

# Order Execution Policy

Aviva Pension Trustees UK Limited &  
Aviva Wrap UK Limited

## 1. Introduction

- 1.1. This policy applies to all investors on the Aviva Platform, offered by Aviva Wrap UK Limited and Aviva Pension Trustees UK Limited. This policy should be read in conjunction with the product terms and conditions and other contractual documentation.
- 1.2. This policy provides information about Our 'Order Execution Policy' as required by the Markets in Financial Instruments Directive (MiFID and MiFID II) and the Financial Conduct Authority (FCA) under COBS 11.2A.22R. As a 'retail client' under the FCA's client categorisation rules, You are afforded the maximum protection under the FCA rules. This policy provides an explanation of how We ensure the best possible result for You when receiving and transmitting orders for execution using the Aviva Platform.
- 1.3. The category of a Client, whether Professional or Retail, should have no bearing on how we execute a Client order. The execution of both Professional and Retail Client orders will follow this Order Execution Policy.
- 1.4. Upon placement of Your order on the Aviva Platform, the following Order Execution policy details Aviva's approach to achieve best execution for You as per COBS 11.2A.2R.
- 1.5. **Warning: Any specific instructions from You, Your adviser or Discretionary Investment Manager (DIM) as to how an order should be dealt with may prevent Us from taking the steps that We have designed and implemented in this Order Execution Policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions as per COBS 11.2A25R.**
- 1.6. This Policy is available online at [aviva.co.uk/best-execution-policy](https://aviva.co.uk/best-execution-policy)
- 1.7. You can also request this directly from Us or Your Adviser.

## 2. Definitions

**Adviser** means any authorised financial Adviser appointed by You to provide You with financial advice and instruct Aviva in respect of Your plan.

**Aviva** means any of the companies in the Aviva Group that may provide services to the Aviva Platform and the product portfolios provided by:

- Aviva Wrap UK Limited
- Aviva Pension Trustees UK Limited

or any other third party appointed by any one of them to supply services relating to the above.

**Aviva Platform** means the online service, provided by Aviva, designed to hold Your investments in one place, including the provision of transaction and administration facilities. Aviva offers a stocks and shares ISA and general investment account issued by Aviva Wrap UK Limited. It also offers a self-invested personal pension issued by Aviva Pension Trustees UK Limited. All Investors may choose to invest in Collective Investment Schemes offered by the platform. Exchange Traded Instruments, Insured Funds, Commercial Property and Structured products are not available to all clients.

**Bond** means a debt instrument where an investor loans money to a company for a fixed period of time.

**Business Day** means any day on which the London Stock Exchange (LSE) is open for business.

**Client**, is a person or group of people that the Aviva Platform may provide services to.

**COBS** means the Financial Conduct Authority's Conduct Of Business Sourcebook.

**CREST** means the centralised system for settlement of securities including Equities, in the UK, operated by CREST co Ltd.

**Dilution Levy** means the adjustment that may be imposed by a Fund manager to share out the costs incurred when a need to deal in underlying assets is triggered by investor purchases or redemptions of Fund units/shares. This is to prevent these costs diluting the value of units/shares held by continuing investors.

**DIM** means a Discretionary Investment Manager.

**Equities** means an interest in a company in the form of shares.

**Exchange Traded Instruments (ETIs)** means any Investment traded through Our nominated stockbroker. Including, but is not limited to Bonds, Gilts, Equities, Exchange Traded Products (ETP) or Investment Trusts.

**Exchange Traded Product (ETP)** means either an exchange-traded fund which is traded on a stock exchange and often tracks an index such as the FTSE100; or exchange-traded commodities which provide exposure to different types of commodities, often through derivative-based contracts.

**Execution Venue** means where the exchange of monies is undertaken. Our nominated stockbroker represents the Execution Venue in the trading of ETIs. In the trading of Funds and Structured Products, the Execution Venue will be represented by Aviva or the Fund provider.

**FCA** means the Financial Conduct Authority.

**Fund** means an FCA authorised or recognised unit trust, insured fund or Open Ended Investment Company (OEIC) or other Collective Investment Scheme in which units or shares can be purchased.

**Gilt** means a debt instrument where an investor loans money to the government for a fixed period of time

**Insured fund** means a fund in which You buy units. Investments are made through a master policy held by Aviva Pension Trustees UK Limited with Aviva Life & Pensions UK Limited. At all times the assets and units of all Insured Funds belong to Us. We use them to work out the benefits to be provided.

**Investment** means any asset held in a product on the Aviva Platform such as equities, units/shares in Funds, Structured Products and cash.

**Investment Trust** means a closed-end fund. They have a fixed number of shares and trade on an exchange.

**KIID** means Key Investor Information Document

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**Model Portfolio** means a list of specific Funds/cash/assets with set percentage allocation at commencement.

**Professional Client**, as defined by the FCA, includes but is not limited to:

- investment firms and credit institutions or any other authorised or regulated financial institution, insurance companies, collective investment schemes or their management companies, pension funds or their management companies
- a company that meets two of the following size requirements:
  - has a balance sheet total of EUR 20,000,000;
  - has a net turnover of EUR 40,000,000;
  - owns funds of EUR 2,000,000;
- where Aviva has taken adequate assessment of the expertise, experience and knowledge of the Client that gives reasonable assurance, in light of the nature of the transactions or services envisaged, that the client is capable of making their own investment decisions and understanding the risks involved.

**PTM** means Panel on Takeovers and Mergers

**Retail Client**, as defined by the FCA, is a client who is not a Professional Client or an eligible counterparty, such as a national government or central bank.

**SDRT** means Stamp Duty Reserve Tax

**Structured Products** is a collective term for both Structured Investment Products and Structured Deposits. These involve either investing or depositing money for a

fixed period in order to achieve a return which may be linked to the performance of a stock market index or other asset(s).

**Us/We/Our** means any of the companies in the Aviva Group or third parties appointed by them to administer the products on the Aviva Platform.

**You/Your** means the investor named in the application process for Your plan.

### 3. Types of financial instrument

**3.1.** Currently, the types of financial instrument that We can accept dealing instructions for are:

- Units or shares in Collective Investment Schemes such as Unit Trusts and Open Ended Investment Companies (OEICs)
- Units in Insured Funds
- UK Equities
- Exchange Traded Products
- Investment Trusts
- Structured Products
- Corporate Bonds (including Gilts)
- Any other investment that We might make available from time to time.

**3.2** Not all investment types are available on all products.

### 4. Best Execution

**4.1.** We will ensure the best possible outcome for You by regularly monitoring the execution of dealing instructions and the venues that We use as per COBS 11.2A.31R. When We place an order for an investment in a financial instrument (as defined by MiFID and MiFID II) We will consider a number of factors as per COBS 11.2A.8R including, but not limited to:

- price
- costs that You will incur
- the efficiency of transmission and execution
- the nature of the instruction, including size of order
- the likelihood of successful execution and settlement.

**4.2.** We will generally consider the price of the investment as the most important factor for obtaining the best possible outcome. However, We realise that there may be circumstances related to You, the particular financial instrument, or the relevant markets which will cause other factors to be given a higher priority.

**4.3.** We will determine the best possible outcome with reference to the price of the investment and the total cost to be incurred by You (including execution venue fees, clearing and settlement fees and any other fees paid to third parties directly linked to the execution of the order).

**4.4.** For investments in Funds and Structured Products, in practice there will only be one execution venue that We can use to deal with Your order. As such, there will only ever be one available price; the price of the underlying assets. The application of best execution is largely limited to the accurate and timely placing of Your order.

- 4.5.** For orders relating to investments in ETIs We send client orders to Our nominated stockbroker who has arrangements in place to provide You with the best possible results in terms of the price and other relevant factors that they can achieve under the circumstances as per this policy. Your costs are fixed per order and we will not pass on any additional brokerage or exchange fees. Where a financial instrument is illiquid (rarely traded) or the size of the order is unusually large compared to normal trading volumes, Our ability to successfully execute the order may take precedence over other execution factors.
- 4.6.** Aviva currently operates with one nominated stockbroker on the Aviva Platform, so they will represent the Execution Venue in the trading of Exchange Traded Instruments.
- 4.7.** More detail on the timely placing of orders is contained within the order allocation sections of this Policy.

## **5. Currency of transactions**

- 5.1.** Transactions placed through the Aviva Platform will always be executed in pounds sterling (GBP).

## **6. Collective Investment Schemes – Best Execution**

- 6.1.** The transmission and execution of orders for investments in Collective Investment Schemes are always undertaken directly with the respective Authorised Fund Manager (AFM) or Authorised Corporate Director (ACD) of that scheme. In these circumstances, best execution is limited in its application as all such trades are executed directly with the AFM or ACD and not through an exchange. However, We will continue to satisfy Ourselves that the AFM or ACD of a particular fund is best placed to provide You with the best outcome from Your order.
- 6.2.** We will oversee these transactions to ensure that Your, Your Adviser or a DIM's instructions are not unduly delayed, are executed successfully and receive the relevant price within the product terms and conditions.

## **7. Exchange Traded Instruments – Best Execution**

- 7.1.** Execution of dealing instructions for Exchange Traded Instruments is undertaken for Us by Our nominated stockbroker who is a member of the London Stock Exchange (LSE).
- 7.2.** Aviva passes all client orders in Exchange Traded Instruments to Winterflood Business Services for execution. Winterflood Business Services is required to establish and implement an order execution policy to allow us to obtain, for You, best execution. Their Order Execution Policy is available on request, but this policy provides an explanation of how We ensure the best possible result for You when receiving and transmitting orders for execution with Winterflood Business Services.

- 7.3.** When You, Your Adviser or a DIM place an instruction to trade in an ETI in the UK, Our nominated stockbroker will use their technology to assess the prices provided by a number of retail service providers and market makers that they have selected. We will then execute Your trade electronically with the provider which offers Our nominated stockbroker the most competitive price, with consideration to the other factors We have laid out.
- 7.4.** We will monitor the performance of Our stockbroker by reviewing trades undertaken to ensure that they comply with this policy and with contractual and regulatory duties. This will be done by monitoring the prices achieved by trades to ensure that they are competitive taking into account prevailing market conditions.
- 7.5.** All transactions in Exchange Traded Instruments will be carried out and reported subject to the regulations of the LSE. If a transaction cannot be executed or it relates to a financial instrument not normally offered through the Aviva Platform, or offered on the Aviva Platform but not normally traded on the LSE We may refuse to execute the transaction.

## **8. Order Handling**

- 8.1.** When dealing in investments We must be in receipt of a valid instruction from You, Your Adviser or a DIM.
- 8.2.** Only where You, Your Adviser or a DIM cannot input an order directly onto the Aviva Platform We may accept an instruction in writing, where the order must be specific and You or Your Adviser must confirm You have seen the relevant KIID/KID before a deal can be allocated.
- 8.3.** We will purchase Your chosen investments only when payments can be treated as cleared funds to You and Aviva. This will be at the point Your money is allocated to Your Aviva Platform account and reflected as cleared on the Aviva Platform.
- 8.4.** If the means of payment is dishonoured then any investment made with such a payment will be cancelled, or sold, and Aviva reserves the right to deduct any shortfall from You.
- 8.5.** If We receive a Payment which does not enable Us to identify You, or Your Aviva Platform account, We will take all necessary steps to identify it. We will not be liable for any losses, direct or indirect, which may subsequently arise as result of the time taken to do this.
- 8.6.** We will sell Your chosen investments only when those assets can be treated as settled to You and Aviva.
- 8.7.** Other orders on Your Aviva Platform account, either requested directly by You, Your Adviser or a DIM, or via Our terms and conditions (for example fee disinvestments), may delay subsequent deals placed by You, Your Adviser or your DIM, if the order isn't completed, for example as per 8.3 and 8.6.

- 8.8.** When trading for You, We may aggregate deals with those of other investors because We reasonably believe that such aggregation will work to Your advantage. However You should be aware that on some occasions it is possible that aggregation may work to Your disadvantage. Neither Aviva Wrap UK Limited nor Aviva Pension Trustees UK Limited conduct proprietary trading and therefore client instructions will never be aggregated with those of either firm.
- 8.9.** Where a DIM is appointed, Aviva will deem that the instruction to deal comes from the DIM.

## **9. Order Allocation – Collective Investment Schemes**

- 9.1.** Aggregation may result in trades being of such a size that the authorised fund managers or authorised corporate directors of the respective Fund impose a Dilution Levy, to protect the other investors within that Fund. Any Dilution Levy will not usually exceed 1% of the trade value and this is applied equally across all investors whose trading instructions have been aggregated within that trade.
- 9.2.** Where aggregation results in a small amount of cash that cannot be reasonably allocated to individual investors We will move the money to Our own bank account and pay it to Our chosen charity annually. If aggregation results in a small asset holding that cannot be reasonably allocated to individual investors We will sell the assets and pay the proceeds to Our chosen charity annually.
- 9.3.** Some Funds have a minimum trade value. If You, Your Adviser or a DIM place a trade for less than this amount, then We may hold the trade as pending until We receive further trades that enable Us to meet the minimum amount. This holding period may result in price movements which may or may not be in Your favour. We reserve the right to reject trades where the minimum trading value is not met. In this instance the cash amount of the trade will be returned to Your Aviva Platform cash account.
- 9.4.** Trades are aggregated according to the dealing times of the specific fund manager. As fund managers have cut off times for accepting deals, if dealing instructions are received after the fund manager dealing times, trades are carried forward to the following day's aggregation point. This delay may result in a different price to that expected when the trade was placed due to price movements in the Funds traded which may or may not be in Your favour.
- 9.5.** We will use best endeavours to place deals with external fund managers at the next dealing cut off time following deal aggregation. Deals within 2 valuation points from deal aggregation would be considered prompt.

## **10. Order Allocation – Exchange Traded Instruments**

- 10.1.** Investments can be made in Equities, Investment Trusts, ETPs, direct corporate bonds and Gilts. Access to other exchange traded assets may be available at Our discretion.

- 10.2.** Retail Bonds can only be purchased in the trading denominations specified within the retail Bond's prospectus.
- 10.3.** Aggregation may result in trades becoming outside normal market size. This can result in that trade receiving a price which is different to that which would have been applied to a single deal.
- 10.4.** All relevant charges will be payable at the prevailing rate.
- 10.5.** Trades are submitted by You, Your Adviser or a DIM on the Aviva Platform to Our nominated stockbroker while the market is open either via a quote and deal facility or at best order as chosen by You, Your Adviser or DIM at order input.
- 10.6.** Quote and deal allows You or Your Adviser to get an online quote to buy or sell. You or Your Adviser will then have 15 seconds to transact, and the price will then be confirmed. In some cases this price may not reflect the final cost of the transaction as this could be impacted by additional charges such as SDRT and/or the PTM levy.
- 10.7.** For at best orders, We will send the order and aim to achieve the best price We can at that time, subject to liquidity and our trading cap. Delays between an instruction being placed with us and our nominated stockbroker placing the instruction in the market may result in price movements which may or may not be in Your favour.
- 10.8.** All orders and regular orders (payments or withdrawals) made within a Model Portfolio, will be instructed as Scheduled Market Orders.
- 10.9.** Scheduled market orders are submitted to Our nominated stockbroker three times a day and aim to achieve the best price We can at that time, subject to liquidity and our trading cap. Delays between Your, Your Adviser or a DIM's instruction being placed with us and our nominated stockbroker placing the instruction in the market may result in price movements which may or may not be in Your favour.
- 10.10.** Scheduled market orders in ETIs may be aggregated where multiple deals in the same ETI exist. We will disaggregate the shares/units purchased upon confirmation of the price received from Our nominated stockbroker, and allocate You the maximum number of shares/units for Your order.
- 10.11.** Where excess shares/units exist due to aggregation these will be allocated to You based on the value of Your order. A maximum of one additional share/unit will be allocated to investors with the highest value orders until all excess shares/units have been allocated. If You receive an additional share/unit You will be charged for this additional share/unit based on the price received from Our nominated stockbroker.
- 10.12.** Where aggregation results in a small amount of cash that cannot be reasonably allocated to individual investors We will move the money to Our own bank account and pay it to Our chosen charity annually. If aggregation results in a small asset holding that cannot be reasonably allocated to individual investors We will sell the assets and pay the proceeds to Our chosen charity annually.
- 10.13.** Trades placed and executed before market close on the same day would be considered prompt.

- 10.14.** FCA regulations require that We stipulate how assets are allocated to investors in the event that the transaction cannot be fulfilled in its entirety. Our nominated stockbroker does not conduct partial transactions. As such, if they are unable to entirely fulfil a transaction then that transaction will be cancelled.
- 10.15.** We accept limit orders where You or Your Adviser places limits on the price You are prepared to accept for the deal, provided that the order is above any minimum level We set from time to time. Any such order will be held as defined by You or Your Adviser up to a maximum of 30 days.
- 10.16.** Settlement of ETI transactions will usually be undertaken via CREST. Each transaction will be due for settlement in full on the settlement date which will be two business days after transaction date.
- 10.17.** Settlement of Bond and Gilt transactions will usually be undertaken via CREST. Each transaction will be due for settlement in full on the settlement date which will be one business day after transaction date.

## **11. Order Allocation – Insured Funds**

- 11.1.** On the Aviva Platform at 16:00 every Business Day, all investment instructions received are aggregated for each Fund, and we endeavour to execute the aggregated trades at the next valuation point. If We receive Your instruction to buy or sell units after 16:00 on any Business Day, or on a weekend or bank holiday, then We will treat Your instruction as if it had been received on the next Business Day. This delay may result in a different price to that expected when the trade was placed due to price movements in the Funds traded which may or may not be in Your favour.
- 11.2.** Deals within 1 valuation point from deal aggregation would be considered prompt, except where a later valuation point is applied in accordance with Our terms & conditions.
- 11.3.** The number and type of insured funds You can invest in at any one time may be limited. There may be a minimum and maximum number of units that can be held in any insured fund at one time through the Aviva Platform. Investment in insured funds is made through a master policy held by Aviva Pension Trustees UK Limited with Aviva Life & Pensions UK Limited.

## **12. Order Allocation – Structured Products**

- 12.1.** Your or Your Adviser’s dealing instruction will be aggregated with those of other investors and if the Structured Product is available we will place the trade each Business Day up to the end of the offer period. The structured product provider will purchase the assets for You on the strike date, which means that any reference to any investment interest shown in the provider’s literature will not apply.

- 12.2.** In the unlikely event that aggregation results in a trade being greater than the structured product provider is able to accept, we will review each individual instruction with a view to reducing the aggregated trade size. This may result in Your or Your Adviser’s instruction being cancelled.
- 12.3.** Where aggregation results in a small amount of cash that cannot be reasonably allocated to individual investors We will move the money to Our own bank account and pay it to Our chosen charity annually. If aggregation results in a small asset holding that cannot be reasonably allocated to individual investors We will sell the assets and pay the proceeds to Our chosen charity annually.
- 12.4.** Structured Products have a minimum trade value. If You or Your Adviser place a trade for less than this amount, then We may hold the trade as pending until We receive further trades that enable Us to meet the minimum amount. This holding period may result in missing the close date to invest in the Structured Product chosen. We reserve the right to reject trades where the minimum trading value is not met. In this instance the cash amount of the trade will be returned to Your Aviva Platform cash account.
- 12.5.** When purchasing Structured Products for You, provided that the offer period for the relevant product has not expired, we will place the trade with the product supplier.
- 12.6.** In the event of the Structured Product being oversubscribed or no longer offered, Your original investment amount will remain in Your Aviva Platform cash account.

## **13. Switching**

- 13.1.** You, Your Adviser or a DIM may instruct Us to sell units or shares in Your assets and these may be reinvested in other assets. On receipt of Your, Your Adviser’s or a DIM’s instruction We will process the sale in the specified asset followed by the purchase of the specified asset.
- 13.2.** Where applicable purchase orders will be placed once all sale prices have been confirmed to Us by the relevant party and reflected in Your portfolio and Aviva Platform account. There may therefore be incidences where You are disinvested for a period and potentially be subjected to adverse market movements.
- 13.3.** There may be situations where We delay settlement of the switch in until the receipt from the switch out has occurred to prevent the use of other clients’ money.

## **14. Closures**

- 14.1.** When a corporate action event occurs that results in a Collective Investment Scheme or Exchange Traded Instrument being liquidated We will notify You. You, Your Adviser or a DIM will need to place reinvestment instructions should you wish this cash to be reinvested into market. In most cases We will not receive pre-advice or notification of these proceeds however where this occurs We will endeavour to inform you ahead of receipt.

**14.2.** Where an asset is merged into another asset as a result of a corporate action, existing instructions will be deemed to be in the merged asset for directly held assets unless We are otherwise informed. Assets within a Model Portfolio will be moved to cash unless the DIM or Adviser managing this model takes action upon notification of the corporate action.

**14.3.** In the event that an asset becomes suspended or deferred by the asset manager, or exchange, You may be subject to a delay in any transactions made to us until such a time as the suspension or deferment is removed.

## **15. Consent**

**15.1.** Your terms and conditions provide information about this policy and that it will apply if You, Your Adviser or a DIM submit a dealing instruction. You will be deemed to have consented to that instruction being executed in accordance with this Policy as per COBS 11.2A.23R.

**15.2.** If, for any reason, We deem it necessary and in Your best interests to execute a dealing instruction outside of a regulated market or multi-lateral trading facility then in accordance with the product terms and conditions You hereby expressly give Us consent. This would only occur where an asset becomes restricted while held by Us on Your behalf.

**15.3.** In accordance with your terms and conditions in the event You or Your Adviser place a limit order which is not immediately executed, You hereby expressly give Us permission not to make the unexecuted order, or any part of it public.

## **16. Analysis of Best Execution**

**16.1.** Aviva will analyse trades at varying points to ascertain if they have been executed in accordance with this policy, the product terms & conditions and relevant FCA rules, in particular COBS 11.2A.2R and COBS 11.3.2AR.

**16.2.** Analysis of trades will focus on timeliness, price and accuracy of any trade.

**16.3.** If We are responsible for an error in the valuation of, or transactions within Your Aviva Platform account, We will place Your portfolio valuation back in the position It would have been in had the error not occurred (in accordance with applicable regulation).

**16.4.** Where, due to circumstances beyond Our control, We are unable to do this, We will make suitable arrangements to compensate, which may be by way of a one off payment.

**16.5.** Where the pricing error occurs due to actions of a third party, although We do not accept responsibility for such errors, We will take reasonable steps to seek payment of compensation from the third party concerned on Your behalf.

**16.6.** We perform annual due diligence on Our contracted third parties, including Our nominated stockbroker, to ensure they remain suitable for transmitting orders on the Aviva Platform.

## **17. Policy review**

**17.1.** This policy will be formally reviewed at least once per year or at any other time where there is a material change to Our procedures or arrangements, as covered by this policy.

## Braille, large font, audio material

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Just call **08000 686 800** or email **contactus@aviva.com** and tell us:

- the format you want
- your name and address
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