

Order Execution Policy

© 2024 Nutmeg Saving and Investment Limited

Nutmeg® is a registered trademark of Nutmeg Saving and Investment Limited, authorised and regulated by the Financial Conduct Authority, no. 552016, registered in England and Wales, no. 07503666, with a registered office at 25 Bank Street, Canary Wharf, London, E14 5JP.

Contents

1. Introduction	3
1.1. Financial Instruments	3
1.2. Client Classification	3
1.3. Client Orders	3
2. Best Execution Factors & Considerations	3
3. Nutmeg Trading Arrangements	5
3.1. Execution Venues and methods	5
3.2. Market Maker Selection	5
3.3. Trade Aggregation & Allocation	6
3.4. Market Distress – Contingent Arrangements	6
3.5. Nutmeg Trading Cycle	6
3.6 Best Execution Monitoring	7

1

Introduction

Nutmeg is required, as specified in Chapter 11.2A of the Financial Conduct Authority (“FCA”) Conduct of Business Sourcebook (COBS), to establish an Order Execution Policy explaining how we take all sufficient steps to achieve best execution. This policy details our approach to meeting Best Execution obligations and achieving the best possible result for our clients consistently.

1.1 Financial Instruments

Nutmeg invests solely in Exchange Traded Funds (ETFs) listed on regulated exchanges.

1.2 Client Classification

Nutmeg classifies all clients in its UK discretionary portfolios as retail clients, as defined in Chapter 3.4 of the COBS.

1.3 Client Orders

Nutmeg is a discretionary investment manager and does not take client orders or instructions.

2

Best Execution Factors & Considerations

As all Nutmeg clients are classified as Retail, we determine the best possible result for our clients in terms of ‘Total Consideration’, representing the execution price and the costs related to execution. When executing orders, we take into account the following execution factors, in order of priority:

- **Price** – we will always endeavour to achieve the best possible price every time we trade and consider this to be the most important factor when executing orders. Nutmeg will only accept the best price available when dealing with multiple counterparties.
- **Costs** – all costs related to execution will be considered to determine the best possible outcome for clients in terms of total consideration.
- **Size & nature of the trade** – must be considered during pre-trade analysis to determine the most appropriate execution method and venue so to minimise any potential market impact Speed of execution – Nutmeg must allow sufficient time for competing quotes from multiple counterparties.
- **Likelihood of execution & settlement** – Likelihood of execution must be evaluated to determine which counterparties may be engaged and how to trade the security. Settlement must be continuously monitored, any counterparty that has sub-standard settlement performance must be evaluated to determine suitability. Any other considerations relevant to the execution of the trade are taken into account, such as Implicit/explicit costs, trading frequency and performance.

When assessing the relative importance of the best execution factors, we consider the following criteria:

- The characteristics of the client; all Nutmeg's core clients are classified as Retail.
- The characteristics of the order.
- The characteristics of the financial instrument that is the subject of that trade; Nutmeg trades solely ETFs.
- The characteristics of the execution venues to which that order can be directed.

3

Nutmeg Trading Arrangements

Nutmeg uses its discretion to select the execution method and venue for each order following pre-trade analysis in accordance with internal procedure..

The size and nature of the trade is assessed on several factors including Average Daily Volume (ADV) of the relevant ETFs, liquidity of the ETFs underlying assets, similarity of assets between trades and overall long/short exposure of all trades.

3.1 Execution Venues and methods

Nutmeg uses its discretion to select the most appropriate execution venue, considering best execution factors, to achieve the best possible result for our clients. We will execute trades on one or more of the following venues:

- Regulated market – namely the London Stock Exchange (LSE) via Retail Service Providers (RSP)
- Multilateral trading facilities (MTFs)
- Systematic Internalisers (SIs)

Nutmeg’s execution methods include Retail Service Providers (RSP), Requests for Quotes (RFQ’s), recorded instant messaging, or tape-recorded telephone lines.

3.2 Market Maker Selection

Nutmeg trades with financial institutions that specialize in providing liquidity in the ETF’s that Nutmeg holds known as ‘Market Makers’ and establishes trading relationships based on fulfilment of the following criteria:

- Holds membership of the London Stock Exchange
- Registered with the FCA and/or an equivalent regulated body

- Is registered with Nutmeg's sub-custodian
- Is able to transact trades by RFQ (Request for Quote, via Bloomberg or TradeWeb) or RSP (Retail Service Provider, via our Smart Order Router).

3.3 Trade Aggregation & Allocation

Nutmeg aggregates pre-trade allocations when we execute trades. This has significant benefits that help Nutmeg achieve best execution for our clients as we are able to take advantage of institutional execution prices and keep execution costs as low as possible by carrying out fewer market transactions. However, the aggregation of orders may operate, on some occasions, to a client's disadvantage in relation to a particular order.

We ensure that all aggregated pre-trade allocations are equal to market orders before execution and will only execute a market order if we can guarantee 100% of the order will be filled, meaning there will never be any partial allocations. Once executed, all trades are then allocated to clients based on the pre-trade allocations calculated prior to trading.

3.4 Market Distress – Contingent Arrangements

During periods of market distress, Nutmeg could use discretion to hold off from trading until liquidity returns to the market, as trading when there is an absence of liquidity could result in less than favourable prices being achieved due to liquidity premiums or discounts. If trading during a period of market distress is necessary, Nutmeg would seek liquidity from multiple counterparties via RFQ. We also have access, via Bloomberg chat or telephone, to all market makers that we are engaged with.

3.5 Nutmeg Trading Cycle

Nutmeg typically trades twice per week. The days and time of trading are subject to change as Nutmeg uses its discretion to trade at the most suitable time for the aggregated trades that it will execute in the market in order to achieve the best result for our customers. Nutmeg may trade less frequently than twice per week due to conditions outside of its control which include, but are not limited to:

- When any ETF in the Nutmeg universe of stocks is suspended from trading

Order Execution Policy

- When the London Stock Exchange is closed due to planned holiday, suspension or system issues
- Working weeks with 3 working days or fewer
- To allow for settlement of corporate action or Net Asset Value (NAV) trades.

Nutmeg may also trade more frequently than twice weekly should it require to do so to enable timely re-balancing of portfolios.

3.6 Best Execution Monitoring

Best Execution analysis is performed post-trade to evaluate the execution performance against market prices at the time of each trade and other quantitative and qualitative criteria and is governed through appropriate internal forums.

Nutmeg.

a J.P.Morgan company

Nutmeg is an online investment management service, providing diversified investments, ISAs and pensions in the UK.

To learn more go to nutmeg.com

© 2024 Nutmeg Saving and Investment Limited

Nutmeg® is a registered trademark of Nutmeg Saving and Investment Limited, authorised and regulated by the Financial Conduct Authority, no. 552016, registered in England and Wales, no. 07503666, with a registered office at 25 Bank Street, Canary Wharf, London, E14 5JP.

