

# **RBS Collective Investment Funds Limited**

## **Best Execution Policy**

## Best Execution Policy – RBS Collective Investments Funds Limited

RBS Collective Investments Funds Limited (“RBSCIFL”) acts as the Authorised Fund Manager (“AFM”) of the following Investment Company with Variable Capital (“ICVC”) and their funds (the “Schemes”).

- RBS Investment Funds ICVC (UCITS qualifying Scheme)
- RBS Stakeholder Investment Fund ICVC (UCITS qualifying Scheme)

The policy doesn’t apply to RBS Investment Options ICVC as it is in the process of being terminated.

As AFM, we are responsible for the investment management of the underlying assets of the funds and, as such, we are subject to the rules of our regulator, the Financial Conduct Authority (FCA), that apply to operators of collective investment schemes. These require an AFM to meet the requirements relating to best execution when carrying out scheme management activity for its funds.

In view of this, we are required to treat the Schemes as our clients. We are also required to have an order execution policy in place detailing how we will act in the best interests of the Schemes and take all sufficient steps to obtain the best possible results for the schemes when we directly execute an order, place an order with, or transmit an order to, another entity for execution.

### Our approach to Order Execution

The AFM must act in the best interests of the Schemes when directly executing orders to deal on behalf of them and take all sufficient steps to obtain the best possible result for the Schemes, on a consistent basis, taking into account price, liquidity, costs, speed, likelihood of execution and settlement, size and nature of the order or any other consideration relevant to the execution of the order.

We must also act in the best interests of the Schemes when placing orders with, or transmitting orders to, other entities for execution where these result from our decisions to deal in financial instruments on behalf of the Schemes.

In practice, we have delegated the investment management of the funds within the Schemes to the Investment Manager (“IM”), Coutts & Company.

We have an Investment Management Agreement in place with the IM, under which they manage the Schemes in accordance with the Scheme Prospectus and the investment policy and objectives. In line with the FCA rules, the IM is required to provide us with best execution (as detailed within the Key Factors) in relation to orders they execute on our behalf, or place or transmit to another entity for execution.

We have received and accepted the order execution policy for the IM and we are, therefore, able to satisfy our best execution requirements through placing reliance on this order execution policy.

For the avoidance of doubt, costs for research incurred by the IM are not charged to the Funds. A summary of the IM’s Order Execution Policy is available on request.

### Key Factors

The Order Execution Policy of the IM takes into account the following factors:

- the price of the instrument;
- the overall cost of the transaction;
- the need for timely execution;
- the liquidity of the instrument or market;
- the size and nature of the order; and
- any other consideration relevant to the execution of the order.

The relative importance of the execution factors will be determined by the IM based on the market experience and judgement of their investment professionals and in light of all available information at the time of executing the order, including the execution criteria. Ordinarily, the IM will determine the best possible result in terms of total consideration, representing the price of the financial instrument it is dealing in and the costs related to execution. Notwithstanding this, the other factors above will also be taken into account and may be given precedence over the immediate price and cost considerations, but only in so far as they are instrumental in providing the best result for the Schemes.

The IM selects execution venues for each transaction and, depending on the type of transaction, these may be Regulated

Markets, a multilateral trading facility (MTF) an organised trading facility (OTF) or over the counter (OTC). Where financial instruments are traded on a Regulated market, MTF or OTF the IM will ordinarily seek to execute orders through such venues. However, there may be occasions where this is not possible. In these circumstances, orders may be exposed to certain increased risks, including lower liquidity, higher price volatility, wider spreads and decreased price transparency.

## **Regular Review**

Commercial & Private Banking Fund Governance & Oversight will monitor on a regular basis the effectiveness of the IM's Order Execution Policy and, where appropriate, we will correct any deficiencies. All these reviews will include examining a sample of trades to ensure that best execution has been achieved. This will also form part of C&PB Fund Governance & Oversight monitoring review and the annual Onsite review.

Ad hoc reviews will be undertaken where there is a material change that affects our ability to obtain the best possible result for our clients.

We will carry out a review of our Best Execution Policy annually. We will also do so where there is a material change that affects our ability to obtain the best possible result for the Schemes.

 **Braille, large print or audio format?**

If you'd like this information in another format,  
call us on **03457 888 444** (Minicom 0800 404 6161)

RBS Collective Investment Funds Limited.

Registered in Scotland No.SC46694.

Registered Office: 24-25 St Andrew Square, Edinburgh EH2 1AF.

Authorised and regulated by the Financial Conduct Authority.

Financial Services Register Number 122139.

NWB6198

Sep 2019