IGUAKO CAPITAL · Group policy

Best Execution

This policy sets out the steps IGUAKO Capital takes to obtain the best possible result when it executes or transmits an order on behalf of a client or a managed account. It defines the execution factors and their relative importance for each class of instrument, governs the selection and review of venues, brokers and counterparties, requires the monitoring of execution quality on a fixed cycle, and specifies what a client is told. It applies to the eleven trading and execution desks and to every division that transmits an order on a client's behalf.

CODE	CATEGORY	VERSION
IGC-MT-002	Markets and trading	2.2
EFFECTIVE	**REVIEW**	**OWNER**
2023-04-01	Annual; last reviewed April 2026, next review due April 2027	Group Head of Trading and Execution

1. Purpose and scope

When the firm executes an order for a client, the client bears the outcome and the firm chooses the route. This policy exists to ensure that the route is chosen for the client's benefit, that the choice can be shown to have been reasonable at the time and that the firm learns from the results. It gives effect to the fair treatment principle in the part of the market the client cannot see.

The policy applies to every order the firm executes or transmits for a client or a managed account in any financial instrument: listed equities, fixed income, derivatives, fund units, foreign exchange linked to a client transaction and over-the-counter instruments. It applies to the Quantitative Strategies, Private Wealth & UHNW and Investment Banking divisions and to the eleven desks in George Town, New York, London, Zürich, Singapore, Hong Kong and Sydney. It does not apply to the proprietary balance sheet, where the firm bears its own outcome, except that proprietary orders never take precedence over client orders.

Where the firm transmits an order to a broker rather than executing it, the firm remains responsible for selecting the broker and for monitoring the result. Where a client gives a specific instruction, the firm follows it, and the instruction displaces this policy only for the aspect of the order it covers.

2. Definitions

The execution factors are price, cost, speed, likelihood of execution, likelihood of settlement, size, the nature of the order and any other consideration relevant to the result. Total consideration is the price of the instrument plus every cost the client bears in the execution, including venue fees, clearing and settlement charges, and any charge paid to a third party. For a professional client, total consideration is the primary measure unless the order's size or the instrument's liquidity makes another factor decisive.

An execution venue is a market, a multilateral facility, a market maker or a liquidity provider on which or with which an order can be executed. A broker is an intermediary to which the firm transmits an order for execution. The approved list is the register of venues and brokers assessed and approved under this policy, held by desk and by instrument class.

Execution quality is the measured outcome of executions against a benchmark: arrival price, the volume-weighted price over the order's life, or a quoted reference for over-the-counter instruments. Transaction cost analysis is the quarterly measurement of execution quality across all desks, by instrument class, venue, broker and trader.

3. Principles

The firm takes all sufficient steps to obtain the best possible result for the client on a consistent basis, having regard to the execution factors. It does not promise the best result on every order, and it does not select a route because of an inducement, a reciprocal arrangement or the convenience of the desk.

Client orders take precedence over proprietary orders in the same instrument and are never executed against the proprietary book except where the client has consented in writing to the specific transaction and the price has been checked against two independent sources. The firm receives no payment from a venue or broker for routing orders and accepts no research or service in return for order flow.

The firm can show, for any order, the route chosen, the factors considered and the result achieved. Where a route was chosen for a reason other than total consideration, that reason is recorded on the order at the time, not reconstructed afterwards.

4. Requirements

Each desk holds an execution arrangement for each instrument class it trades, setting out the relative importance of the factors, the approved venues and brokers, the default route and the circumstances in which the trader may depart from it. The arrangements are approved by the Group Head of Trading and Execution and reviewed every six months. An order routed away from the default carries the trader's reason on the order record.

A venue or broker is added to the approved list only after an assessment of its execution quality, financial standing, regulatory status, settlement record, fees and conflicts, approved by the Group Head of Trading and Execution and the compliance function. Every venue and broker is reviewed annually and removed where its quality falls below the desk's median for two consecutive quarters. The firm executes with 38 brokers and on 22 venues across the eleven desks, and no single broker receives more than 25 per cent of the firm's client order flow in any instrument class over a quarter.

Over-the-counter transactions and transactions with the proprietary book are checked before execution against at least two independent price sources, and the check is recorded with the order. Orders above US$5 million in value, and every order in an illiquid instrument, carry a pre-trade note of the intended approach and a post-trade note of the result against the benchmark.

Each client receives the firm's execution arrangements summary before the first order, is told of any material change within 30 days and can obtain on request the route and result of any order within five business days. The firm publishes annually to clients a summary of execution quality by instrument class and the five venues or brokers receiving the largest share of orders in each class.

- Desk execution arrangements per instrument class, reviewed every six months.
- Venue and broker approval on assessment; annual review; removal after two quarters below median.
- No broker above 25 per cent of client order flow in an instrument class in a quarter.
- Two independent price checks for every over-the-counter or internal transaction.

- Pre-trade and post-trade notes for orders above US$5 million and for illiquid instruments.
- Order route and result available to the client within five business days of a request.

5. Roles and responsibilities

The Group Head of Trading and Execution owns this policy, approves the desk arrangements and the approved list, chairs the quarterly execution quality review and reports quarterly to the Compliance & Conduct Committee and annually to the Board. The role is based in London and has no client coverage responsibility.

Each desk head is accountable for execution on the desk, for the completeness of order records including departure reasons, and for supporting the quarterly review. Traders are responsible for following the desk arrangement or recording the reason for departing from it. The compliance monitoring function performs the independent testing described in the Monitoring and reporting section, and the Head of Surveillance and Market Conduct reviews any pattern of routing that may indicate a conflict.

Relationship managers give each client the arrangements summary, record any specific instruction on the client file and pass a client's request for an order's route and result to the desk the same day. A specific instruction that would produce a worse result than the default route is confirmed with the client in writing before execution.

6. Monitoring and reporting

Transaction cost analysis is performed quarterly across all client orders on every desk, measuring the result against arrival price, the volume-weighted price and the quoted reference as appropriate. The compliance monitoring function independently samples ten per cent of orders each month, and every order above US$5 million, and checks the route, the departure reasons, the price checks and the notes.

In the twelve months to 30 June 2026 the firm executed or transmitted 14,760 client orders. Analysis showed that 96 per cent of listed-equity orders achieved a result within five basis points of the arrival price, that fixed-income executions averaged 1.8 basis points inside the composite quote, and that 212 orders were routed away from the default, each with a recorded reason. Two brokers were removed from the approved list after two quarters below median.

The Compliance & Conduct Committee receives the quarterly analysis and the sampling results. Clients receive the annual execution quality summary. Internal Audit reviews the arrangements, the approved list and a sample of orders every year and reports to the Audit Committee.

7. Breaches

A breach of this policy is an order routed away from the default without a recorded reason, an execution on an unapproved venue or with an unapproved broker, an over-the-counter or internal transaction without the two-source price check, a proprietary order executed ahead of a client order in the same instrument, or a client request for an order's route not met within five business days. Breaches are logged within one business day.

Where a breach has produced a worse result for a client than the default route would have, the firm makes the difference good, with the calculation shown to the client, without waiting for a complaint. A trader responsible for a second breach in twelve months is removed from client order handling pending review. In the year to 30 June 2026, seven breaches were recorded, all missing departure reasons, and none produced a client detriment.

8. Review

The Group Head of Trading and Execution reviews this policy annually, the desk arrangements every six months and the approved list annually, and reviews the policy immediately where a desk, an instrument class or a venue type is added. Each review is signed off by the Compliance & Conduct Committee, which also receives the quarterly transaction cost analysis and the annual venue and broker assessment.

The policy was first issued in April 2023 when the desk arrangements were formalised across all desks. Version 2.2, approved in April 2026, added the 25 per cent concentration limit and the annual client summary of execution quality. The policy is next due for review in April 2027.

Key controls

- Desk execution arrangements per instrument class with recorded departure reasons.
- Approved venue and broker list with annual review and a two-quarter removal rule.
- 25 per cent concentration limit per broker per instrument class per quarter.
- Two independent price sources for every over-the-counter and internal transaction.
- Quarterly transaction cost analysis across all desks.
- Monthly ten per cent compliance sample and full review of orders above US$5 million.
- Client precedence over proprietary orders enforced in the order management system.
- Annual execution quality summary to clients and to the Board.

Related policies

- Order Handling and Allocation (IGC-MT-006)
- Conflicts of Interest (IGC-CC-003)
- Fair Treatment of Clients (IGC-CC-006)
- Market Abuse Prevention (IGC-MT-001)