

September 2024

Information on Order Execution Policy for IQ EQ Fund Management (Ireland) Limited

Information on order execution policy

The purpose of this document is to provide clients and investors with information on the Order Execution Policy (hereafter referred to as the "Policy"), required for IQ EQ Fund Management (Ireland) Limited ('IQ-EQ' or the 'Firm').

IQ-EQ is a fully authorised Alternative Investment Funds Manager and a UCITS Management Company with extended permission to provide individual portfolio management and other non-core services. Order execution rules outlined in the Policy are primarily based on the requirements which stem from the Alternative Investment Fund Managers Directive¹ ('AIFMD') and Undertakings for Collective Investment in Transferable Securities Directive² ('UCITS Directive'), as well as best execution requirements laid down in the Markets in Financial Instruments Directive³ ('MIFID'). To ensure that the best execution and client order handling obligations set out in the provisions of those directives are followed, IQ-EQ has implemented the Policy, which contains the mandatory provisions applicable to the Company to the order execution services and/or activities undertaken on behalf of its clients and investors.

¹ Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, and its implementing regulations and guidelines.

² Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions, and its implementing regulations and guidelines.

³ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, and its implementing regulations and guidelines.

01 Overview

The Firm is required to execute orders on terms that are most favourable to its clients (termed 'Best Execution'). The Firm is obliged to take all sufficient steps to obtain the best possible result for clients in the execution or placement of such orders.

The Policy, as well as the procedures supporting same, set out the rules and guidelines for the Firm. This Policy is subject to:

- Any specific instructions that the client may provide
- The nature of the client's order (e.g. large orders relative to the normal trading volume of the financial instrument) and
- The nature of the markets and financial instruments (e.g. whether there are buyers and sellers in the market for the financial instrument)

02 Scope - financial instruments

The Policy applies to client orders in all financial instruments as set out in MIFID.

This includes: listed and unlisted shares; fixed income instruments, units in collective investment schemes and derivatives such as options, futures and forwards; as well as any other financial instruments covered by MIFID which may be executed on your behalf from time to time.

The Policy applies where the Firm:

- Makes decisions to deal on behalf of clients
- Receives and transmits orders to brokers or dealers
- Executes orders on behalf of clients

03 Execution factors

The following factors will be taken into consideration by IQ-EQ in determining how to obtain the best possible result for client orders:

1. Price of the financial instrument
2. Costs and expenses related to execution
3. The size of the order
4. Likelihood of execution and settlement
5. Speed of execution
6. Nature of the order
7. Any other consideration that is relevant to the execution of the order

For retail clients, the best possible result is usually determined in terms of the total consideration of a trade, representing the price of the financial instruments and all costs and expenses relating to execution (such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order). In some circumstances, we may use our discretion to place a higher importance on the other factors referred to above, as listed from 3 – 7. In general, the ranking of the relevant importance of such factors is listed in this order, but may vary on a case by case basis as the Firm takes the following factors into account:

- The categorisation of the client (retail or professional)
- The characteristics of the order
- The characteristics of the financial instrument
- The characteristics of the execution venues to which the order may be directed
 - Market conditions (e.g. volatility & liquidity)

For professional clients, in general, the principles remain the same with price or total consideration meriting the highest relative importance in obtaining the best outcome. However, as noted above for retail clients, in some circumstances, higher importance may be placed on execution factors other than price and total consideration.

The Firm places reliance on its commercial judgement and experience to determine the appropriate factors to consider.

While the Firm takes all sufficient steps to achieve the best possible result for its clients on a consistent basis, it cannot be guaranteed that best execution is accomplished for each and every trade.

04 Specific instructions

For clients who provide the Firm with specific instructions in relation to their order, we will follow those instructions. Where specific instructions relate to only a part of the order, we will continue to follow this Policy for those aspects of order, that are not covered by the client's instruction. Any instructions provided by the client may prevent the Firm from following all steps of the Policy which has been designed to obtain the best possible result for the client in respect of the elements that are covered by that instruction.

05 Execution venues

For equity trades, the Firm may place the client's order with a broker or dealer on the Firm's Approved Counterparty List. In such cases, the Firm will satisfy itself that the broker or dealer has arrangements in place to enable us to meet our best execution obligations.

The Firm has established and implemented a Counterparty Approval Process to select only those counterparties that consistently provide a high quality execution service, taking account of the relevant factors. This is monitored on an ongoing basis and any counterparty that does not deliver a high-quality execution service may be removed from the Approved Counterparty List.

The Firm's Approved Counterparty List is available on the Firm's website or upon request. For fixed income and derivatives orders, the Firm may use one of the following types of venues:

- Multilateral Trading Facilities ('MTF')⁴;
- Organised Trading Facilities ('OTF')⁵;
- Brokers/Counterparties included in the Firm's Approved Counterparty List;
- Non-EU entities performing similar functions to MTFs or OTFs.

Where there is more than one competing execution venue, the Firm takes into account its commissions and other costs for executing the order on each of the eligible execution venues. For some orders, the Firm may determine the best result is achieved by executing outside a trading venue. Such trades are not afforded the same protections as trades executed on a trading venue, which are subject to rules and regulations governing execution and settlement. This increases counterparty risk.

06 Order handling and fair allocation

The Firm adheres to procedures and arrangements in place that provide for the prompt, fair and expeditious execution of client

orders. The Firm also considers whether any potential conflicts of interest arise as a result. IQ-EQ may aggregate your orders with the orders of other clients where we believe that such aggregation is unlikely to work to your disadvantage. However, the effect of the aggregation may work to your disadvantage in relation to a particular order. If aggregated orders can be executed only in part, in general, the Firm allocates the related trades to clients on a pro-rata basis. Where orders are allocated on a non-pro-rata basis, an internal procedure is followed. The Firm does not conduct proprietary trading, nor does it carry any cross trades internally.

07 Monitoring and review of the policy

The Firm has an execution monitoring programme that reviews execution quality on an ongoing basis, assessing whether more favourable results for clients could be consistently achieved on alternative venues and whether the brokers or dealers to whom the Firm transmits orders for execution and with whom the Firm may place orders continue to provide the best possible result for the Firm's clients on a consistent basis. If deficiencies are identified, appropriate amendments will be made to the Firm's execution arrangements and the Policy.

Upon client request, the Firm can provide information on how best execution was achieved for a particular client order.

An overall review of the Policy and / or execution arrangements is completed on an annual basis or more frequently where a material change occurs. Material changes to the Policy are notified by posting an updated version of this document on the Firm's website, where a summary of the Firm's review of execution quality is also available.

08 Additional information

Please refer to the Firm's website for additional information.

⁴ Multilateral Trading Facility is, in broad terms, a system that brings together multiple parties (e.g. retail investors or other investment companies) that are interested in buying and selling financial instruments and enables them to do so. These systems can be crossing networks or matching engines that are operated by an investment Company or a market operator. In an Irish context, the IEX (Irish Enterprise Exchange) market of Euronext Dublin (previously the Irish Stock Exchange) is an MTF.

⁵ Organised Trading Facility – is a multilateral system that is not a regulated market or MTF bringing together multiple third party buying and selling interests in financial instruments in a way that results in a contract or transaction.

About us*

We are IQ-EQ, a leading investor services group employing over 5000 people across 25 jurisdictions worldwide. We bring together that rare combination of global expertise with a deep understanding of the needs of our clients. We have the know how and the know you to support fund managers, global companies, family offices and private clients.

Contact IQ-EQ

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*Information correct as of September 2024

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