



## ORDER HANDLING AND REPORTING POLICY

### Introduction

In accordance with its obligations under the AIFMD Regulations and the AIFMD Level 2 Regulations, the Central Bank's December, 2016 publication "Fund Management Companies Guidance" (the "**Central Bank Fund Management Companies Guidance**"), the applicable provisions of MiFID II (when the Company is providing services pursuant to Regulation 7(4) of the AIFMD Regulations) and the AIF Rulebook issued by the Central Bank (the "**Rulebook**"), the Company is required to have procedures and arrangements in place that provide for the prompt, fair and expeditious execution of portfolio orders on behalf of the Funds and the aggregation, allocation and handling of subscription and redemption orders and the prompt and accurate recording and allocation of orders executed on behalf of its Regulation 7(4) clients.

Rubrics Asset Management (Ireland) Limited (RAMIL) will also be known as the Company.

### Designated Director/Person

David Burke in their capacity as Designated Person for Regulatory Compliance.

### Reporting

Please refer to Appendix 3 of the Company's Internal Control Policy.

### Summary of Regulatory Requirements

Article 29(1) AIFMD Level 2 Regulation	The Company can only carry out a Fund order in aggregate with an order of another Fund, a UCITS or a client or with an order made when investing their own funds where: (a) it can be reasonably expected that the aggregation of orders will not work overall to the disadvantage of any Fund, UCITS or clients whose order is to be aggregated; (b) an order allocation policy is established and implemented, providing in sufficiently precise terms for the fair allocation of aggregated orders, including how the volume and price of orders determines allocations and the treatment of partial executions.
Article 67 of the MiFID II Level 2 Regulations	In relation to services carried out under Regulation 7(4) of the AIFMD Regulations: (1) the Company must when carrying out client orders: (a) ensure that orders executed on behalf of clients are promptly and accurately recorded and allocated; (b) carry out otherwise comparable client orders sequentially and promptly unless the characteristics of the order or prevailing market

conditions make this impracticable, or the interests of the client require otherwise;  
(c) inform a retail client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty

(2) Where the Company responsible for overseeing or arranging the settlement of an executed order, it shall take all reasonable steps to ensure that any client financial instruments or client funds received in settlement of that executed order are promptly and correctly delivered to the account of the appropriate client.

(3) The Company shall not misuse information relating to pending client orders and shall take all reasonable steps to prevent the misuse of such information by any of its relevant persons.

#### Article 68 of the MiFID II Level 2 Regulations

(5) The Company shall not carry out a client order or a transaction for own account in aggregation with another client order unless the following conditions are met:

(a) it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated;

(b) it must be disclosed to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order disclosed to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order

(c) an order allocation policy is established and effectively implemented, providing for the fair allocation of aggregated orders and transactions, including how the volume and price of orders determines allocations and the treatment of partial executions.

(2) Where an investment firm aggregates an order with one or more other client orders and the aggregated order is partially executed, it shall allocate the related trades in accordance with its order allocation policy.

#### Article 69 of the MiFID II Level 2 Regulations

(1) If the Company has aggregated transactions for own account with one or more client orders it shall not allocate the related trades in a way that is detrimental to a client

(2) Where the Company aggregates a client order with a transaction for own account and the aggregated order is partially executed, it shall allocate the related trades to the client in priority to the firm.

Where an investment firm is able to demonstrate on reasonable grounds that without the combination it would not have been able to carry out the order on such advantageous terms, or at all, it may allocate the transaction for own account proportionally, in accordance with its order allocation policy referred to in Article 68(1)(c) of the MiFID II Level 2 Regulations.

Article 70 of the MiFID II Level 2 Regulations

(3) As part of the order allocation policy referred to in Article 68(1)(c) of the MiFID II Level 2 Regulations, the Company shall put in place procedures designed to prevent the reallocation, in a way that is detrimental to the client, of transactions for own account which are executed in combination with client orders

(1) A client limit order in respect of shares admitted to trading on a regulated market or traded on a trading venue which have not been immediately executed under prevailing market conditions as referred to in Article 28(2) of Directive 2014/65/EU shall be considered available to the public when the Company has submitted the order for execution to a regulated market or a MTF or the order has been published by a data reporting services provider located in one Member State and can be easily executed as soon as market conditions allow.

(2) Regulated markets and MTFs shall be prioritised according to the Company's execution policy to ensure execution as soon as market conditions allow.

## **Order Handling and Reporting Policy Framework**

The Company has established the following order handling procedures for the purposes of complying with its obligations under the AIFMD Regulations and MiFID II, as applicable, to ensure prompt, fair and expeditious execution of orders on behalf of its clients.

### **Handling and Recording of Portfolio Orders**

The Company will, and will procure that any delegate to whom it delegates portfolio management or any part thereof (each a delegate) will, make, without delay, for each portfolio transaction, a record of information which is sufficient to reconstruct the details of the order and the executed transaction or of the agreement.

With regard to portfolio transactions on an execution venue, this record shall include the following information:

- (i) the name or other designation of the client and of the person acting for the account of the client;
- (ii) the asset;
- (iii) where relevant, the quantity;
- (iv) the type of the order or transaction;
- (v) the price;
- (vi) for orders, the date and exact time of the transmission of the order and the name or other designation of the person to whom the order was transmitted, or for transactions, the date and exact time of the decision to deal and the execution of the transaction;
- (vii) where applicable, the name of the person transmitting the order or executing the transaction;
- (viii) where applicable, the reasons for the revocation of an order;
- (ix) for executed transactions the counterparty and execution venue identification.

With regard to portfolio transactions by the Company or its delegate outside an execution venue, the record shall include the following information:

- (a) the name or other designation of the client;
- (b) the legal and other documentation that forms the basis of the portfolio transaction, including in particular the agreement as executed;
- (c) the price.

For the purposes of the above, an execution venue shall include a systematic internaliser as referred to in point (7) of Article 4(1) of Directive 2004/39/EC, a regulated market as referred to in point (14) of Article 4(1) of that Directive, a multilateral trading facility as referred to in point (15) of Article 4(1) of that Directive, a market maker as referred to in point (8) of Article 4(1) of that Directive or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.<sup>1</sup>

The Company shall supply the client, on request, with information about the status of the client's order.

### **Handling of Subscription and Redemption Orders**

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<sup>1</sup> Article 64 of Level 2 Regulation

The Fund has appointed an administrator pursuant to an Administration Agreement to handle the subscription and redemption orders on behalf of the Fund.

### **Notification to Investors**

The Administrator, when it carries out a subscription or redemption order in a Fund from an investor will notify the investor, by means of a durable medium, confirming execution of the order as soon as possible. The notification referred to above where applicable, will include the following information:

- (i) the relevant Fund identification;
- (ii) the name or other designation of the investor;
- (iii) the date and time of receipt of the order and method of payment;
- (iv) the date of execution;
- (v) the nature of the order (subscription or redemption);
- (vi) the number of shares involved;
- (vii) the share value at which the units/shares were subscribed or redeemed;
- (viii) the reference value date;
- (ix) the gross value of the order including charges for subscription or net amount after charges for redemptions;
- (x) the total sum of the commissions and expenses charged and, where the investor so requests, an itemised breakdown.

Where orders for an investor are executed periodically, the Administrator must notify the investor, as provided above, or provide the investor, at least once every six months, with the information listed in (i) – (xi) above in respect of those transactions. The Administrator will supply an investor upon request, with information about the status of his order.

### **Record Keeping**

The Administrator shall take all reasonable steps to ensure that subscriptions received and, where relevant, redemption orders are recorded without undue delay after receipt of any such order.

That record shall include information on the following:

- (a) the identification of the Fund;
- (b) the person giving or transmitting the order;
- (c) the person receiving the order;
- (d) the date and time of the order;
- (e) the terms and means of payment;
- (f) the type of the order;
- (g) the date of execution of the order;
- (h) the number of shares or equivalent amounts subscribed or redeemed;

- (i) the subscription or, where relevant, redemption price for each share or, where relevant, the amount of capital committed and paid;
- (j) the total subscription or redemption value of the shares;
- (k) the gross value of the order including charges for subscription, or the net amount after charges for redemption.

Information under points (i), (j) and (k) shall be recorded as soon as available.<sup>2</sup>

#### *Individual Accounts*

In accordance with Article 73 of the MiFID II Level 2 Regulations, the Company shall ensure that records which set out the respective rights and obligations of the Company and the client under an agreement to provide services, or the terms on which the firm provides services to the client, shall be retained for at least the duration of the relationship with the client.

The Company shall, in relation to every initial order received from a client and in relation to every initial decision to deal taken, immediately record and keep at the disposal of the Central Bank at least the details set out in Section 1 of Annex IV to the MiFID II Level 2 Regulations to the extent they are applicable to the order or decision to deal in question. Where the details set out in Section 1 of Annex IV to the MiFID II Level 2 Regulations are also prescribed under Articles 25 and 26 of Regulation (EU) No 600/2014, these details should be maintained in a consistent way and according to the same standards prescribed under Articles 25 and 26 of Regulation (EU) No 600/2014.

In addition, the Company shall, immediately after receiving a client order or making a decision to deal to the extent they are applicable to the order or decision to deal in question, record and keep at the disposal of the competent authority at least the details set out in Section 2 of Annex IV of the MiFID II Level 2 Regulations. Where the details set out in Section 2 of Annex IV of the MiFID II Level 2 Regulations are also prescribed under Articles 25 and 26 of Regulation (EU) No 600/2014, they shall be maintained in a consistent way and according to the same standards prescribed under Articles 25 and 26 of Regulation (EU) No 600/2014.

In order to ensure compliance with the requirements of Article 76 of the MiFID II Level 2 Regulations, the Company has implemented systems for the purposes of recording all telephone conversations and email communications in respect of Individual Accounts. Further details are set out in the Company's 'Retention of Records' policy. For the avoidance of doubt, the Company **shall not** accept instructions with respect to client orders telephonically. Any dealing request must be made in writing (including but not limited to via email) to the Company.

#### **Notification to Delegates**

The Company will notify its delegate and the Administrator of its order handling and reporting policy and the provisions thereof. In addition, the Company will notify them in the event of any material change to the policy.

**Note: these rules should not apply where the investment in assets is made after extensive negotiations on the terms of the agreement, such as investment in real estate, partnership interests or non-listed companies.**

#### **Order Aggregation**

##### *Funds*

Orders in the same security transacted on behalf of more than one portfolio may be aggregated in an effort to achieve best execution. Orders will not be aggregated unless the Company reasonably believes such aggregation will improve execution. Prior to placing an aggregated order, the allocation of the order is recorded by the portfolio manager and the trading team.

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<sup>2</sup> Art 65 of Level 2 Regulation

The Company endeavours to effect transactions on an objective basis and in a manner designed to ensure that no participating Fund portfolio is favoured or prejudiced as regards to any other portfolio. Where possible, securities bought or sold in an aggregated transaction will be promptly allocated among the participating portfolios after taking into consideration the specific investment guidelines agreed for each portfolio.

The Company may aggregate orders if it is decided that because of market conditions, liquidity or the size or nature of the order, this is the most favourable solution for the client. The Company or its delegate may place or execute an order which, due to market conditions, liquidity or the size and nature of the order, could not be filled in accordance with the parameters of the order (e.g. limit order). If an order cannot be matched in full, partial execution may often be possible. The Company may wait before placing the order or place it successively in tranches. The Company may wait if it is decided that, because of market conditions, liquidity or the size or nature of the order, this is the most favourable solution for the client.

The Company does not engage in transactions for its own account.

### **Notification to Delegates**

The Company will notify the Sub-Investment Managers (where appointed) of its order aggregation policy and the provisions thereof. In addition, the Company will notify them in the event of any material change to the policy. The Company will request that each Sub-Investment Manager provide the Company with its order aggregation policy and a confirmation that the relevant policy is consistent with the Company's policy. The Company will request that each Sub-Investment Manager confirm to the Company on a periodic basis, and at least annually, the Sub-Investment Manager's compliance with its order aggregation policy as regards the Funds.

### *Individual Accounts*

The Company shall not perform a client order in aggregation with another client order unless the following conditions are met:

- (a) it must be unlikely that the aggregation of orders will work overall to the disadvantage of any client whose order is to be aggregated;
- (b) it must be disclosed to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order;
- (c) an order allocation policy must be established and effectively implemented, providing in sufficiently precise terms for the fair allocation of aggregated orders and transactions, and in particular in terms of how the volume and price of orders relates to how they will be allocated in each case.

In situations where the Company aggregates an order with one or more other client orders and the aggregated order is partially executed, the Company shall allocate the related trades in accordance with the Company's order allocation policy.

The Company does not engage in transactions for its own account.

### **Review and Update**

This Policy will be reviewed and updated annually or more frequently if necessary, to ensure that any changes to the Company's organisation structure and business practices are properly reflected.