and these are charged in the trade currency. These are detailed in Section 6 below.

### Where can this Policy be found?

This order execution policy is provided as part of our client-on-boarding process, is available on our website [www.veritasinvestment.co.uk](http://www.veritasinvestment.co.uk) and is also available on request.

### WBS's Order Execution Charges

The following table sets out the dealing charges levied by WBS for order execution in various locations and the related minimum charges that apply by location.

Note that the minimums are stated in the local currency.

Regions Covered (Markets)	% Charge	Minimum Charge (Local Currency)
Australia	0.12	25
Channel Islands (Uk/Euro/Usd)	0.05	5
Finland	0.07	10
France	0.07	10
Germany	0.07	10
Hong Kong	0.12	150
Italy	0.07	10
Japan	0.12	2,200
Luxembourg	0.07	10
Netherlands	0.07	10
Norway	0.07	90
Singapore	0.12	25
Spain	0.07	10
Sweden	0.07	90
Switzerland	0.07	10
Uk	0.05	5
Uk (Non Gbp) – E.g. Cdi	0.07	7
Usd	0.07	11.5
Cad	0.07	15

### Pictet

VIM has been appointed by Fund Partner Solutions (Europe) S.A., the management company to act as the investment manager of the Protea Core Equity Fund. VIM's role in relation to dealing activity is limited to transmitting client orders for onward execution. The fund and its management company have outsourced dealing activity in relation to Protea SICAV Sub-Fund portfolios to Pictet & Cie (S.A.) (Pictet). VIM does not execute client orders itself.

### **Routing and handling of orders**

VIM creates and communicates order instructions to Pictet via the Pictet Connect platform. Pictet utilises its trading teams around the globe to execute trades: UK trades are executed in London; European (ex-UK) trades are executed in Geneva; American trades are executed in Montreal; and Asian trades are executed through the Hong Kong and Singapore trading desks.

VIM shall have an obligation under Article 24(1) of the MiFID Directive to act in accordance with the best interests of the client when placing orders with other entities for execution and Article 65 of MiFID II Delegated Regulation applies. (VIM shall not however have a best execution obligation under Article 27 of MiFID and the specific terms of Article 66 of the MiFID II Delegated Regulation.)

### **Specific instructions**

If VIM gives Pictet a specific instruction (e.g. a limit, care or stop loss), Pictet will execute the trade in accordance with these instructions. Pictet dealers shall warn VIM that it will execute the order as per the specific instructions and that Pictet is relieved of any best execution obligations.

### **Best execution**

VIM's Order instructions shall be formulated on the basis that it shall be Pictet's obligation to undertake best execution obligations. Pictet will take all sufficient steps to obtain the best possible result when executing orders for VIM, and in accordance with the terms of its Order Execution Policy, Pictet will take into account the following execution criteria and execution factors, subject to specific instructions described above. The factors taken into consideration are:

- Price
- Costs
- Speed
- Likelihood of execution
- Likelihood of settlement
- Size of order
- Nature of the trade
- Any other consideration relevant to the execution of the order

Total consideration of price and cost will ordinarily merit a high relative importance in obtaining the best possible result. However, under special circumstances Pictet may determine that other execution factors shall have the same importance or shall have precedence over price in obtaining the best possible result.

### **Execution venues**

Pictet may use one or a combination of the following execution venues in accordance with its Order Execution Policy:

#### Trading venues

- Regulated markets (RM)
- Multilateral trading facilities (MTF)
- Organised trading facilities (OTF)

#### Executing venues

- Systematic internalisers
- Other securities dealers or financial counter parties located within or outside of Europe
- Other entities of the Pictet Group acting as banking counterparts or market maker, such as Banque Pictet & Cie SA, Pictet Canada S.E.C. (Canadian markets) and Pictet Overseas (US markets)
- Other liquidity providers.

#### Cost of execution

The terms for cost of execution shall be determined pursuant to the Brokerage Agreement between the fund and the management company with Pictet & Cie (S.A.) to which Pictet's Order Execution Policy shall refer.

Pictet, in accordance with its Order Execution Policy, will take into account the costs related to the execution; as a consequence, Pictet chooses an execution venue representing the most limited costs. Pictet may however derogate from this principle when this has obvious benefits for the client e.g. complete execution of size within limited market impact, probability of execution and settlement.

Protea Fund SICAV and the Management Company shall provide information in relation to the cost of execution to VIM insofar as is reasonably necessary in order to enable VIM to comply with its obligations to ensure compliance with FCA Rules and/or MiFID provisions, as may be notified by VIM from time to time.

Trading fees based on fund's AUM (fixed scale), reviewed semi-annually are currently:

Below £100 million	7 bps
£100 million to £250 million	6 bps
Above £250 million	5 bps

## GLOSSARY OF TERMS

<b>Bond</b>	A debt instrument where an investor loans money to a company for a fixed period of time.
<b>Collective Investment Scheme</b>	An investment which is made up of a pool of funds from many investors for the purpose of investing. This includes open ended investment companies (OEIC) and unit trusts.
<b>Equity</b>	A share in a company.
<b>Exchange Traded Products (ETP)</b>	A derivatively-priced product, where the value is derived from another investment such as a commodity, currency, share price or interest rate.
<b>Execution</b>	Placing a trade with a <b>Market Maker</b> or <b>RSP</b> .
<b>Execution Venue</b>	A <b>Regulated Market</b> , <b>Market Maker</b> or <b>MTF</b> .
<b>Instruction</b>	An instruction from VIM to SEI and/or WBS to execute a <b>Trade</b> .
<b>Investment Trust</b>	A closed-ended company who invest shareholders' funds.
<b>Market Maker</b>	Firms who are members of the London Stock Exchange and buy/sell <b>Equities</b> and <b>Bonds</b> at agreed prices.
<b>MTF</b>	A Multilateral Trading Facility is a trading venue operated by an investment firm which bring together buyers and sellers of financial instruments.
<b>Provider</b>	A <b>Market Maker</b> or <b>RSP</b> .
<b>Regulated Market</b>	A trading venue operated by a recognised market operator (e.g. the London Stock Exchange) which bring together buyers and sellers of financial instruments.
<b>Retail Service Provider (RSP)</b>	<b>Market Makers</b> who receive Instructions to trade electronically in UK securities.
<b>Trade</b>	An agreement to purchase/sell at an agreed price.