

ABL – BEST EXECUTION POLICY

Valid from: November 2019

Purpose and the Best Execution Obligation

Under the Markets in Financial Instruments Directive II (“MiFID 2”) Best Execution rules, as implemented in the FCA’s Conduct of Business Sourcebook, ABL is required to take all reasonable steps to obtain the best possible result for their clients when executing orders. This Best Execution Policy (‘the policy’) sets out ABL’s approach and requirements.

For the purposes of this Policy and in relation to the best execution rules more generally, the term “client order” should be understood to mean all orders in financial instruments, whether they are executed directly in the market or transmitted to another firm to execute on the Firm’s behalf that are conducted on behalf of a client.

ABL is committed to obtaining the best possible result for its clients when executing orders and that this will be achieved through a consistent order execution process (as defined in the Order Execution Policy), this process will be reviewed on an ongoing basis.

Clients are provided with information in respect of this policy in the Terms of Business, and accordingly clients consent to:

- ABL arranging execution of orders in line with this policy;
- Orders being executed outside of a regulated market or multi-lateral trading facility; and (where appropriate)
- Limit orders on a regulated market not being made public.

Scope and application

This policy will apply to all retail and professional clients of ABL who carry out investment transactions in financial instruments covered by MiFID 2 regulation on an execution only basis.

Venues/Counterparties

ABL places transaction on the following basis:

- Directly on a regulated EEA multilateral trading facility (MTF), or with a systematic internaliser (SI).
- Directly with fund providers, or via third party brokers in the case of Investment / Mutual Funds.
- Outside regulated markets or MTFs. In such cases, the ABL shall inform the client and obtain consent prior to proceeding with the execution of the order.
- By transmitting orders to ABL approved third parties (brokers) with whom the bank maintain a contractual relationship for markets to which the Bank have no direct access.

Best Execution Factors

ABL notes and adheres to the Best Execution factors which are defined in Annex 1 Section C of the MiFID 2 Directive

In accordance with these ABL is obliged to seek the best possible result for its client in relation to each trade. What constitutes the best possible result however may vary depending on the situation; consequently this may not always ensure obtaining the best price or lowest cost. The firm is therefore required to consider and assess the relative importance of the relevant ‘execution factors’ in respect of each class of financial instrument in which it trades. When determining a venue or counterparty to place an order with ABL will consider the following best execution factors in order to achieve the overall best result:

1. Price
2. Costs

3. Speed of Execution
4. Likelihood of Execution and Settlement
5. Size and nature of the order
6. Any other considerations

Other considerations will include the following:

- Client characteristics and classification – For example whether the client has been classified as a retail or professional client and whether they are a natural person or professional investor. The level of sophistication, trading frequency and size of portfolio may also be relevant; ABL will classify clients as either retail or professional, but regardless of classification ABL will treat all clients as retail for the purposes of achieving Best execution or getting the best possible results for you when carrying out trades
- The characteristics of the transaction – factors such as the size, instrument and urgency of the order are likely to be key considerations.
- The characteristics of the financial instruments that are the subject of the order.

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

Transmission of Orders (Direct and Indirect Execution)

The nature of the best execution obligations differs depending on whether the Firm is executing orders directly, or whether these orders are being transmitted to third parties (i.e. custodians) for execution.

Direct execution includes situations where the Firm interacts directly with other counterparties to the trade, without going through a broker, and in addition covers situations where the Firm uses its own membership of a Trading Venue, or otherwise places an order directly with an Execution Venue in order to execute the trade.

Indirect execution refers to the practice of transmitting orders to brokers, for which the broker is then responsible for execution. These orders may be transmitted to the custodian by a variety of methods, including by telephone, Bloomberg chat, email and electronic order entry.

Order Handling

General

ABL is committed to a prompt and fair treatment of all client orders.

ABL is required under MIFID 2 to promptly inform retail clients of any material difficulties that would prevent ABL from properly carrying out their order upon becoming aware of such difficulty. Whilst this obligation only applies to retail clients ABL will endeavour to similarly inform professional clients on a best efforts basis.

Aggregation of Client Orders

ABL may aggregate client orders with orders of another client or clients where it is determined that the aggregation of such orders and transactions will not work to the disadvantage of any client whose order is being aggregated. Alternatively should it be advantageous to the clients concerned ABL may in this case aggregate client order to achieve the best overall result.

Specific Client Instructions

Should ABL receive specific instruction from a client for an order or part of that order, including to execute on a particular execution venue, that may prevent ABL from obtaining the best possible result from the execution of that order ABL will follow the clients request even if it may be in contradiction of this policy or the Order Execution Policy.

Adverse Conditions

There may be circumstance which are beyond ABL's control that impact on the ability to provide Best Execution, should these arise for any client order ABL will attempt to deliver the best possible result, ABL follow a consistent process as defined in their Order Execution Policy any events that result in ABL not following this process will be documented.

Monitoring & Execution Methodology

ABL will monitor and assess the effectiveness of its execution policy and its execution arrangements on a regular basis, at least annually and any material changes will be approved by EXCO.

ABL will also ensure they monitor the effectiveness of its order execution arrangements and that each transaction meets the requirements of this and the Order Execution Policy.

ABL have established a consistent order execution process, every transaction is monitored (first line of defence) to ensure it meets this requirement and should there be any exceptions these are documented. Further to this ABL also perform periodic checks to ensure that this process is robust.

Responsibility for the implementation of controls, including Front Office Monitoring, MI and reporting rests with the COO.