

Best Execution Policy

July 2020

Overview

The purpose of this document is to outline the primary factors that drive our best execution decision making process and our choice of execution entity.

This policy applies to Luna Investment Management Limited an appointed representative of Thornbridge Investment Management LLP.

Thornbridge and Luna have a regulatory and fiduciary obligation to ensure that its dealing policies are transparent and fair for all clients. We take these responsibilities very seriously as part of its commitment to execute transactions effectively and competitively as part of its wider investment management mandates.

Luna's principal business is providing discretionary investment management to retail clients.

Luna does not execute investment orders directly with the market on behalf of clients but passes the orders to 'execution entities' – usually a broker or retail service provider (RSP) – who will effect execution with the 'execution venue'. Luna is defined as an order transmitter under the Markets in Financial Instruments Directive II (MiFID II).

Luna's obligations under MiFID II are reflected in 11.2a and 11.2b of the Conduct of Business Rules (COBS) of the Financial Conduct Authority (FCA) as set out in its handbook of rules and guidance.

We have a regulatory obligation to ensure that the instruments we deal in on behalf of clients are in line with the target market assessment for that product. This may mean in some cases we refuse to accept the order. For some instruments where we have not yet completed the target market assessment, there may be a delay in beginning the execution process of a trade until the assessment has been completed.

Best Possible Result

The overarching objective is that we take all sufficient steps to obtain the best possible result for our clients. In order to achieve this, we consider several execution factors. The factors we consider are:

- a. any restrictions that may exist on your account as to where your trades can be executed;
- b. total consideration to the client of the transaction after all fees and commissions have been taken into account:
 - i. size of the transaction;

- ii. speed of execution and settlement;
- iii. likelihood of execution;
- iv. likelihood of settlement; and
- v. any other factor we consider is relevant to the transaction.

In determining the applicability of the factors, we consider:

- i. market information;
- ii. the details we hold about you, our client; and
- iii. the nature of the transaction including the specific financial instrument and the markets that the specific financial instruments

The application of these factors is a matter of judgement. Other firms may exercise their judgement differently and reach a different conclusion as to how to achieve the overarching objective. In most cases the factors other than total consideration to the client will not be applicable and thus total consideration will be the determining factor. The remaining factors are not listed in any order of priority. The factors may be interlinked such that for example, in fast moving markets, particularly for large orders, the way we would seek to achieve best total cost/revenue may involve giving the order to a broker who we believe can execute the entire order in a timely manner even if part of the order could be filled at a more advantageous price from another broker.

Third Platform Services

Luna has decided to partner with Third Platform Services (TPS) as our nominee, trading and settlement provider. TPS have a range of execution venues that are used depending on the financial instruments involved. The list below is not exhaustive but comprises those venues which have been selected in order to obtain, on a consistent basis, the best possible result for the execution of customer orders. TPS reserves the right to use other venues and third parties where it has been deemed appropriate in accordance with the Order Execution Policy and venues may be added or removed from the list.

Financial Instrument	Execution Venue	Selection Rationale
UK equities, ETFs, government & corporate bonds	London Stock Exchange	Primary venue – deals are usually passed through the Fidessa electronic order routing system which is designed to review and trade at the best price available. If the order cannot be executed in this way, TPS will seek to place the order directly with a market maker who will be selected based on their ability to achieve the best overall outcome for the order.
International equities and bonds	Various depending on country	TPS will place orders directly with selected third-party brokers who will route orders to the venues that offer the best price and liquidity.

Unit trusts and OEICs	FNZ Respective fund managers	The orders are passed through the FNZ electronic system or placed directly with the fund manager.
Structured Products	Direct with the manufacturing bank	On the creation of a structured product, Luna seek pricing from a panel of approved providers and select the best product which meets the criteria set by Luna. Once traded, products are reviewed on a periodic basis by the Investment Office within Luna to ensure that these continue to meet expectations. Structured products are traded directly with product providers or issuers. On occasion, products may be purchased or redeemed at the discretion of the product provider. In the case of purchases, Luna compare similar products on a reasonable endeavour's basis. It is unlikely that two existing products from different providers will be exactly identical due to differences in issuing bank financing costs and counterparty risk.

Under FCA rules, TPS is required to obtain prior express consent from Customers to execute orders away from a trading venue for an instrument that is ordinarily traded on a trading venue.

Review Process

Luna formally reviews its best execution policy at least annually. This review will be supplemented by ad hoc reviews that may arise from time to time throughout the period as a result of economic, regulatory and/or operational changes.