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ORDER EXECUTION POLICY

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ORDER EXECUTION POLICY

INTRODUCTION

The rules of the Financial Conduct Authority (FCA), in implementing the Markets in Financial Instruments Directive (MiFID II) requires investment firms to take all sufficient steps to obtain the best possible result for their Clients taking into account price, cost, speed, likelihood of execution and settlement, size, nature of the order and any other considerations relevant to the execution of the order. Firms such as Insight will have to ensure that the intended outcomes can be successfully achieved on an on-going basis and monitor not only the execution quality obtained but also the quality and appropriateness of their execution arrangements and policies. In addition firms are required to publish the top five execution venues for each class of financial instrument.

This policy ("Policy") sets out the arrangements employed by Insight Investment Management (Global) Limited and Insight Investment International Limited (collectively "Insight") where it acts in the following circumstances:

- "execute" – where Insight as a portfolio manager executes a decision to trade on behalf of its Clients directly with an execution venue;
- "place or transmit" – where Insight as a portfolio manager places a decision to trade on behalf of its Clients with, or receives and transmits an order to, other entities for execution; and
- "non-discretionary placement or transmission" – where Insight receives instruction from one of its affiliates to place a trade on behalf of such affiliate on a non-discretionary basis.

2 POLICY STATEMENT

Insight will act in accordance with the best interests of its Clients and take all sufficient steps to obtain the best possible result, subject to and taking into account the execution factors detailed below, when it "executes" or "places or transmits" Client orders.

3 SCOPE

This Policy applies to all Professional Clients and covers all financial instruments.

4 EXECUTION VENUES

Insight is obliged to assess the execution venues available to identify those that will enable it, on a consistent basis, to obtain the best possible result when processing Client orders. The execution venues used by Insight are represented by banks, brokers and other liquidity providers included on its approved broker list ("ABL") as well as electronic communication networks ("ECNs"), broker crossing networks ("BCNs"), multi-lateral trading facilities ("MTFs"), organised trading facilities ("OTFs"), systematic internalisers ("SIs") and swap execution facilities ("SEF"), (collectively "Counterparties"). The ABL is maintained and held by the Corporate Risk team. Counterparties are subject to an approval process. The full approval process includes sponsorship from the relevant investment division and a cross-functional due diligence review by the Credit Analyst, Legal and Corporate Risk teams before being presented to the Counterparty Credit Committee ("CCC") for consideration and formal authorisation where appropriate. The CCC is established to ensure that Insight exercises due care and diligence in the selection and monitoring of Counterparties with whom Insight trades as agent on behalf of its Clients. The CCC is chaired by the Chief Risk Officer ("CRO") and is a subcommittee of Insight's Risk Management Group ("RMG"). Meetings are generally held not less than 10 times per year.

This section summarises the procedures for adding new Counterparties to the ABL, monitoring the performance and commission charges of existing Counterparties and the delivery of terms of business letters.

4.1 Appointment of new counterparties

Insight shall only appoint Counterparties regulated within the European Economic Area (EEA) to the ABL, or those subject to an equivalent regulatory regime in the case of overseas firms who are able to provide an equivalent level of protection afforded to Professional Clients under MiFID. Any recommendation for additions to the ABL will require the completion of a broker application and approval form which must be signed off by the relevant Head of Desk and sponsored by the Chief Investment Officer or Head of Trading. Once all parties are satisfied with the Counterparty's credentials, approval will be sought from the CCC.

The Insight Counterparty Relationship Management team provides Insight's standard terms of business ("ToB") to all Counterparties on the ABL. The ToB includes all the relevant information in connection with trading and execution. Insight only trades on the basis of these ToB and does not accept counterparties' own ToB.

4.2 Customer status

Under FCA's rules and guidance, authorised firms (e.g. fund managers such as Insight) would ordinarily be classified as "Eligible Counterparties" in their dealings with the market as a result of their knowledge and experience. This provides the lowest level of regulatory protection. An authorised firm, however, is able to elect for "Professional Client" status if, for example, it owes a greater level of protection to its underlying Clients i.e. they are classed as Professional or Retail Clients. As all of Insight's Clients are classified as "Professionals", Insight elects for an equivalent level of protection with all Counterparties with which it trades, i.e. we will request a re-categorisation from "Eligible Counterparty" to "Professional" status.

4.3 Monitoring counterparty commission and turnover

It is important that Insight can evidence that any one Counterparty is not favoured to the detriment of others on the ABL, unless it can be demonstrated that these Counterparties consistently provide a superior service, which would include, for example, providing better pricing than its competitors or providing better liquidity.

4.4 Counterparties approved to execute over the counter (OTC) derivative instruments and repos

When entering into new OTC derivative or Repurchase ("Repo") transactions, the available entities will be limited to those approved Counterparties where appropriate International Swaps and Derivatives Association ("ISDA"), Cleared Derivatives Execution Agreement ("CEDA"), Global Master Repurchase Agreement ("GMRA") or Master Securities Forward Transaction Agreement ("MSFTA") legal agreements are in place. Where a Client instructs Insight to operate under its own ISDA, GMRA or MSFTA, this will constitute a specific authorisation from the Client to transact with the named Counterparty/Counterparties.

When closing out an OTC derivative transaction, it may be possible to obtain a better price by novating the derivative position to Counterparty rather than unwinding the position through the existing Counterparty. In those circumstances where novating a trade does not result in the Client having ongoing derivative exposure to the third party, ISDA legal agreements are not required and the list of available entities will be extended to those Counterparties included on the ABL. It is recognised that a settlement exposure may exist for a short period.

4.5 'One-off' approval process

In taking sufficient steps that seek to obtain the best possible result for the Client, Insight reserves the right to use Counterparties that are not included on the ABL on an exception basis only. This may be required where a Portfolio Manager wishes to trade in an issuance, instrument or geographical location that is not available from the existing Counterparties on the ABL. Permission for the exceptional use of such Counterparty on a 'trade by trade' basis must be given by one of the authorised signatories listed in the fast track broker process.

4.6 Choice of execution venue when trading

Insight operates centralised trading desks ("Desks") for each financial asset class, e.g. equities, fixed income, derivatives, foreign exchange, and money markets. The Desks are comprised of experienced investment professionals who use their commercial judgement and available market information to direct order flows to the most appropriate Counterparties and venues. All of Insight's investment professionals who perform a Certification Function (Certified Persons) are required to be assessed as fit and proper in advance of performing their role and at least once annually after commencing in their role. This is required under the FCA's Senior Managers and Certification Regime which came into effect on 9 December 2019. Insight has internal processes and controls in place to establish the initial and ongoing fitness and propriety of its Certified Persons including the assessment of threshold competency to perform their role and evidence of their continued professional development as part of Insight's training and competency scheme.

The Desks operate between London and New York, whereby investment decisions made by one Insight entity may be delegated to another Insight entity for execution. This arrangement allows Insight to operate across time zones, thereby extending the daily trading hours for Insight and facilitating access to a greater number of markets. The use of an affiliate to execute trades under this delegation arrangement does not alter or change Insight's accountability to its Clients.

Insight executes transactions for its Clients in various ways, including executing orders outside a regulated market or an MTF. Insight will consider a number of factors when directing order flow to Counterparties. Insight may place orders with Counterparties in the EEA, who will themselves be subject to MiFID best execution requirements. In these circumstances, EEA Counterparties may execute the transaction on a regulated market, or on an electronic trading facility, MTF or an OTF under MiFID. Similarly Insight will direct order flow to an MTF or Counterparties listed above, if it is deemed that best execution can be obtained.

Insight may alternatively request a quote to trade over the counter (OTC) with Counterparty on behalf of a Client portfolio. Competing quotes, if available, are recorded in line with internal procedures and trades will be concluded through Counterparties that provide the best price or where best execution can be obtained taking into account the considerations listed below. Insight will also place and execute orders with Counterparties outside the EEA where the orders relate to instruments that are not traded in the EEA or where best execution can be obtained outside the EEA to the extent permitted by applicable law.

Considerations in determining the execution venue for Client orders in respect of a particular financial instrument include:

- general prices available;
- whether or not the security is traded on exchange or over the counter;
- previous results from trading with Counterparties;
- characteristics of the Counterparty(s);
- depth of liquidity/ natural order flow;
- relative volatility in the market;
- known market positioning;
- speed of execution;
- cost of execution;
- available Counterparty panel / documentation in place;
- quality, cost and likelihood of clearing and settlement; and
- any other relevant factor.

Factors might vary between the choices of Counterparties and Desks. In some markets price volatility may mean that timeliness of execution is a priority. In other markets that have low liquidity, the fact of execution may itself constitute best execution. In other cases, our choice of Counterparty may be limited because of the nature of the order or where a Client has limited access to Counterparties for trading.

5 BEST EXECUTION

5.1 Criteria

Given the differences in the structures of both markets and financial instruments, the Policy will apply the execution criteria below in a manner that takes into account these differing circumstances in the execution of Client orders:

- the characteristics and classification of the Client;
- the characteristics of the Client order;
- the characteristics of the financial instrument; and
- the characteristics of the available execution Counterparties.

5.2 Factors

The relative importance of the execution factors below will be determined by Insight based on market experience and judgement of our investment professionals in light of all available information at the time of the order including the execution criteria. According to the execution criteria, when “placing or transmitting” or “executing” Client orders, Insight will take account of the following factors, in no particular order:

- size and nature of the order;
- price;
- cost;
- speed;
- likelihood of execution and settlement; and
- any other factor considered relevant to the management of an order.

5.3 Best execution factors by investment type

5.3.1 Fixed Income

For Fixed Income transactions, liquidity and price are typically the primary determining factors given the nature of the securities, as well as the size of transaction. The best price in a market usually represents an opportunity to trade in a particular size, and should an order be above that size then the order may have to be split, or the Desk may decide to execute with a single Counterparty, if a better overall price can be achieved. When a large order is split, there is potential for information leakage which may lead to the price for subsequent executions becoming less favourable. Since commissions are not charged on fixed income securities (except futures and exchange traded options), such costs do not always need to be considered when selecting Counterparties in order to obtain best execution. Secondary factors will also direct Insight to use a particular Counterparty. These include speed of execution, market positioning and the likelihood of execution and settlement. Counterparties are also selected based upon additional factors, including but not limited to, the credit quality of a Counterparty, Client instruction/limit or the underlying market conditions.

Quotations are recorded from competing venues and trades will be concluded through the Counterparties where best execution can be obtained taking into account the criteria above. However there may be circumstances where requesting quotes may alert the market to Insight’s trading strategy which could be detrimental to its Clients. In such circumstances, Insight will take into consideration market levels by utilising pre trade tools such as electronic trading platforms and will execute the transaction based upon information from such alternative sources as well as the Counterparty’s ability to provide settlement competitive spreads and liquidity.

For electronic trading in fixed income instruments, Insight will typically select Counterparties by operating on a request for quote (“RFQ”) basis taking into account the execution factors. In practice, RFQ means making a direct approach to an entity to request a firm price or spread at which they are willing to buy or sell a specified financial instrument or using a RFQ system. When executing orders using this method, price will normally be the most significant factor. Competing quotes will be sought to evidence the best result and these are recorded in the order management system unless a single Counterparty is selected.

Listed futures and options transactions may also be utilised and Client orders may be aggregated together and traded as a block. For such transactions, the size of the order may dictate the market price and therefore Insight may use quoted exchange prices as a guide but may utilise on or off exchange venues or MTFs.

Quotations are recorded from competing venues and trades will be concluded through the Counterparties where best execution can be obtained taking into account the criteria above. However there may be circumstances where retrieving quotes may alert the market to Insight's trading strategy which could be detrimental to its Clients. In the case of secured finance loans and private bonds, there may not be external market for the assets as they are by their very nature private and illiquid and so there may only be one Counterparty from whom the asset may be bought or sold. In such circumstances, Insight will take into consideration market levels by utilising alternative pricing and valuation sources as well as the Counterparty's ability to provide settlement and competitive spreads as well as liquidity.

5.3.2 Equity

For Equity transactions, which include single stock, exchange traded funds ("ETF"), futures, convertible bonds, OTC equity swaps and options, price and size are generally the primary best execution factors. For securities traded on a regulated market where liquidity is good and there are a number of competing quotes, Insight will direct order flow to Counterparties and venues which provide the best price taking into account the size of the order and the ability of the Counterparty to execute on a timely basis. For large volume orders, program trades or illiquid stock, however, execution factors other than price including speed and likelihood of execution become more important. In addition due to the nature of the trade, Insight will also consider if obtaining best execution can be achieved by executing Client orders on a competitive or non-competitive basis and may consider splitting orders into smaller sizes to facilitate execution.

Equity orders are worked in two principal ways, agency or capital commitment. In an agency transaction, the Desk will access pools of liquidity, including any recognised investment exchange where significant volume in the relevant stock exists, including, but not limited to, Electronic Trading platforms. Alternatively, Insight may request capital commitment from the Counterparty, a situation where the Counterparties will be called upon to go 'on risk' to facilitate Insight executing its business in large order size. Insight will consider both size and the Counterparties' perceived ability to locate natural business in the stock and the willingness to commit capital to facilitate the execution of its Clients' business.

For ETF transactions and options, price is generally the primary factor when selecting trading Counterparties. Competitive quotes will be gathered; using electronic RFQ trading platforms (see 5.3.1). Trades will be dealt at the best available price and competing quotes are recorded in the order management system.

In addition, execution venues are selected based upon additional factors such as the ISDA and SWAP agreements in place, which may limit the number of available Counterparties, Portfolio Manager or Client instruction/limit and underlying market conditions.

5.3.3 Derivatives - Over the counter (OTC)

For OTC transactions which include, contracts for difference, equity, convertible bonds, index, inflation / interest rate and credit default swaps and foreign exchange derivatives, price, spread or yield are generally the primary best execution factors. Trading in OTC transactions in practice means executing Client orders in products not admitted to trading, or not traded, on a trading venue. For OTC products where market reference pricing data is available, including but not limited to, interest rates, FX rates and yield curves, Insight will analyse the available data and competing spreads from the universe of available Counterparties to model a transaction and establish a mid-price position. Reference pricing is used to establish the model price and is recorded within internal systems. Once the model price is established, Client orders will be executed with those Counterparties which offer the best price taking into account other best execution factors such as liquidity, Counterparty restrictions and other implicit costs of trading.

For tailored OTC products where the price cannot be established by reference to the underlying instruments or reference rates, Insight will operate on a RFQ basis (see 5.3.1). Where trades are conducted on such basis, Insight will gather an estimation of the mid-price of such products and, where possible, compare similar or comparable products to check the fairness of the price proposed so that best execution is achieved.

Execution factors other than price, predominantly market impact, both pre and post trade and liquidity are also taken into consideration, in addition to Counterparty constraints which may limit the number of potentially competing quotes sought.

5.3.4 Foreign Exchange

For Foreign Exchange transactions, price and order size are generally the primary determining factors when selecting a Counterparty for execution. For larger transactions where it is not cost effective to ask a price for the full order size, Insight will split the parent order into smaller child orders and consider additional factors such as speed of execution, liquidity and costs to obtain the best possible result for the Client. To inform the choice of venue(s), the FX Trading Desk will use the pre-trade tool from our independent transaction cost analysis ("TCA") provider (see 8.3), which uses empirical data from both our own historical outcomes and that of similar peers. For trades executed in the full amount, competitive prices are requested from venues integrated into the order management system. Execution using these venues allows Insight to review hit ratios and liquidity including an analysis of historic pricing which ensures that pricing and access to liquidity is both consistent and competitive.

In certain circumstances Insight may choose to ask for a price on a non-competitive basis if they believe that restricting the number of quotes will achieve a better result for the Clients, based on the nature of the transaction. Independent TCA is used to benchmark transactions against a mid-rate at arrival and the theoretical risk transfer price to ensure all outcomes are in line with expectations.

When executing currency futures transactions, the primary factor in selecting an execution venue is typically cost. Insight will consider which of the available Counterparties have the lowest fees or whether trading with the clearer is likely to be more cost effective.

When executing currency options price and size are generally the primary determining factors when selecting a venue. Where the trade is large in size, in a less liquid currency pair or a package, Insight may decide to seek fewer quotes so as not to alert market participants to the pending trade and limit potential market impact. Hit ratios will be used to determine on a pre-trade basis which brokers to include in the quote request. Insight may limit the trade request to a single broker if the traders determine that the order to is particularly sensitive and use data from our independent TCA provider to benchmark the performance of the trade.

5.3.5 Money Markets

For Money Market transactions, which include repos, certificates of deposits ("CDs"), commercial paper ("CP"), floating rate notes ("FRNs"), government bonds and supranational/sovereign and agency paper ("SSAs"), price and liquidity are the primary determining factors given the nature of the securities traded which are based on short term strategies.

For listed securities, competitive quotes will be recorded from competing Counterparties. Trades will be concluded through the Counterparties that provide the best price. For those instruments which are not traded on exchange or are less liquid, Insight will use RFQ (see 5.3.1) for price discovery and direct execution to Counterparties which offer the best price, which may be limited to a single counterparty, if no other prices are available.

For liquidity funds, best execution factors are used as part of the portfolio management process as a result of the short term strategies of the funds concerned. Portfolio managers will make investment selection decisions on portfolio construction based on observed market levels, taking credit rating and liquidity into account.

In addition, secondary factors such as Client limits, Counterparty restrictions including, but not limited to, the availability of a global master repurchase agreement (GMRA), may impact the number of competitive quotes obtained.

5.3.6 Other trading types

Collective investment schemes

For transactions in the shares or units of Collective Investment Schemes, the sole point of execution will be the scheme manager or their agent and the price will be established according to the scheme's particulars or prospectus. Orders will be placed with the relevant single venue according to the known valuation point of the scheme in question at the quoted price.

Central Clearing of OTC Derivatives and other Positions

Unless Insight is required by law or regulation to clear transactions or the Client instructs us to clear certain transactions, Insight will clear transactions if it considers it to be in the overall best interests of the Client to do so. In forming its view, Insight will consider factors including pricing, liquidity, anonymity and risk. Only clearing members and clearing houses approved by Insight will be used.

5.4 Cross Transactions

From time to time securities to be sold on behalf of a Client may be suitable for purchase by another Client. In such instances, if Insight determines in good faith that best execution can be achieved and the transaction is in the best interest of each Client, then Insight may arrange for the securities to be transferred between the client accounts at an independently determined fair market value (a "cross trade").

Cross trades present conflicts of interest, as there may be an incentive for Insight to favour one client to the cross trade over the other. Insight does not receive fees or commissions when making these trades. However, note that cross trades are subject certain other regulatory requirements, certain client specific restrictions and will only be undertaken by Insight as permitted under applicable law and regulation.

6 SPECIFIC CLIENT INSTRUCTIONS

Where a Client has given a specific instruction as to the management and/or execution of an order, the relevant part of that order will be completed in accordance with those instructions, subject to adherence to Insight's policies and procedures. The fact that the Client has given specific instructions which cover one part or aspect of an order will not be treated as releasing Insight from its best execution obligations in respect of any other parts or aspects of the Client order that are not covered by such instructions. By providing specific instructions, a Client may prevent Insight from taking the steps that it has designed and implemented in its Policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions. If a specific Client instruction brings about a conflict of interest, Insight will inform the Client of such conflict. Where Insight is unable to manage a conflict, Insight may decline to act on behalf of the Client.

7 ORDER HANDLING

Insight operates procedures to ensure the prompt, fair and expeditious execution and allocation of each Client order relative to its other Client orders and the placement of other orders of its affiliates' clients that may be delegated to Insight from time to time. Insight does not trade for its own accounts; however revenue hedging is performed for the holding company (Insight Investment Management Ltd) with no preferential handling of orders. The procedures include arrangements for the aggregation of Client orders with those of other Clients and, from time to time, the orders of its affiliates' clients. The effect of this aggregation and any resulting allocation or re-allocation of the executed order may work to a Client's advantage or disadvantage in relation to a particular order, but the intention will be to ensure that no consistent patterns of disadvantage develop.

Normally all executions of aggregated orders will be allocated in accordance with the original intended allocation recorded on the trading record at the time of the order's approval. In the event of an order being scaled back, the executed order will normally be allocated to Clients on a pro-rata basis. There may be circumstances however, where a pro-rata allocation is suboptimal, for instance, where the total allocation is significantly scaled back, which could leave certain Clients with holdings that are either uneconomic or cannot be allocated as they fall below the minimum piece size. Where a Client does not receive an allocation, for these aforementioned reasons, this could result in specific Client performance results varying against the composite performance results.

In overseeing the settlement of an executed order Insight takes all reasonable steps to ensure that any Client financial instruments or Client funds received or required in settlement of that executed order are promptly and correctly delivered or requested from the custody account of the appropriate Client, according to the custody arrangements of the Client.

In the case of a Client limit order in respect of shares admitted to and traded on a regulated market which is not immediately executed under prevailing market conditions, Insight will pass the order to the relevant entity to be displayed immediately unless:

- expressly or otherwise instructed by the Client; or
- the limit order is large in size compared with normal market size.

As a Client order will have been passed by Insight to the appropriate entity for execution, the responsibility to display unexecuted orders would fall to that entity.

8 MONITORING

Insight monitors the effectiveness of its execution arrangements and Policy on a regular basis and assesses whether the execution quality and price achieved generally obtains the best possible result for Clients.

The monitoring of best execution is performed by the Trading Desks and two Trading analysts as part of the first line of defence with oversight by the Head of Trading. In addition, Compliance monitors best execution as part of the second line of defence. The role of the first and second lines of defence is explained below.

8.1 First line of defence

The Head of Trading is responsible for monitoring best execution and delivering the best execution strategy. Monitoring is achieved through exception based price / basis point (BPS), Counterparty and Venue, hit ratio and concentration monitoring.

Exception based price monitoring uses price and BPS tolerances to identify trades which have been executed outside a specific range compared to the market price / benchmark price at point of execution or other relevant pricing point, such as, arrival time, market close or 4pm where no intraday price is available. The price and BPS tolerance ranges are set by the trading head for each Desk and ratified by the Head of Trading and the Trading Oversight Committee ("TOC") (see 8.4). Tolerances are determined using independent third party TCA tools and an ex-post review of Insight's trading activity per asset class (see 8.3).

Exception reports are run to identify trade executions that are outside the market price / benchmark price tolerance range for the asset class, or where no comparable quote has been obtained or where the trade has been executed as part of a package. For those trades where no market price / benchmark is available, Insight will analyse the available data and competing spreads from the universe of available Counterparties to model a transaction and establish a price position.

The trading head for each Desk reviews the trades and the corresponding execution factors documented at point of trade, which resulted in the price achieved, to validate that best execution has been obtained for the Client. Those trades which require further investigation will be escalated to the Head of Trading and Compliance for review.

Counterparty and where applicable venue concentrations are also reviewed by the head of each Desk to ensure that the Counterparties used by Insight are appropriate in meeting and managing Insight execution arrangements. The Counterparty concentration report is run monthly, detailing the volume of trades, nominal value per asset class and turnover against each Counterparty.

These reports are reviewed to ensure that Insight is not favouring one counterparty or venue over another or that order flow to a particular counterparty or venue is justified as a result of the best execution factors. Where trends are identified or investigation required relating to concentration, these will be escalated to the Head of Trading and Compliance for further review.

On a monthly basis each Trading Desk (five located in London and one in New York) meet to review and discuss the previous months trading, including but not limited to; trading outcomes, TCA, turnover, exceptions, hit ratios where relevant, commissions and trading errors including cancelled and rebooked trades. Attendees at these meetings include the Head of Trading, asset class Head of Trading, a Compliance representative, trading analysts and any traders and portfolio managers as required.

On a quarterly basis algorithm trading review meetings are held for those trading desks that use algo's to assist their trading. The quarterly review includes, but not limited to, review of algo terms prior to any use, approvals of requests to use a new algo, a review of current algo usage, a review of algo performance including venue review and observations of any issues such as signalling, a review of approved algo's to include consideration if any algo's should have their approval suspended or removed based on an assessment of outcomes achieved and any other relevant factors. Attendees include the Head of Trading, asset Class Head of Trading, a Compliance representative, our trading analysts and any traders as required.

The minutes and conclusions from these trading desk meetings feed into the monthly Trading Oversight Committee (see section 8.4).

8.2 Second line of defence

Insight's Compliance team perform a check and challenge role to ensure that the first line of defence monitoring is operating effectively across all the trading desks. The Compliance team select a sample of the exceptions (executed trades which are outside the risk appetite tolerances set by the TOC) cleared by the trading desks every month and ensure that a suitable rationale has been recorded and that any breaches of best execution or areas which impact future trading strategy have been escalated accordingly to the TOC. All exceptions which cannot be resolved between the Compliance team and the Desks are escalated to the Head of Trading and the TOC for consideration.

Where a fair value price comparison is not available (e.g. through TCA) or is limited (e.g. pair trading) the Compliance team will review a sample of these trades to ensure that best execution can be demonstrated, with the testing frequency and sample sizes driven by a risk based approach. This may typically involve reviewing competing quotes, reviewing ratios achieved, and challenging the trader to explain and support the underlying market conditions.

Additionally, the Compliance team perform supplemental testing around areas such as manual trade tickets, cross trading, and ensuring that PM's are not directing trades.

All testing undertaken is designed to consider the relevance of all best execution factors in determining the exact approach to be followed per asset class. This approach is validated annually within our AAF/ISAE3402 external controls audit and may be subject to periodic Internal Audit reviews.

The Compliance team also consider the appropriateness of benchmarks and tolerances in place within the front office. Any issues are discussed with the Head of Trading and/or the Chief Compliance Officer.

In addition the Compliance team review post-trade allocations for both primary (new issues and IPO's) and secondary market trading to ensure Clients are treated fairly. The Compliance team undertake a risk based assessment on a series of different fair allocation tests across all trading desks. This then results in a periodic suite of allocation testing, in order to ensure adherence to the Policy. Any queries are investigated with the trading desk. The results, including any exceptions identified, are then summarised into the monthly TOC submission.

All monitoring reviews are subject to independent Compliance Monitoring Manager review.

8.3 Transaction Cost Analysis (TCA)

Insight uses independent TCA tools as part of its best execution monitoring to help ensure the execution arrangements and policies obtain the best possible result for the Client. TCA is an independent pricing tool used to compare and evaluate pricing through-out the life cycle of a trade, including the price at order approval and placement into the market and execution, against a benchmark price where available. Benchmark prices include, but are not limited to, composite benchmarks, arrival price, mid-price at the time of trade, volume weighted average price ("VWAP"), WM Reuters 4pm mid-rate for FX and end of day prices. All benchmarks are reviewed to ensure they are representative for the asset class being traded.

Insight evaluates the effectiveness of the benchmarks applied for each asset class and uses tolerances to identify trade exceptions where the executed price is outside the tolerance against the benchmark price.

Tolerances are set by asset class, investment desk and trading strategy taking into account the characteristics of the financial instrument, including but not limited to:

- the characteristics of the market (emerging / developed) and product;
- liquidity profile; and
- maturity.

All executions that are outside the defined tolerances per asset class are reviewed by the trading head for each Desk in the first instance with items requiring further review escalated to the Head of Trading and Compliance. Such analysis allows Insight to review execution performance, aid price discovery and evaluate trade cost which assists Insight in identifying and establishing a strategy prior to placing a trade in the market.

8.4 Trading Oversight Committee (TOC) and Head of Trading

The TOC is established to ensure that Insight exercises and demonstrates appropriate due care and regulatory compliance in the price discovery, execution and allocation of transactions when trading as agent on behalf of its Clients. The Committee is chaired by the Head of Trading, with the Chief Investment Officer as deputy chair and attended by, Heads of the Trading Desks, Trading Analysts, Corporate Risk and Compliance representatives.

The Head of Trading is responsible for monitoring best execution as part of the first line of defence and reports into the Chief Investment Officer.

9 TOP FIVE EXECUTION VENUES

Insight is required to make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where they executed Client orders in the preceding year and information on the quality of execution obtained. Information on the top five execution venues will include the following information;

- class of financial instruments;
- venue name and identifier;
- volume of orders executed on that execution venue expressed as a percentage of total executed volume;
- number of orders executed on that execution venue expressed as a percentage of total executed orders;
- percentage of the executed orders referred;
- number of passive, aggressive orders; or directed orders; and
- confirmation of whether it has executed an average of less than one trade per business day in the previous year in that class of financial instruments.

For Securities Financing Transactions the publication of the top five venues contains:

- volume of orders executed on that execution venue expressed as a percentage of total executed volume;
- number of orders executed on that execution venue expressed as a percentage of total executed orders; and
- confirmation of whether the investment firm has executed an average of less than one trade per business day in the previous year in that class of financial instruments.

10 ORDER EXECUTION POLICY REVIEW

Insight will review its order execution arrangements regularly through the TOC. Insight reviews this Policy at least annually or whenever a material change occurs and will notify Clients of any material change that affects our ability to obtain the best possible result for the execution of our Clients' orders. A material change shall be a significant event that could impact parameters of best execution such as cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. If a material change occurs, Insight will also reevaluate the execution Counterparties or entities on which they place significant reliance in obtaining best execution.

Notification of changes to the policy and the top five execution venues will be published at the following link:

www.insightinvestment.com/regulatory-home/mifid-ii

FIND OUT MORE

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