

# Order execution policy

# 1. Introduction

- 1.1. This policy applies to all investors on the MyMoney Platform, offered by Aviva Investment Solutions 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 & 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 Aviva ensures the best possible result for You when receiving and transmitting orders for execution using the MyMoney 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 MyMoney Platform, the following Order Execution policy details Aviva's approach to achieve Best Execution for You as per COBS 11.2.1R.
- 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 11.2A25UKR.**
- 1.6. This Policy is available within the Literature Library on Your MyMoney Platform account.
- 1.7. You can also request this directly from Us as per COBS 11.2A.25 (8).

# 2. Definitions

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

- Aviva Investment Solutions UK Limited

- Aviva Pension Trustees UK Limited
- Aviva Trustees UK Limited
- Aviva UK Life and Pensions Limited

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

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

**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.

**Equities** mean an interest in a Company in the form of shares.

**Exchange Traded Instruments (ETIs)** means a quoted security such as a Bond, Gilt, Equity, ETP or Investment Trust.

**Exchange Traded Product (ETP)** means an investment fund with specified objectives which is traded on a stock exchange similar to a stock. ETPs include exchange-traded funds which will often track an index such as the FTSE 100. Other versions include 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 Equities. In the trading of Funds, the Execution Venue will be represented by Aviva or the Fund provider.

**FCA** means the Financial Conduct Authority.

**Fund** means a 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.

**Investment** means any asset held in a product on the MyMoney Platform such as Equities, units/shares in Funds and Cash.

**Investment Trust** means a closed-end fund established to produce income through investments. They have a fixed number of shares and trade on an Exchange.

**KIID** means Key Investor Information Document

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**MyMoney Platform** means the online portfolio management services provided by Aviva, including the provision of transaction and administration facilities. MyMoney offers a Stocks & Shares ISA and Investment Account (GIA) issued by Aviva Investment Solutions UK Limited (AISUKL). It also offers a Corporate Self-Invested Personal Pension ('Flexible Retirement Account') issued by Aviva Pension Trustees UK Ltd & an occupational Pension ('Workplace Retirement Account') issued by Aviva Life & Pensions UK Limited (UKLAP). AISUKL will receive the investment instructions submitted in relation to WRA investors and will arrange their transmission as dealing instructions to UKLAP. All Investors, except WRA investors, may choose to invest in Collective Investment Schemes offered by the Platform. Insured funds and Exchange Traded Instruments are not available to all clients.

**PTM** means Panel on Takeovers and Mergers

**SDRT** means Stamp Duty Reserve Tax

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

### 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 Funds
  - Investment Trusts
  - 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 & 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, 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 Exchange Traded Instruments We send orders to Our nominated stockbroker who have 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 MyMoney 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 MyMoney 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 instructions are not unduly delayed, are executed successfully and receive the relevant price within the product terms and conditions.

## 7. Listed securities – 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 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 our 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 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 MyMoney Platform or offered on the MyMoney 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.
- 8.2. Only where You cannot input an order directly onto the MyMoney Platform We may accept an instruction from You, where the order must be specific and You must confirm You have seen the relevant KIID/KID document before a deal can be allocated.
- 8.3. In exceptional circumstances where You are unable to instruct through the MyMoney Platform, We may accept Your instruction directly from You. Execution of Your instruction will take longer and we may require additional information from You. This is because additional work is required by Aviva to check and execute Your instruction to ensure that it is valid. Your instruction will be input into the platform by Us within 1 working day of us receiving and validating the instruction. If the instruction cannot be validated, we will inform You and Your instruction will be executed

within 1 working day of validation. Other activities on your account may prevent us from inputting your order. In such circumstances, your instruction will be input into the Platform within 1 working day of the completion of those activities. For certain transactions associated with your policy, trades will be input into the platform by Aviva within the timeframes outlined below; once We have received and validated the instruction and any additional information from You:

Bereavement claims	6 business days
Pension Sharing Orders	5 business days
Disinvestments and withdrawals	3 business days
Investment fund switches	3 business days
Retirement Settlements	3 business days

- 8.4. 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 MyMoney Platform account and reflected as cleared on the MyMoney Platform.
- 8.5. 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.
- 8.6. If We receive a Payment which does not enable Us to identify You, or Your MyMoney 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.
- 8.7. We will sell Your chosen investments only when those assets can be treated as settled to You and Aviva.
- 8.8. Other orders on Your MyMoney Platform account, either requested directly by You, or via Our Terms and Conditions (for example fee disinvestments), may delay subsequent deals placed by You if the order isn't completed.
- 8.9. 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. Aviva Investment Solutions Limited does not conduct proprietary trading and therefore client instructions will never be aggregated with those of the firm.

## 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 Dilution Levy, to protect the other investors within that Fund. 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 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 a buy trade will be returned to Your MyMoney 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, Your orders will be aggregated at our aggregation time closest to that fund cut off. Current aggregation times are 10:00, 11:00, 15:00 & 16:00. 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. 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.
- 10.2. All relevant charges will be payable at the prevailing rate. All charges and any taxes or levies will be displayed on your contract note.
- 10.3. Trades are submitted on the MyMoney Platform to Our nominated stockbroker while the market is open via a Quote and Deal facility.
- 10.4. Quote and Deal allows You to get an online quote to buy or sell. You will then have 15 seconds to transact, and the price will then be confirmed. However, it may not be possible to buy or sell at that price at all times, due to external factors beyond our control. Examples of such external factors may include: market liquidity; and/or trade size; and/or volatility of the stock which may mean a trade cannot be placed and may be deferred or cancelled. We shall not be liable for any loss or loss of opportunity suffered by You, whereby the value of Investments could have been increased, or for any decline in the value of Investments due to such deferment or cancellation of a trade. 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.
- 10.5. Trades placed & executed before market close on the same day would be considered prompt.
- 10.6. 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.
- 10.7. We may accept Limit Orders where You place 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 up to a maximum of 90 working days.

- 10.8. Settlement of ETF and Equity transactions will usually be undertaken via CREST. Each transaction will be due for settlement in full on the settlement date which will be three business days after transaction date.

## 11. Order Allocation – Insured Funds

- 11.1. On the MyMoney Platform at 09:05 daily, all investment instructions received are aggregated for each Fund, and we endeavour to execute the aggregated trades at the next valuation point. Any dealing instruction received after 09:05 is carried forward to the next 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.
- 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 MyMoney Platform. Investment in insured funds is made through a master policy held with Aviva Life & Pensions UK Limited.

## 12. Switching

- 12.1. You may instruct Us to sell units or shares in Your assets and these may be reinvested in other assets. On receipt of Your instruction We will process the sale in the specified asset(s) followed by the purchase of the specified asset(s).
- 12.2. 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 MyMoney Platform account. There may therefore be incidences where You are disinvested for a period and potentially be subjected to adverse market movements.
- 12.3. 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.

## 13. Corporate Actions: Closures, Mergers and Suspensions

- 13.1. When a corporate action event occurs that results in a Fund, ETF, or Equity being liquidated We will notify You. You will need to place reinvestment instructions should you wish this cash to be reinvested into the 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.
- 13.2. Where an asset is merged into another asset, as a result of a corporate action, existing client instructions will be deemed to be in the merged asset unless We are otherwise informed.
- 13.3. The firm is reliant upon third-party data in such a Corporate Action and order cancellation or re-keying into the new fund will be completed within 2 days of receipt of all necessary information from the market.
- 13.4. In the event that an asset becomes suspended or deferred by the asset manager, or exchange, Your order may be cancelled or subject to a delay in any transactions made to us until such a time the suspension or deferment is removed.

## 14. Consent

- 14.1. Your terms and conditions provide information about this Policy and that it will apply if You 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.
- 14.2. 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.
- 14.3. In accordance with your terms and conditions in the event You 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.

## 15. Analysis of Best Execution

- 15.1. 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.
- 15.2. Analysis of trades will focus on Timeliness, Price & Accuracy of any trade.
- 15.3. If We are responsible for an error in the valuation of, or transactions within Your MyMoney 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).
- 15.4. 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.
- 15.5. Where the pricing error occurs due to the 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.
- 15.6. We perform Annual Due Diligence on Our Contracted Third Parties, including Our Nominated Stockbroker, to ensure they remain Suitable for transmitting Orders on the MyMoney Platform.

## 16. Policy review

- 16.1. 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.

**This document is available in other formats.**

If you would like a braille, large print or audio version of this document, please contact us.

**Aviva Pension Trustees UK Limited.**

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