Order Execution and Transmission Policy

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1. Introduction

1.1. Purpose and Scope of Application

This document provides a summary of the "Order Execution and Transmission Strategy" ("the **Policy**") defined by MFM Investment Ltd ("**Moneyfarm**"). The purpose is to provide You with information on the execution methods used to obtain the best possible result for You ("**Best Execution**"). The Policy applies to clients classified as "retail" for the following, but it is not limited to, investment services:

- Model Portfolio Service.
- Execution-only (“Share Investing”) service.

When You place an order with us, You consent that the order will be executed in accordance with this Policy and where applicable, we may execute orders outside a “Trading Venue”.

1.2. Regulatory Framework

In the UK, Best Execution is governed by the following regulatory framework:

- The Financial Services and Markets Act 2000 (FSMA)
- The FCA’s Conduct of Business Sourcebook (COBS), particularly rules on Best Execution (COBS 11)
- The Markets in Financial Instruments Regulation (UK MiFIR)
- FCA Handbook and relevant guidance on execution quality and client order handling

2. Principles of Best Execution

In this section, we clearly and detailedly explain what is meant by Best Execution, how Moneyfarm applies this principle in your interest, and how the determining factors are evaluated to achieve the best possible result for You during the execution and transmission of orders.

2.1. Best Execution of orders

The Policy aims to show how all orders are applied, monitored, and reviewed to achieve the best possible result (although it is not possible to achieve Best Execution for every single order). Moneyfarm takes all sufficient measures to obtain the best possible result for You. Best Execution is defined by taking into account:

- Execution factors;
- Execution criteria;
- Total consideration.

2.2. Execution Factors and Criteria

In compliance with the Best Execution principle, the factors taken into consideration include:

i. **Price**: The price at which the instrument is traded.
ii. **Costs**: The expenses and commissions connected to the execution of the order.
iii. **Speed of execution**: Corresponds to the speed at which the order is executed, a crucial factor in markets characterised by high volatility.
iv. **Likelihood of execution and settlement**: The certainty that the order will be executed and that the transaction will be successfully concluded, which implies that every stage of the process is carefully monitored to minimise any risk and ensure that the client's expectations are fully met.
v. **Size and nature of the order**: Large orders or those with special characteristics may require specific strategies.
    - **Atypical orders**: The execution methods for an atypical order require special attention and specific procedures, given their complex and potentially market-impacting nature. An order may be considered atypical for several reasons, including (i) Size above the market average (orders that significantly exceed the average daily trading volume of a given financial instrument can influence liquidity and market price) and (ii) Unusual characteristics (for example, orders with special non-standardized conditions, such as very restrictive "fill or kill" price requirements), or (iii) the application of complex execution logic that deviates from common market practices. Such orders require a thorough assessment of their feasibility and potential implications.
vi. **Market impact**: The importance of these factors is determined by criteria such as the characteristics of the financial instrument, the transaction, and the execution venue. These criteria include, but are not limited to (i) the intrinsic characteristics of the financial instrument subject to the transaction, (ii) the

peculiarities of the transaction itself, (iii) the specifics of the chosen execution venue, and (iv) the effect that the execution of a client's order, or its presentation to other market participants, could have on the market.

vii. **Other relevant factors** for the types of order where applicable.
viii. Any other consideration related to the order.

2.3. Execution criteria

The importance attributed to each of the execution factors is not fixed but is dynamically weighted based on the so-called Execution Criteria. These criteria allow the strategy to be adapted to the specific circumstances of each order. The main criteria are:

i. **Characteristics of the Financial Product**: This criterion considers the nature of the instrument subject to the order. For example, for liquid Stocks and ETFs, price and costs (the "**Total Consideration**") are almost always the predominant factors, given the high transparency and liquidity of the markets.
ii. **Characteristics of the Transaction**: This criterion evaluates the specific aspects of the order placed by You. Indeed, for example:
    - An order of a very large amount compared to the average trading volume of an instrument can have a significant impact on the price ("market impact").
    - A market order requires maximum execution speed, while a limit order prioritises reaching a specific price.
iii. **Characteristics of the Financial Instrument**: This criterion focuses on the intrinsic characteristics of the instrument, namely (i) liquidity (an instrument is liquid if it can be bought or sold quickly without significantly affecting the price. For less liquid instruments, the likelihood of finding a counterparty becomes the most critical factor) and (ii) volatility (for instruments with high price volatility, the "speed" factor becomes essential to reduce the risk that the price changes between the time the order is sent and its actual execution).
iv. **Characteristics of the Execution Venue**: This criterion analyses the specifics of the market or platform where the order can be executed, including:
    - **Liquidity Sources**: Some venues may offer greater market "depth" (i.e., a larger number of buy and sell orders at different price levels), increasing the likelihood of execution, especially for large orders.

- **Costs and Commissions**: Each venue has its own cost structure, which directly affects the Total Consideration borne by You.
- **Market Model**: An "order-driven" market operates differently from a "quote-driven" market, which is driven by prices displayed by market makers. The choice depends on which model offers the best result for a given instrument.

v. **Other Relevant Circumstances**: This criterion includes any exceptional event or condition that may affect execution, such as extreme market volatility, sudden news impacting a stock, or temporary trading suspensions. In such situations, the execution strategy can be adapted to protect the client's interests best.

2.4. Total Consideration

For retail clients, Moneyfarm considers the Total Consideration as the predominant factor for Best Execution. The Total Consideration includes the price of the financial instrument and all direct and indirect costs related to the operation, i.e., the expenses incurred by the client that are directly linked to the execution of the order, including, by way of example but not limited to:

I. **Execution Costs**: These include execution venue fees, clearing and settlement costs, as well as other fees paid to third parties.

II. **Currency Conversion (FX) Costs**: When trading instruments in a foreign currency, a conversion cost is applied. This cost is charged both at the time of purchase and at the time of sale.

III. **Tax and Regulatory Charges**: These include taxes and contributions applied by local authorities on certain financial transactions, such as the Tobin Tax or Stamp Duty. The amount of these costs varies depending on the type of financial instrument and the relevant jurisdiction.
Standard expenses incurred by the client, such as portfolio management fees, custody fees, and any advisory fees, are not considered, as these costs are applied regardless of the methods and venues of order execution.

3. Order Management and Transmission

This section illustrates the ways in which Moneyfarm manages and transmits your orders to ensure their execution in accordance with the Best Execution principle, through:

- the process of transmitting orders to the intermediary Saxo;
- the types of orders available and their respective management methods;
- the procedures applied in case of your specific instructions and the rules on order aggregation and splitting to ensure fair and transparent treatment;
- market volatility and the rules on orderly and market maker markets.

3.1. Execution Process via Intermediary (Saxo)

Moneyfarm does not execute client orders directly but uses the executing intermediary, Saxo A/S ("Saxo"), for their execution. Moneyfarm uses automated systems to promptly transmit orders to Saxo and carries out constant supervision of the intermediary's execution performance, in order to ensure that the Best Execution obligations provided for by current legislation are respected.

3.2. Order Types and Specific Management

Moneyfarm offers You different types of orders, each with specific characteristics. The types of orders currently available depend on the financial instrument and include:

a. Market Order

A market order is an instruction by which the client requests to buy or sell a financial instrument at the best available price on the market at the time the order is executed and which automatically expires at the end of the day on which it was placed by the client.

This type of order aims to ensure the speed and certainty of execution, prioritising speed over price control.

i. Moneyfarm is committed to ensuring the timeliness and efficiency in the execution of its clients' orders. To this end, market orders are promptly transmitted to the intermediary Saxo in order to minimise latency times and try to execute orders as quickly as possible, in line with the prevailing market conditions at the time of receipt.
ii. However, it is essential that clients are fully aware of the intrinsic characteristics of market orders, which by their very nature do not offer a guarantee of a specific price.

iii. The final execution price, i.e., the price at which the transaction is actually completed, could differ, higher or lower, from the last price displayed or expected by the client at the time of placing the order. This variation is an intrinsic aspect of financial markets and can be influenced by several factors.

It is therefore crucial for You to understand that, although Moneyfarm strives for optimal execution, the market order is subject to the unpredictable dynamics of the market and the final price may deviate from initial expectations that are not within Moneyfarm's control.

b. Limit Order

A limit order is an instruction that allows You to buy or sell a financial instrument at a specific price, called the "limit price," or at a better price.

i. In the case of a buy order, the transaction will only be executed if the market price reaches the set limit price or a lower price.
ii. For a sell order, execution will only occur if the market price reaches the limit price or a higher price.

This type of order allows You to have greater control over the execution price, but it does not offer guarantees on the timing of execution and ensures that the order is executed:

i. If the market price does not reach the established limit price, the order may not be executed and remain open until cancelled by the client, unless the option for automatic cancellation at the end of the day has been selected, in which case after that date the order will be automatically cancelled at the end of the day without the client having to cancel it;
ii. When the order relates to instruments traded on regulated markets, Saxo may not immediately publish or execute limit orders that have a price significantly distant from the prevailing market conditions. In such cases, the order may remain pending until the market price returns within the tolerance parameters accepted by the execution venue, in order to ensure its effective possibility of execution, unless the option for automatic cancellation at the end of the day has been selected.

c. Specific Management for Limit Orders on Foreign Currency Securities

The execution of limit orders on instruments denominated in a foreign currency (such as, for example, US stocks traded in Dollars) requires specific management to mitigate the risk arising from fluctuations in the exchange rate (so-called FX risk) during the period in which the order remains open. For this reason, Moneyfarm adopts the following operational measures:

i. **Provision of a Guarantee Buffer (FX Buffer)**: At the time of placing the order, Moneyfarm applies a guarantee buffer of 2% of the transaction's value. This additional provision serves to ensure the availability of sufficient funds to cover potential adverse movements in the exchange rate. This is particularly important for so-called "Good Till Cancelled" (GTC) orders (i.e., orders that remain valid unless cancelled or executed), which can remain open for days or weeks.
ii. **Daily Funds Verification**: Every day, at 10:30 CET, an automated system performs a check to verify that the funds available on the client's account are still sufficient to cover the order amount, including the buffer, recalculated at the current exchange rate. Orders are checked and verified using a "FIFO" (First-In, First-Out) approach.
iii. **Automatic Order Cancellation**: If, following the daily check, the available funds are no longer sufficient due to exchange rate variations, the limit order is automatically cancelled. This measure is necessary to prevent a failure at the execution stage should the limit price be reached in the absence of adequate funds in the account.

3.3. Specific instructions

In the presence of specific instructions provided by You, Moneyfarm executes the order in accordance with these instructions:

- the obligation of Best Execution is considered fulfilled, limited to the elements subject to the instruction, even if this could prevent Moneyfarm from applying the measures provided in the Policy to obtain the best possible result;
- to the extent that there is no conflict, this Policy will be followed;
- any refusal of the order resulting from the impossibility of respecting, in whole or in part, such specific instructions will be communicated to You through the same channel as the order reception;
- in the event that the specific instructions lead to an increase in costs, these additional costs will be reflected in the charges to You. In this case, where possible, the costs will be communicated to You before accepting the order or orders;

3.4. Aggregation and Splitting of Orders

To ensure efficient execution in line with market conditions, Your orders may be aggregated with other orders, including those of Saxo.

Saxo may also split Your order into several tranches, or aggregate it with other orders from different clients, if it believes that such aggregation does not overall disadvantage the clients concerned.

It is important for You be aware that, although aggregation is carried out with the aim of not disadvantaging clients as a whole, in specific circumstances the aggregated execution of an order could generate a less favourable result for a single client than what might have happened if the order had been executed in isolation.

3.5. Operational Aspects and Risks

To ensure maximum transparency, it is essential that You understand how certain market conditions and operational practices may affect the execution of the orders.

3.5.1. Market volatility

Market volatility affects the management and execution of orders and for this reason, You must be aware of the following risks associated with market volatility, particularly at the opening or closing of the standard trading session:

- Execution at a price substantially different from the bid or ask quote or the last price communicated at the time of order placement, as well as partial executions or execution of large orders in multiple transactions at different prices.
- Delays in the execution of financial instrument orders that Saxo must send to external market makers and orders routed or executed manually.
- Opening prices that may differ substantially from the previous day's close.

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- Locked markets (bid equals offer), crossed markets (bid is higher than offer), limit up (buys blocked)/limit down (sells blocked), and protected markets (market orders converted to predefined limits by the exchange), which can prevent the execution of client orders.

In the presence of a high volume of orders on the market, imbalances and backlogs can occur. This means that more time is needed to execute pending orders.

Such delays are usually caused by the occurrence of several factors:

- the number and size of orders to be processed;
- the speed at which current quotes (or information on the last sale) are provided to Saxo;
- the system capacity constraints applicable to the exchange in question, as well as to Saxo and other firms.

3.5.2. Orderly markets

To ensure the proper functioning of the markets and protect all investors, both our execution partner Saxo and the exchanges themselves use automatic control systems (so-called filters) on orders.

These checks serve to prevent the entry of anomalous orders or orders that could violate exchange rules. These protective measures, although necessary, can have consequences:

- They can cause delays in execution or, in some cases, the rejection or cancellation of an order.
- If a client enters an order type not directly supported by an exchange (for example, a "Market Order" on an exchange that only accepts "Limit Orders"), Saxo may "transform" the order to make it compatible. This process, aimed at achieving execution, could however result in the non-execution of the order itself.

3.5.3. Market Making and Risk Management

Saxo, in addition to executing orders, carries out risk management activities and, in some cases, market making. It is important for You to be aware that these activities can influence two main aspects:

- The prices offered for a transaction.

- The quantity of financial instruments available for purchase or sale (liquidity).

These activities can also determine the activation (or non-activation) of conditional orders. To manage these complex interests, Moneyfarm and Saxo maintain discretion on how to manage order execution, priority, and the quantity executed, always acting within the framework of the Best Execution principles described in the Policy.

3.6. Monitoring, evaluation and changes

The management and results of client orders are constantly monitored against the execution factors and criteria indicated in this Policy.

The performance of strategies and execution venues against these factors and execution criteria is also evaluated.

Should Moneyfarm find that the results are not satisfactory, it will make the necessary changes to ensure Best Execution for clients.

4. Execution Venues

This section describes the venues and methods by which client orders are executed, for which Moneyfarm relies on Saxo, as previously indicated.

In accordance with MiFID II, Moneyfarm fulfils its "Best Execution" obligation by selecting and constantly monitoring the execution quality of Saxo. In turn, Saxo has the responsibility to take all sufficient measures to obtain the best possible result for the transmitted orders.

Saxo regularly and independently reviews the execution venues it selects to provide clients with an additional and independent monitoring process and, in parallel, Moneyfarm constantly checks Saxo's execution performance to ensure that the latter is able to consistently provide Best Execution to You.

In determining the counterparties with which to collaborate, Saxo's main selection factor is the counterparty's ability to comply with the execution factors of this Policy, in order to ensure that all sufficient measures have been taken to obtain the best execution of the client's orders.

4.1. Selection and Types of Execution Venues

To obtain the best result for You, Saxo can execute orders using different types of trading venues and counterparties. The main categories are:

- Regulated Markets (RM).
- Multilateral Trading Facilities (MTF).
- Systematic Internalisers (SI).
- Liquidity is provided by Saxo's internal book.
- Market Makers and external Liquidity Providers (OTC): in some cases, execution can take place directly with qualified counterparties outside of a centralised electronic market. In this scenario, the order is not visible on a public order book, and execution depends directly on the quotes provided by these counterparties.

A list of the main execution venues, including the brokers used by Us, is available in the "Saxo Execution Venues & Order Types" document available on the Saxo website.

4.2. Execution by Saxo as Principal or Agent

In executing orders transmitted by Us, Saxo may operate according to two main operational modes, always respecting the obligation to act in your best interest and to seek the best possible result:

- **Execution as Agent**: In this mode, Saxo acts on behalf of You, transmitting the order for execution to external trading venues, third-party brokers, or other affiliated entities.
- **Execution as Direct Counterparty ("Principal")**: In this mode, Saxo executes the order by trading directly with You, using its own capital ("on its own account") and acting as the direct counterparty to the transaction. This approach is adopted when Saxo provides liquidity from its own internal books or when the client trades financial instruments based on prices quoted by Saxo, typically in an Over-the-Counter (OTC) context. Even in this case, Saxo verifies the correctness of the price proposed to You by comparing it with available market data.

In any case, Saxo takes all necessary measures to ensure that the execution of orders takes place in your best interest, in accordance with this Policy and to ensure Best Execution.

4.3. Execution Outside a Trading Venue and Associated Risks

You acknowledge and agree that your orders may also be executed outside a recognised trading venue ("Over The Counter" - OTC execution), should this allow for the best possible execution according to this Policy. Execution outside a trading venue may involve additional risks, including:

i. **Counterparty risk**: Saxo, by executing orders as a direct counterparty, exposes You to its own financial situation, rather than that guaranteed by a central clearing counterparty.
ii. **Settlement risk**: Transactions may experience delays in the allocation of financial instruments to Your account if the counterparty is unable to make the allocation promptly.
iii. **Possible absence of equivalent rules**: Transactions executed outside a trading venue may not be subject to the same rules of transparency and best execution as provided for transactions carried out on regulated markets.

Moneyfarm, through Saxo, will however continue to take all necessary measures to pursue the best possible result for You, even in the case of execution outside a trading venue.

5. General Provisions

This section outlines a series of general provisions that govern fundamental operational and informational aspects of the relationship between Us and You. The objective is to provide maximum transparency on key topics such as the management of investment risks, specific tax obligations for certain instruments, the methods of information sharing, and the process for reviewing this Policy.

5.1. Main Risks of Financial Investments

Investing in financial instruments involves risks. Below is a non-exhaustive description of the main ones.

i. **Market Risk**: This is the risk that the value of an investment will decrease due to general movements in market conditions. It includes:
    A. **Price Risk**: The change in the price of an instrument (e.g., a stock).
    B. **Interest Rate Risk**: The negative impact on fixed-income securities (e.g., bonds) caused by an increase in interest rates.

C. **Currency Risk**: This occurs when investing in instruments denominated in a currency different from that of your account.

ii. **Credit Risk**: This is the risk that the value of an investment will be reduced due to a deterioration in the issuer's solvency and includes:

A. **Default Risk**: The issuer is unable to repay the principal or pay the interest due.

B. **Subordination Risk**: In the event of insolvency, holders of subordinated bonds are reimbursed only after all other non-subordinated creditors have been satisfied.

iii. **Liquidity Risk**: This is the risk of not being able to quickly sell a financial instrument at its market price without suffering a loss of value. This risk is generally higher for instruments not traded on organised markets or for subordinated bonds.

iv. **Inflation Risk**: This is the risk that the general increase in prices (i.e., inflation) will erode the purchasing power and real return of an investment.

5.2. Monitoring and Review of the Policy

Moneyfarm's Investment Committee reviews Saxo's order execution performance and the overall quality of order executions.

This Policy will be reviewed based on the review established by Saxo and our supervision, at least annually, or whenever necessary. Any new version of the Policy will be made available on the Moneyfarm website and will be in force from the date of publication.

5.2.1. Information sharing

As our execution partner, Saxo may access and use and provide counterparties with your information, but only on an anonymous and aggregated basis. Such information may include, but is not limited to, orders, positions, trades, and other data and analysis (collectively, the "**Anonymous and Aggregated Data**").

This Anonymous and Aggregated Data may be used for market information, analytical tools, risk management strategies for market making and liquidity provision, and other Saxo Markets products and services.

The nature of the anonymous and aggregated data provided to the user may differ from that provided to other counterparties in terms of quantity, scope, methodology or otherwise and may be modified from time to time without notice.

6. Glossary

- **Agent**: An operational mode in which the executing intermediary does not act as a direct counterparty, but executes the order on behalf of the client by seeking a third-party counterparty on the market. This is done by transmitting the order to external execution venues such as Regulated Markets (RM), Multilateral Trading Facilities (MTF), other brokers, or affiliated entities.
- **Best Execution**: Moneyfarm's obligation, as an intermediary, to take all sufficient steps to obtain the best possible result for You in the execution of orders. This result is evaluated by considering the Total Consideration and other factors such as the speed and likelihood of execution.
- **Direct Counterparty (Principal)**: An operational mode in which the executing intermediary (Saxo Bank) acts "on its own account," becoming the direct counterparty in the client's transaction. Instead of transmitting the order to an external market, the intermediary uses its own capital, buying the instrument from You or selling it to You directly from its own portfolio.
- **Total Consideration**: Your total cost for the execution of an order. It includes the price of the financial instrument and all directly related costs, such as trading venue fees and currency conversion (FX) costs.
- **Execution Criteria**: The specific circumstances of an order that determine the relative importance of the different Execution Factors. They include the characteristics of the product, the transaction, the financial instrument, and the execution venue.
- **Execution Factors**: The elements that Moneyfarm, through Saxo, considers to achieve Best Execution. They primarily include price, costs, speed, likelihood of execution and settlement, size, and market impact of the order.
- **Systematic Internaliser (SI)**: An investment firm which, on an organised, frequent, systematic and substantial basis, deals on its own account when executing client orders outside a regulated market, an MTF or an OTF without operating a multilateral system.
- **Liquidity Provider**: An entity (typically a financial institution, investment bank, or high-frequency trading firm) that adds liquidity to a financial market by committing to simultaneously and continuously quote a bid and an ask price for a specific financial instrument.
- **Limit Order**: An instruction to buy or sell a financial instrument at a specific price (limit price) or at a better price. Execution is not guaranteed if the market does not reach the limit price set by You.
- **Market Order**: An instruction to buy or sell a financial instrument at the best available price on the market at the time of execution. It prioritises speed of execution over price control.

- **Market Maker**: A person who holds themselves out on the financial markets on a continuous basis as being willing to deal on their own account by buying and selling financial instruments against that person's proprietary capital at prices defined by that person (Article 4 MiFID II).
- **Currency Risk (FX Risk)**: The risk that the value of an investment or the cost of a transaction may vary - even significantly - due to fluctuations in the exchange rate between the client's account currency (e.g., EUR) and the currency in which the financial instrument is denominated (e.g., USD).
- **Execution Venue**: The place where orders are executed. It can be a Regulated Market (e.g., Borsa Italiana), a Multilateral Trading Facility (MTF), or a Systematic Internaliser (SI). In addition to Saxo Bank's own Liquidity, external execution venues to which Saxo Bank has access are listed below.

Cash Equities & Exchange Traded Products

Exchange traded venues with direct membership		
EURONEXT	LUXEMBORG STOCK EXCHANGE	NASDAQ OMX
Executing brokers & liquidity providers		
BANCA GENERALI	HAITONG	OPEN MARKETS
CAPITAL MARKETS	HSBC	OPTIVER
CARREGOSA	INSTINET	SOCIETE GENERAL
CIMB	JANE STREET	SUSQUEHANNA INTL SECURITIES
CITADEL	JP MORGAN	UBS
FLOW TRADERS	MORGAN STANLEY	
MTFS with RFQ Model		
BLOOMBERG	TRADEWEB	

Mutual Funds

Execution through distribution agreements
ALL FUNDS S. A
Execution on exchange traded venues
EURONEXT

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