

JULY 2023

Introduction

It is in the mutual interests of 7IM and its clients that we obtain the best possible result when executing transactions on your behalf or when transmitting orders to fulfil your instructions. We are required under the Rules of the Financial Conduct Authority (FCA) and Market in Financial Instruments Directive (MiFID II) to take all sufficient steps to provide Best Execution when doing so and also to provide you with a copy of the policy we adopt to achieve that objective.

This policy applies to all funds within the below umbrellas for the benefit of their underlying registered shareholders:

- 7IM Specialist Investment Funds
- 7IM Investment Funds
- 7IM Opportunities Funds
- 7IM Funds ICVC
- SVS True Potential Investments OEIC 1

This policy should be read in conjunction with 7IM Terms and Conditions and our Conflict of Interest policy.

N.B. – Where 'clients' are mentioned, this is in reference to the above umbrellas.

Order execution – obtaining the best overall result

When executing orders on your behalf, 7IM will make every effort to obtain the best possible result for our clients taking into account the following Execution Factors:

- Price
- Costs
- Speed
- Likelihood of execution and settlement
- Size
- Current liquidity:

The characteristics of financial instruments that are the subject of that order

The characteristics of the execution venues to which that order can be directed

- Nature of transaction
- Any other consideration relevant to the execution of the order

For our clients, price will normally be the most important aspect in obtaining the best possible result.

7IM will therefore assume that the best available price is the most important outcome for your transaction unless specified at the time of dealing by an authorised member of the 7IM Investment Team that another factor is of greater importance. 7IM will use its discretion to observe market behaviour in order to achieve Best Execution, this includes allowing the market to settle post open, during fast markets and participation in auctions.

In certain circumstances, for some orders, financial instruments or markets, we may determine that other Execution Factors are more important than price in obtaining the best possible execution result of our investment strategy (for example, speed of execution).

7IM will take all sufficient steps, based on those resources available to us, to satisfy ourselves that we have processes in place to enable us to obtain Best Execution when executing your orders. It is the responsibility of the Dealing and Investment Management team to carry out their roles in obtaining Best Execution and monitor adherence to this policy via Management Information provided to the Best Execution committee, which includes independent members of Senior Management. We cannot guarantee that we will always be able to provide Best Execution of every order executed on your behalf.

To avoid conflicts of interest and the risk of discriminating unfairly between execution venues, 7IM do not receive any remuneration, discount or non-monetary benefit for routing orders to a particular trading venue or execution venue. In some circumstances, we may determine that other Execution Factors are more important than price in obtaining the best possible execution result.

**MiFID II Class of Financial Instrument
Equities (Tick size bands 1 – 6):**

All Equity (Tick size bands 1 – 6) securities will be reviewed using an independent Pre-Trade Analyser. This allows the Dealers to review key parts of the instruction and formulate a strategy for Dealing.

Once the strategy has been determined, the Dealers will route orders to a wide range of venues in an Agency capacity. These venues will include Investment Banks, Agency Brokers and specialist equity firms. All order types are available via these venues along with a huge range of Algorithms (VWAP, TWAP etc.) which enables the Dealers to lower the orders' market impact, employing the desired strategy without manual intervention.

The Dealers also have access to executing on a 'Risk' basis, which allows the Dealers to execute efficiently in a time-sensitive manner. Risk trading can only be carried out via an Investment Bank.

Low liquidity Investment Trusts will be directed to house brokers or specialist 'Market Makers' to source liquidity. The use of warehousing is employed (if offered by counterparty) to avoid a large number of market bookings and settlement instructions.

Debt Instruments (Bonds and Money Market Instruments)
Where possible Fixed Income will be traded via a 'Request for Quote' (RFQ) system, allowing the Dealers to route an instruction to a number of Counterparties. The best price will be taken and all quotes will be recorded and timestamped. In the instance of two counterparties quoting the same 'best' price, we will execute with the Counterparty that returned the quote in the shortest time frame.

Hit ratios will be reviewed prior to Counterparty selection to ensure the requests are being routed to Brokers that have historically returned competitive prices. Where a Fixed Income product is extremely illiquid, it may be deemed beneficial to clients to maintain a high level of market anonymity by only contacting a small number of Counterparties to obtain a price. To help the Dealers benchmark market prices for Best Execution, we will use a fair value analyser, Bloomberg ALLQ (all quote function), review Bank's daily RUN's report and obtain three quotes from selected Counterparties.

Structured Finance Instruments

Generally, we use structured notes as an implementation vehicle for derivative transactions only when there is no available listed derivative that satisfies our requirements. We consider best execution for structured notes primarily with reference to three key parameters (i) counterparty risk; (ii) liquidity terms; and (iii) price.

Generally, (i) is a binary choice – either we are comfortable with a potential counterparty credit exposure (in which case they may be considered) or we are not (in which case they won't be considered). Our decision on whether to be comfortable is taken following discussions between the Investment Management team and the Investment Risk team. Key inputs into this decision are the existing exposure within the funds to this Counterparty and the perceived credit risk as a function of variables including equity momentum, rating and quoted CDS levels.

With regards to (ii) we generally seek to receive a firm liquidity commitment from our potential counterparties – ideally, this involves both (a) a commitment to provide an unwind price that is not restricted to 'normal market conditions'; and (b) a cap on the potential bid-to-mid transactions charges that may be levied. (b) could be either a fixed or a risk-dependent unwind charge.

For (iii) we seek to execute at the most advantageous price, taking into account the absolute traded level rather than simply the spread to market mid. The size of the proposed transaction needs to be taken into account and this will also inform our decision whether to execute in a series of smaller tranches or alternatively in a single transaction. Typically, we limit the potential counterparties to those that satisfy (i) and (ii) – if this results in a number of counterparties insufficient to generate competitive pricing tension, we may relax the constraints within (ii) but never (i). Once we have established a subset of potential counterparties we will ask for at least one round of indicative pricing (and possibly more rounds over a period of time depending on the proposed transaction).

Finally, once we are ready to trade, we will either (x) ask a number of banks for a live tradeable price; or (y) ask only one bank for a price, having established the most competitive bank from the indicative pricing process above. In the case of (x) we will choose the actual counterparty based on the combination of pricing and liquidity provision negotiated in (ii) – if two or more banks have sufficiently similar liquidity provision, then best price becomes the deciding factor. In the case of (y) we would only execute the transaction if the live pricing was consistent with the prior indicative levels, allowing for observable market movements over the period, and the liquidity provisions negotiated in (ii) were deemed to offer sufficient protection.

Equity Derivatives (options and futures admitted to trading on a trading venue)

The Dealers have the ability to trade via Direct Market Access (DMA) with the full range of order types and Algorithms. Trading via DMA significantly lowers our Dealing cost and, is therefore, our preferential method of trading.

Should the order be of sufficient block size, the Dealers have the ability to use a RFQ system, allowing them to route an instruction to a number of Counterparties. The best price will be taken and all quotes will be recorded and timestamped. In the instance of two counterparties quoting the same 'best' price, we will execute with the Counterparty that returned the quote in the shortest time frame.

Hit ratios will be reviewed prior to Counterparty selection to ensure the requests are being routed to Brokers that have historically returned competitive prices.

Exchange Traded Products (ETF's and ETN's)

Where possible ETF/ETN's will be traded via a 'Request for Quote' (RFQ) system, allowing the Dealers to route an instruction to a number of Counterparties. The best price will be taken and all quotes will be recorded and timestamped. In the instance of two counterparties quoting the same 'best' price, we will execute with the Counterparty that returned the quote in the shortest time frame.

Hit ratios will be reviewed prior to Counterparty selection to ensure the requests are being routed to Brokers that have historically returned competitive prices.

7IM have relationships with most of the ETF market makers and trade on a NET basis. This further enhances our offering as we do not have to interact with intermediaries (Banks, Brokers etc.) to source pricing and liquidity.

7IM also have access to NAV Redemptions and Creation via the approved counterparties, which act as Authorised Participants (AP's). This order type is used when deals have an adverse market impact. The costs involved in NAV Redemptions and Creation will be fully reviewed against current market prices to ensure the client is not disadvantaged.

Execution venues

At 7IM, our Dealers have access to a large number of execution venues and approved counterparties in order to facilitate best execution for our client orders. Counterparties are reviewed regularly by our Best Execution Committee to ensure we have sufficient relationships and coverage across all asset classes to provide Best Execution, which could lead to the addition of further Counterparties. The committee also review the performance of Counterparties by using third-party Transaction Cost Analysis (TCA) tools and will approve the removal if we feel the counterparty is not providing Best Execution.

We will execute our client orders on an agency basis using the following methods or a combination of:

- Regulated Markets (RE)
- Multilateral Trading Facilities (MTF)
- Organised Trading Facilities (OTF)
- Systematic Internaliser (SI)
- Other liquidity providers, including market makers
- Any other relevant execution venue

7IM will never deal on our own account and, therefore will never quote a price to a client, again removing any conflict of interest when achieving Best Execution. 7IM may deal on other markets if by doing so helps us to obtain the best overall result and in accordance with our selection policy.

For large transactions or in instruments with limited liquidity, our dealers will use their experience with the objective of achieving the best possible outcome. When Dealing in 'Quote Driven' markets, 7IM will continue to abide by our Best Execution Policy in carrying out pre-trade analysis and ensure we have sufficient counterparty relationships. Quote Driven trades are also subject to TCA analysis.

For overseas securities, we will source specialist agency brokers with local market knowledge and expertise, executing on the above venues where available.

We will monitor the availability and execution quality of alternative markets within the Best Execution committee (as per our standard TCA output review) to gain assurances that we are delivering the best outcome for our clients.

For collective investment schemes, domiciled in the UK and offshore, we will deal directly with the Fund Manager or their designated Transfer Agent.

Venues used to execute your instructions:

- Banco IMI
- Bank of America Merrill Lynch
- Barclays Bank
- BBVA
- BGC
- BNP Paribas
- Canaccord Genuity
- Cantor Fitzgerald
- Cenkos
- Citibank
- Commerzbank
- Cowen
- Credit Suisse
- Daiwa Capital Markets
- Deutsche Bank
- DRW
- Flow Traders
- Goldman Sachs
- Guy Butler
- HSBC
- ICAP
- Investec
- Jane Street
- Jefferies
- JP Morgan
- Kepler
- King and Shaxson
- Liberum
- Lloyds
- Macquarie
- Mitsubishi
- Mizuho
- Morgan Stanley
- Natixis
- Nomura
- Old Mission
- Oppenheimer
- Optiver
- Peel Hunt
- RBC
- RIA
- Royal Bank of Scotland
- Shorecap
- Singer
- Societe Generale
- Stifel Nicolas
- Susquehanna
- Royal Bank of Scotland
- Toronto Dominion Bank
- Tradition
- UBS
- Unicredit Bank
- Virtu
- Winterfloods

Executing your order

In executing your order we:

- Will not trade as Principal;
- Will always trade as an Agent.
- May deal on a NET basis with due consideration given to the overall outcome.
- Will apply a range of criteria when determining which counterparties we deal with, including the overall level of service delivered.
- Ensure there are no conflicts of interest with other business flows.*
- Where possible, client orders will be aggregated. These orders will be subject to our internal fair allocation policy unless the Dealers feel the aggregation will disadvantage the client. Aggregation of orders may occasionally work to the client's disadvantage resulting in our clients obtaining a worse price than if their order was executed separately.
- Such considerations under COBs Inducement rules will not affect our principal objective to achieve the best possible price. 7iM will not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue.

These considerations may include:

- The provision of research – post MiFID II all research costs must and will be unbundled.
- Ongoing support.
- Maintaining relationships with an appropriate range of counterparties.

Based on the execution factors such as those identified above, the Chief Investment Officer does not have the right to instruct the dealing function in this regard and such guidance will never override the overall obligation to achieve Best Execution.

- Given our Retail and Institutional business flow, the Dealing Desk may receive an identical security and direction trade whilst working an existing order. In this instance, the time the order has been received will take precedence in execution unless the Dealers deem it in the client's best interest to aggregate the order. Due to our use of STP RSP trading, an order could bypass the above rules, but the Deal will be of insignificant size to impact the order in progress.

Route to markets across all asset classes is now predominantly on electronic formats, therefore, in extreme circumstances or outages, 7iM may not be able to transmit your order in a timely manner resulting in a delayed execution. This includes electronic connections to vendors, Electronic Platforms, Venues or any other order electronic messaging methods.

For UTM deals that require a fax instruction, 7iM will take the fax receipt confirmation as confirmation that the deal has been received by the Transfer Agent and will trade at the next available NAV. Should the TA not receive the fax or should another transmission error occur and therefore the deal has not been placed, 7iM will work with the TA to get the order in place for the next available NAV, the deal will not be backdated to the expected NAV.

On occasion and depending on order types, Third Party data may be used within our Third Party Order Management (OMS) and Execution Management (EMS) Systems to generate an instruction value or share quantity for execution. We are wholly reliant on the accuracy of the Third Party data and if this data is incorrect, it may result in an under or over investment vs the original instruction. 7iM internal teams have controls in place to identify over or under investments and will look to rectify the position at the next available opportunity. 7iM will not be liable for any losses due to incorrect Third Party data.

Complex trades, which are significant in nature

In the case of significant portfolio movements, the investment management team may phase trades over multiple transactions in similar or identical securities. During this period, best efforts will be made to execute in line with 'simpler' transactions. However, implementation of the policy will be viewed in the context of the trades as a whole across all legs, with snapshots taken pre and post-completion of Deal instruction to ensure positions are in line with intended allocations.

Limit orders / Order types

Limits can be provided by the 7iM Research team when trading Equities in liquidity bandings 1 – 4, which will be passed onto an approved Market Maker. 7iM cannot guarantee the trade will be executed within the limit due to market behaviour. It is the responsibility of the 7iM Research Team to monitor the level that the security (which the limit is applied to) is trading at and adjust limits accordingly.

Selection of Order Types or Third Party Algorithms is at the discretion of the Dealing team following a pre-trade analysis. Post Trade reports will be analysed to review Order Types and Third Party Algorithms to review and improve dealing strategies.

Charges

It is 7iM's policy that its commission and charging structure with Counterparties will not influence either the selection of Execution Venues or the order flow that follows as a result of the execution process. 7iM will not, therefore, discriminate between the Execution Venues we use to execute your orders.

Use of third parties

7iM is classed as a 'Professional Client' with all counterparties and are not subject to Third Party Best Execution rules. The client will therefore rely on 7iM's own monitoring and Best Execution Committee to execute orders as per this Best Execution policy.

Crossing trades

In the event that clients wish to execute opposing (i.e. buy/sell) transactions in the same security, our standard policy will be to execute these transactions in the market at the minimum possible cost to each client and with the constant principle that the price achieved will be fairer to each participant in the transaction. This policy will ensure that the transactions are executed at arms length and with appropriate price discovery and transparency.



INSTITUTIONAL CLIENTS EXECUTION POLICY

Funds dealing (including Unit Trusts and OEICS – domiciled in the UK and offshore)

The price of the fund is based on the value of the underlying assets. 7iM undertakes to make all reasonable efforts to execute all orders received up to one hour prior to the fund dealing cut-off time, wherever we have electronic order routing in place. For those instructions received after our cut-off and for any funds which require manual dealing, orders will be placed prior to the next available dealing cut-off time, on a reasonable endeavours basis.

When trading in all Unit Trusts, 7iM require a nominee account at the Fund Managers Transfer Agent. The requirement for an account and the subsequent documentation required is dependent on the requirements of the Transfer agent and account opening times vary significantly. 7iM will make every effort to open a Transfer Agent account prior to the expected investment date, however, due to Transfer Agent requirements that are outside of 7iM's control, an account may not be opened in time, resulting in a delay to the investment.

Transfer agents may also request ad hoc KYC post initial investment, which can result in a period of time whereby additional investment or redemptions cannot be placed. 7iM will work with the Transfer Agent to provide the required information in a timely manner however, the lifting of restrictions is solely the decision of the Transfer Agent.

Where 7iM are investing in a restricted share class, it is the responsibility of the Unit Trust Manager sales contact to ensure the Transfer Agent of the requested fund has provided access via a waiver and the relevant 7iM identifiers have been passed to the Transfer Agent (should the fund trade via electronic methods). This also applies to waivers for investing under the minimum stated amount for a particular share class. Failure to ensure the relevant waivers are in place will result in delayed trades. The maintenance of a waiver is the responsibility of the Transfer Agent.

Should a Fund Deal require a fax instruction, 7iM will take the fax confirmation receipt as confirmation that the instruction has been received by the Transfer Agent. Upon request for deal details, if the Transfer Agent confirms they have not received the original instruction, then a new fax instruction will be required by 7iM which will result in a delay to the NAV price achieved.

Monitoring and review of our Execution Policy

7iM will have appropriate controls and procedures in place to give us reasonable assurance that we are obtaining the best possible results for you when executing orders. These processes will be periodically monitored by our Compliance Department and Best Execution Committee.

We will review this Execution Policy and our order execution arrangements at least annually and whenever a material change occurs, that affects our ability to continue to obtain the best possible result for our clients.

7iM will regularly assess the Execution Venues available in respect of any products that we trade to identify those that will enable us, on a consistent basis, to obtain the best possible result when executing orders. The list of Execution Venues will then be updated, where necessary, following such assessment.

The most recent version of our Execution Policy, including any future amendments, will be available from our website www.7im.co.uk.

Questions

If you have any questions regarding our Execution Policy, please contact us or your Adviser or Relationship Manager.