

NFU Mutual

Order Execution Policy

Contents

Overview and Scope.....	2
Best Execution Factors	2
Counterparty Selection	3
Monitoring & Review	3
Appendix 1 – Execution Venues / Approved Counterparties.....	4
Appendix 2 – Recognised Stock Exchanges by Asset Class	5

Overview and Scope

This Policy outlines steps taken by NFU Mutual when executing orders, including our approach to ensure we achieve Best Execution in accordance with the requirements set out by the Markets in Financial Instruments Directive 2014/65/EU. The Policy is for the NFU Mutual Society's own institutional accounts & Retirement Benefit Scheme, and for the Funds where NFU Mutual Unit Managers act as a Management Company.

The NFU Mutual Group does not make markets in financial securities. Orders are placed with an approved counterparty for execution. This Policy sets out our business practice of taking all sufficient steps to obtain the best possible result when we transmit or place orders with brokers on behalf of the Funds. As outlined in the NFU Mutual OEIC and NFU Mutual Portfolio OEIC prospectuses published on our website: <https://www.nfumutual.co.uk/investments/fund-centre/> this Policy is available to clients upon request, and via our website.

Best Execution Factors

We will take sufficient steps to ensure that when transmitting or placing an order with another legal entity to execute, that legal entity has execution arrangements that will enable us to meet our Best Execution obligations and to act in the best interest of the Funds and investors. Taking into consideration the objective of the schemes, the nature of the assets invested in, and the execution venues utilised; the best interest of the Funds and investors is ultimately the best overall price. This is a combination of the price at which a market order is executed plus any costs incurred in the course of carrying out the transaction, which are passed onto the relevant scheme.

The best execution requirements cover the trading of Shares, Depository Receipts, Rights, Exchange Traded Funds (ETFs), Bonds, Debt Instruments, Structured Notes, Funds and Warrants. Our approach to achieving best execution is holistic, irrespective of asset class, albeit funds dealt directly with unit managers differ slightly in requirements due to trading at the published price (i.e. prices and liquidity are not subject to a market maker or counterparty's offering). For FX forwards and Interest Rate Swaps, we place deals via Bloomberg for competitive bids from a limited number of approved and well-established counterparties (see Appendix 1). The contract will be executed with the counterparty who provides the most competitive bid, typically this will be a margin above a market reference rate, such as SONIA.

There is a balance to be struck between seeking to achieve the best price in respect of each transaction versus achieving the overall best result for the fund over time. When placing orders on behalf of clients (internal or external) the Investment Managers, or our Investment Dealers, will exercise discretion in determining the factors with the potential for delivering the best possible result for the client in the given circumstances. Therefore, from time to time, we may prioritise the below factors above price, where we consider it appropriate to do so in order to deliver the best possible results.

- Costs
- Speed
- Likelihood of execution and settlement
- Size of the order
- Nature of the order
- Any other consideration relevant to the execution of an order.

While price is always a primary consideration, it is recognised that the other execution factors noted above take on varying degrees of relevance in determining the best possible outcome in respect of any single trade. Aggregating orders across schemes can often optimise order sizes enhancing the likelihood of completing the trade. However, whatever the position, the actual trade price in any transaction would not be expected to differ significantly from the screen price in normal market conditions and the overall execution quality will be assessed on this basis.

The Investment Managers' approach of dealing through established broking channels implies minimal settlement risk while keeping transaction costs within normal limits. These 'execution factors' are therefore secondary to size of transaction and the likelihood of execution. Price, therefore, represents the major consideration in all transactions.

Counterparty Selection

The execution counterparty may be a broker or other relevant financial institution as appropriate, such as a market maker, and currently included on the approved counterparty list. The latter is maintained by the Middle Office and reviewed annually to ensure the continued financial viability and creditworthiness of those listed (See Appendix 1). Additions to the list are only permitted following a robust due diligence process.

The approach of the Investment Managers is to trade financial instruments on behalf of schemes on recognised execution venues (see Appendix 2), placing orders via brokers or other relevant counterparties. While placed orders will in general be executed on regulated markets or multilateral trading facilities, they may be executed outside these venues if we deem it appropriate to achieving the best outcome. Where relevant, before an order is placed with a broker, consideration should be given to the execution venue with the best execution factors detailed above.

Monitoring & Review

The purpose of our monitoring and review of execution arrangements is to evaluate the effectiveness of our overall execution arrangements on an ongoing basis, and to take any action required to enhance our approach where required. We will review the execution arrangements on an on-going basis. This review consists of the following key activities:

- Daily oversight of executed order prices by the Middle Office to ensure that the order execution on orders transmitted to brokers follow our execution policy, with price being the overarching determining factor.
- Exception reporting of all Best Execution related topics, including the appropriateness of the Best Execution procedure and Policy. Any exceptions will be reviewed and escalated as necessary on a case-by-case basis.
- Our list of approved counterparties for transmitting orders may be updated accordingly to ensure our existing arrangements continue to meet our Best Execution objective. It will be reviewed at least annually.

This Order Execution Policy will be reviewed at least annually. Such a review shall also be conducted whenever a Material Change occurs that affects our ability to continue to obtain the best possible result for the execution of scheme orders on a consistent basis using the brokers included in this Policy. We shall assess whether a Material Change has occurred and shall consider making changes to the counterparties on which we place significant reliance in meeting the overarching Best Execution requirement. Consequently, this Policy document will be updated to reflect these changes.

This policy will be made available to Investors in Funds upon request, and on our website:

<https://www.nfumutual.co.uk/legal-information/order-execution-policy/>

Appendix 1 – Execution Venues / Approved Counterparties

The below table provides a current list of active, approved counterparties (“Execution Venues”) used by NFU Mutual to execute orders in the respective instrument types. The main execution venues by volume, based on the period 1st July 2023 – 30th June 2024, are highlighted.

Approved Counterparty	Instrument Type			
	UK Equities	Fixed Interest	O/S Equities	Interest Rate Swaps / Forwards
AE Continuation LLP	X		X	
Banco Santander SA		X		
Barclays PLC		X		X
BNP Paribas		X		
Citigroup Global Markets		X		
Cowen International Ltd	X		X	
Goldman Sachs		X		
HSBC Holdings PLC		X		X
Investec Bank PLC	X			
Jane Street	X	X		
Jefferies International Ltd	X	X		
Joh Berenberg Gossler & Co KG	X		X	
JPMorgan Chase Bank NA		X		X
Liberum Capital	X			
Lloyds Banking Group PLC		X		
Merrill Lynch/Bank of America Corp		X		
NatWest Markets		X		
Singer Capital Markets	X			
Numis Securities Ltd	X			
Panmure Gordon & Co PLC	X			
Peel Hunt	X			
Piper Sandler Ltd			X	
Seaport Group Europe LLP		X		
Redburn (Europe) Limited	X		X	
RBC Europe Limited	X	X	X	
Shore Capital Group Ltd	X			
Stifel Nicolaus	X			
The Toronto-Dominion Bank		X		
Winterflood Securities Limited	X			

Appendix 2 – Recognised Stock Exchanges by Asset Class

The below table shows the recognised stock exchange used for each instrument type.

Instrument Type	Stock Exchange
UK Equities	London Stock Exchange
USA Equities	New York Stock Exchange
Belgian Equities	Euronext – Brussels
Danish Equities	NASDAQ OMX – Copenhagen
Finnish Equities	NASDAQ OMX – Helsinki
French Equities	Euronext – Paris
German Equities	Deutsche Borse
Irish Equities	Euronext – Dublin
Dutch Equities	Euronext – Amsterdam
Spanish Equities	Bolsa de Madrid
Swedish Equities	NASDAQ OMX – Stockholm
UK Fixed Interest*	London Stock Exchange

*UK Gilts, UK Index-Linked Gilts, Sub Sovereigns, Eurobonds, UK Fixed Interest Convertibles