



Aviva Investors Dealing Arrangements

This document applies to the business of Aviva Investors Global Services Limited and Aviva Investors London Limited (both referred to as 'Aviva Investors' in this document). This document relates to all business areas within Aviva Investors and to all financial instruments.

This document provides the disclosure required by Level One of the Investment Management Association's Pension Fund Disclosure Code (endorsed by the National Association of Pension Funds) and of the Collective Investment Schemes (CIS) Disclosure Code of the Investment Management Association and Depositary and Trustee Association, the aim of which is to provide information on how investment managers make choices between trading counterparts and trading venues. In achieving this, we disclose information regarding our house policies, processes and procedures in relation to the management of costs incurred on behalf of clients and, in respect of the provisions of the Markets in Financial Instruments Directive (MiFID), appropriate information on our execution policy.

Under MiFID, we are required to establish and implement effective arrangements for complying with the obligation to take all reasonable steps to obtain the best possible result for our clients when executing orders, subject to and taking into account any specific instructions a client may give. In addition, Aviva Investors must comply with the obligation to act in accordance with the best interests of its clients when placing orders with other entities for execution that result from decisions by the firm to deal in financial instruments on behalf of its client, subject to and taking into account any specific instructions a client may give. (The 'best execution' obligations).

1. Selection process

a) Execution venues and methods of trading

Aviva Investors treats all its clients in a fair manner and utilises the dealing venue and method it deems most appropriate. Aviva Investors continues to consider any new execution method or venue and to compare expected results with those it currently achieves to ensure it offer its clients best execution. We believe that centralised order-driven liquidity pools offer the most effective dealing venues, but that increased liquidity and reduced impact can both be achieved through alternative methods including but not limited to crossing networks and broker dark pools, which we use wherever possible.

The obligation to provide best execution applies to all financial instruments. However, given the difference in market structures or the structure of financial instruments, it is not possible to apply a uniform procedure for achieving best execution. Therefore, we take into account the different circumstances associated with the execution of orders related to particular types of financial instruments.

Execution factors

In seeking to give a client best execution, Aviva Investors is required to take into account certain execution factors and decide on their relative importance. Whilst price is likely to be the key execution factor, in seeking the best possible result the following additional factors may, in some circumstances, be important:

- costs;
- speed;
- likelihood of execution or settlement;
- size of the order;
- nature of the order; and



- any other consideration relevant to the efficient execution of the order (including the availability of liquidity and the market impact of the order).

In determining the relative importance of the execution factors, we take into account the following criteria:

- the characteristics of the client including the categorisation of the client as retail or professional;
- the characteristics of the client order (eg type of trade);
- the characteristics of financial instruments that are the subject of that order (eg the asset class and the way the instrument is traded); and
- the characteristics of the execution venues to which that order can be directed (eg the particular market, country or region).

These factors determine whether we pass an order for execution or execute the order ourselves. Where we pass an order to a counterparty that is subject to the MiFID obligation to obtain the best possible result for their clients, we are able to place a degree of reliance on this counterparty in order to comply with our obligations to act in accordance with the best interests of our clients. In this circumstance, Aviva Investors continues to consider all the execution factors and criteria.

Execution venues

An execution venue (counterparty / broker) means a regulated market, a multilateral trading facility (MTF), a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in another country. A MTF is a system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract. A systematic internaliser is an investment firm, which, on an organised, frequent and systematic basis, deals on own account by executing client orders outside a regulated market or a MTF.

We continue to consider any new execution method, market maker, liquidity provider or network and compare expected results with those we currently achieve to ensure we offer our clients best execution.

We will trade in and / or authorise counterparts to trade outside of a regulated market or MTF only if it is in the best interests of the client and in accordance with our best execution obligation.

For certain financial instruments, there may only be one execution venue, and in executing an order in such circumstances, we shall presume that we have met our best execution obligation.

Trading methods

We will consider on a transaction-by-transaction basis all relevant factors (price, costs, speed and likelihood of execution and settlement, size and nature of order) when choosing both an execution venue and the method of trading that will be most appropriate for our clients' best interests at that time.

We deal with brokers in different ways, both in their capacity as Agent and Principal. They act as Agent when they work orders for us by interacting directly on order books and when they cross stock from other clients and us. They act as Principals when we use their capital commitment. We will also deal with brokers on a net basis, rather than a commission basis, where appropriate. Alternative execution methods can minimise the cost of dealing but may not provide sufficient volume to complete the order. Dealing with brokers may incur greater commission costs but provide a more flexible environment to minimise the opportunity costs of trading.



b) Broker selection

When trading either directly onto order books or when instructing our brokers, we will execute orders wherever we believe we will achieve the optimum result for the client. Therefore, we will execute orders on both the primary and alternative markets, depending on where there is material liquidity. We may use other markets, if doing so helps us to obtain the best possible result – for example, when an order relates to a financial instrument with an overseas listing, we may use a local broker to execute the order on the local exchange.

To help us achieve the best possible result for our clients, we have assembled an appropriate list of approved service providers for the provision of both advisory and execution services.

Process of selection of execution counterparts

The dealers will seek out execution counterparts on a transaction-by-transaction basis considering many factors (including price, costs, speed and likelihood of execution, size and nature of order) across the long list of approved execution counterparts, based on liquidity and the flow available at the time of the order being generated. Some will also be advisory service providers and some will be execution only. Neither commission nor turnover targets are set for execution counterparts.

Execution services:

- Liquidity and market information;
- Capital to price single stock blocks and programme trades;
- Facilitation (centralised liquidity pools to obtain best execution on larger stock lots than normal); and
- Access to both automated execution methods and alternative liquidity pools.

Process of selection of advisory counterparts

For advisory services in respect of equity instruments, targets are set annually following input from our research analysts, specialist teams (ie Quantitative, Strategy and SRI) and fund managers. The results are weighted by team and function to provide a list of service providers that need to be paid. The targets are reviewed bi-annually and are based on approved services (advisory and research services) being consumed by Aviva Investors for the benefit of its clients. Such targets are not applied to dealing in fixed income instruments where an assessment of research and other value added is considered by each desk in determining which brokers to place on the approved list.

Commission unbundling

When dealing in equities, it is Aviva Investors policy to use commissions to purchase services that support Aviva Investors in obtaining best execution of share and related instrument trades, as well as to purchase research and advisory services that support the investment decision-making process.

When Aviva Investors pays commission to a broker for the execution of a trade, part or all of this payment represents payment for the execution of the trade. However, a part of the cost may represent payment for research and advisory services provided by the broker. Twice a year, as part of its Level Two disclosures to clients, Aviva Investors will provide a breakdown of the execution and research and advisory services purchased by commission.



Aviva Investors is required by the Financial Services Authority (FSA) to report the amounts and nature of execution and research and advisory services paid for through commissions. In reporting such amounts and the nature of services, Aviva Investors will make any applicable Level Two disclosures required under the Pension Fund Disclosure Code and under the Collective Investment Schemes (CIS) Disclosure Code every six months.

This “unbundling” of commissions between execution and research and advisory services allows Aviva Investors to monitor the quality and cost of research and advisory services provided by different brokers, and thus identifies the best value providers of research and advisory services. This will enable Aviva Investors to direct its research spend more effectively.

The FSA sets very clear guidance as to the execution and research and advisory services Aviva Investors can pay for through commissions. The key test for research and advisory services is that they must add value to the decision-making process, have intellectual rigour and involve the manipulation of data to arrive at conclusions that can be used in the investment process. The services that Aviva Investors will typically purchase from brokers include (but are not limited to):

Research and advisory services:

- Pre-trade analytical services;
- Sector analysis;
- Company research;
- Quantitative / technical Research;
- Strategic, economic or political research (where adding value to investment decision-making);
- Bespoke proprietary analysis requested from brokers / research houses;
- Analyst meetings;
- Company meetings / access to company management;
- Analyst conferences; and
- Sales flow information.

These research and advisory services can be delivered in any medium including (but not limited to) email, the internet, telephone and hard copy.

Aviva Investors believes that it is appropriate to use commissions to purchase these services as the commissions are paid on a “transaction-by-transaction” basis and represent a fair method of splitting out the costs of such services in an appropriate way across the clients whose portfolios have benefited from these services. In doing so, Aviva Investors remains in line with standard market practice amongst UK fund management firms.

Commission sharing arrangements

Where Aviva Investors uses research from independent equity research providers or best execution is not achievable through a “bundled” provider (one that provides execution and research services), the research and advisory services will be paid for via a commission sharing agreement (CSA). Full details regarding the operation of CSAs are set out below.



Aviva Investors may enter into CSAs with brokers providing Aviva Investors with execution services.

Under a CSA, Aviva Investors instructs the broker to pay a part of the normal commission Aviva Investors pays to it to a third-party research provider as a payment for research and advisory services that have assisted the manager in investment decisions for the portfolios. Such commissions are only paid in respect of research and advisory services relating to transactions on a client portfolio where this research and advisory service is ancillary to the decision to trade or not to trade. Where these services are ancillary to the trading decision, they do not attract VAT costs.

This arrangement enables Aviva Investors to track accurately its spend on research services provided and compare the value for money obtained from broker research and advisory services, against that provided by independent research houses, thus allowing Aviva Investors to identify and use the best providers of investment research and advisory services.

CSAs are not dependent upon placing specific volumes of business with individual brokers and are subject to contractual provisions that prevent the CSA from conflicting with Aviva Investors obligation to obtain best execution for its clients.

c) Broker review

For equities, there is daily monitoring of Transaction Cost Analysis (TCA) to review both the performance of internal dealers and brokers. Aviva Investors utilises the TCA application provided by ITG Europe to measure market impact and opportunity costs in major equity markets. This enables us to provide market-by-market analysis of our trading against three benchmarks. These benchmarks are Implementation Shortfall (IS), Volume Weighted Average Price (VWAP) and Volume Weighted Average Price Multi-day. All these benchmarks are enhanced to consider the liquidity profiles of the underlying stock and to allow for a participation rate of 20%. There are additional TCA reports produced on a monthly basis to provide further monitoring. Commission levels are monitored and reports are provided to the fund managers including payments made from the CSA's on a monthly basis. Commission amounts and turnover levels are also monitored by our Middle Office (Broker Support) function which provides details to the Aviva Investors Broker Group. Monthly, the Aviva Investors Broker Group reviews these and ensures that any significant deviation from the agreed targets is investigated, justified and documented.

Fixed income dealing does not incur commission costs and there are no established TCA systems of providers. Broker monitoring is therefore restricted to turnover levels and market share, which is reviewed by the desk heads and Aviva Investors Head of Fixed Income (in addition to the Aviva Investors Broker Group and Middle Office) and reviewed in meetings with counterparts if appropriate.

Specific client instructions

Whenever there is a specific instruction from the client in relation to the order, we will execute the order following the specific instruction and in doing so will have fulfilled our best execution obligation to the client. Where the client's instructions relate to specific aspects of the order, we will operate in accordance with our Order Execution Policy in respect of those aspects of the order not covered by a specific client instruction. Please note that any specific instructions may prevent us from taking the steps that we have designed and implemented in our policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.



Securities financing transactions

Where we undertake securities financing transactions for clients, we always endeavour to achieve the best possible return for the client. All such activity is subject to the approval of the client, and the terms and conditions of the securities lending programme are set out in the relevant investment management agreement. All securities finance business is fully collateralised and executed with creditworthy, regulated entities. All trades are governed by industry standard documentation and marked to market daily. Securities available for lending are broadcast daily to a list of approved borrowers. When executing a securities finance transaction the following factors are taken into account:

- Proposed securities lending fee;
- Size of transaction;
- Anticipated duration of transaction;
- Counterparty credit risk;
- Collateral quality; and
- Operational costs and risks.

The revenue generated for Aviva Investors from securities finance is a direct percentage of the revenue generated for our clients, so that our economic interest and that of our clients are directly aligned. The terms and conditions of our securities finance programme are reviewed with our clients on a regular basis.

2. Variations in rates of commission

Commission rates within equity dealing are not uniform – neither across transactions, geographical areas or portfolios. At Aviva Investors, we utilise a variety of commission terms in line with the needs of each transaction and portfolio. For example, we will deal net in some instances, such as capital commitment trading, or alternatively will pay higher commissions for illiquid securities. We may execute either in a programme trade or as single stock. When executing single stocks we may use brokers, MTF's or algorithmic trading. Execution rates tend to be consistent across portfolios, whether or not the fund manager consumes research and advisory services will have a bearing on whether there is a commission payment to be made. We are at all times conscious of market impact and opportunity costs in deciding the appropriate route for a transaction. Commissions rates range from 0 to 50 basis points.

Programme trade commission rates are completely negotiable and reflect the cost of capital on a transaction-by-transaction basis.

In general terms rates demonstrate a downward trend due to our consistent monitoring of their levels.

3. Dealing efficiency monitoring

We refer you to the sections covering dealing venues, broker selection and variations in rates of commission. Aviva Investors Compliance and Business Risk Department also carries out random spot checks on a regular basis to ensure that we have adhered to the principles of best execution.



4. Conflicts of interest

Aviva Investors is responsible for ensuring that its systems, controls and procedures are robust and adequate to identify and manage any conflicts of interest that may arise. This responsibility rests with the firm's senior management.

Aviva Investors is required to take all reasonable steps to identify conflicts of interest between:

- Aviva Investors or any person directly or indirectly linked to the firm by control and its clients; or
- one client and another.

For the purposes of identifying the types of conflict of interest that arise, or may arise, Aviva Investors must take into account, as a minimum, whether the firm or a relevant person:

- makes a financial gain, or avoids a financial loss, at the expense of a client;
- has an interest in the outcome of a service or transaction carried out on behalf of the client, which is different from the client's interest in that outcome;
- has a financial or other incentive to favour the interests of another client or group of clients over the interests of the client;
- carries on the same business as the client; or
- receives from a person other than the client an inducement in relation to a service provided to a client in the form of monies, goods or services, other than the standard commission or fee for that service.

The following procedures are followed and measures adopted to prevent conflicts of interest:

- prevention or control of the exchange of information between relevant persons where the exchange of that information may harm the interests of one or more clients;
- the separate supervision of relevant persons whose principal functions involve carrying out activities or services on behalf of clients;
- the removal of any direct link between the remuneration of one relevant person principally engaged in one activity and remuneration of different relevant persons principally engaged in another activity;
- measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out investment services; and
- measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment services or activities where such involvement may impair proper management of conflicts of interests.

If one or more of the above procedures or measures does not ensure the requisite level of independence, then Aviva Investors will adopt alternative or additional measures and procedures as necessary.

The Aviva Investors Compliance and Business Risk Department undertakes monitoring to provide assurance to the board, senior management and external stakeholders (eg clients, FSA) that regulatory risks are being effectively assessed and managed and this is an essential part of the control and governance framework within Aviva Investors. This monitoring enables us to observe and test the effectiveness of our internal controls and measures taken to mitigate risks of non-compliance with regulatory requirements.



We are required to maintain a conflicts of interest policy including a list of all potential conflicts and procedures on how to manage these conflicts, should they occur. If the arrangements made by Aviva Investors to manage conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a client will be prevented, we will clearly disclose the general nature and / or sources of conflicts of interest to the client before undertaking business for that client. The policy will be reviewed on a regular basis to ensure it remains up to date and the control environment is appropriate.

Aviva Investors and its regulated group companies (Aviva Investors group) could find themselves participating in transactions defined as "Inducements" under FSA rules and the European Markets in Financial Instruments (MiFID) directive. Some types of inducements are permitted business transactions and others are not.

Aviva Investors policy on such transactions is as follows:

- Aviva Investors and its staff do not accept monetary inducements;
- Aviva Investors has a clear policy regarding receipt or provision of entertaining and gifts. Aviva Investors does not accept gifts or entertainment where these could conflict with its responsibilities to its customers. Where permitted, only minimal value transactions are allowed and limits are set on equivalent monetary values that may be received or given, with appropriate authorisation. Permitted examples could be receipt of promotional items like diaries, or low value corporate hospitality events. Aviva Investors does not provide gifts to clients or third parties;
- Aviva Investors provides some training to clients and third parties; and
- Aviva Investors undertakes permitted marketing of its products and brand.

Further details are available on request from your Aviva Investors client relationship manager.

5. External and internal research

We believe it is essential to focus our equity and fixed income research resources on the key areas of added value. External research plays a part in this in two ways:

Aviva Investors most important research is generated internally by our fund management and analyst teams. We draw on information from a wide variety of sources, including company reports and accounts, trade and industry journals and proprietary databases. In addition, our analysts and fund managers seek to develop close working relationships with the best external analysts and economists employed by stock broking firms. Such "sell-side" analysts are used, selectively, as a means of obtaining information. Interpreting that information effectively in order to formulate stock recommendations remains the key task of our in-house analysts and fund managers.

As our analysts seek to be more imaginative than the peer group, we often commission specific pieces of research from recognised external specialists rather than research an idea exclusively in-house if we believe such a specialist is especially well positioned to complement our in-house research resources.

External research (either from independent firms or brokers) is formally reviewed twice a year and compensation is made accordingly (if applicable) on a quarterly basis in arrears. Fund managers typically assess the value added to their investment process with overall consideration of benefit to the client. This assessment could be made on idea generation, quality of bespoke work, corporate access or sector/regional coverage capabilities.



6. Derivatives usage

Aviva Investors use of derivatives is managed in line with client agreement restrictions and relevant regulatory restrictions. The majority of Aviva Investors derivatives activity relates to efficient portfolio management, which enables the fund managers to gain access to particular markets more efficiently using derivatives than through the underlying instruments. For certain funds, wider use is made of derivatives and this may include the establishment of positions that are not covered. For these funds, a Value at Risk (VaR) approach may be used for risk management purposes. The aim of this is to ensure that the fund complies with relevant regulatory restrictions – eg on leverage – and that derivatives usage remains in line with the fund's objectives.

Types of derivative

Aviva Investors trades a full range of derivatives including exchange-traded derivatives (ETDs) and over-the-counter (OTC) contracts. For ETDs, the closing exchange price is used for valuation purposes and independent valuations are obtained wherever possible for OTC contracts.

The main types of derivative contracts traded by Aviva Investors are outlined below:

- Contracts for differences (CFDs) are agreements between two parties to exchange the difference between the opening price and the closing price of the contract at the close of the contract, multiplied by the number of underlying units specified in the contract. CFDs are cash settled, as opposed to physical delivery of the underlying assets. Examples of CFDs include interest rate swaps, cross-currency swaps, inflation rate swaps, total return swaps for bonds, property and equity and credit default swaps.
- Credit default swaps (CDS) are agreements that enable one party (the credit protection buyer) to buy protection from another party (the credit protection seller) against the risk of default by a company, government or other legal entity. The purpose of CDSs is to allow credit risks to be traded and managed in much the same way as market risks, and the agreement in essence provides insurance against a default by a particular company, government or other legal entity.
- An interest rate swap (IRS) is an exchange of interest payments on a specific principal amount. An interest rate swap normally involves exchanging fixed payments for floating payments usually linked to a specific reference rate (eg LIBOR).
- A total return swap (TRS) is a type of credit derivative in which one counterparty receives the total return (interest payments and any capital gains or losses) from a specified reference asset and the other counterparty receives a specified fixed or floating cash flow that is not related to the creditworthiness of the reference asset.
- An option gives the buyer the right but not the obligation to perform a specified transaction with the other party to the contract. The future payoffs relating to an option are determined by the price of the underlying asset, index or security. A "call" option gives the investor the right to buy at the agreed strike price on the expiry date. A "put" option gives the investor the right to sell at the agreed strike price on the expiry date. Examples include index future options, single stock options (both equity and bond), swaptions, OTC equity and bond options (both including index options), commodity options and currency options.
- Futures contracts are standardised contracts traded on an exchange to buy or sell an underlying instrument at a certain date in the future (the delivery date), at a specified price (the futures price). Once traded, the parties are obliged to buy / sell in accordance with the terms of the contract. Examples of futures include index futures, bond futures, interest rate futures and commodity futures.



- Funds may hold OTC derivatives traded bi-laterally between market counterparties. The fair value of these derivative contracts will take into account their bespoke nature, including potential liquidity constraints and possibly higher price volatility. In addition, a fund holding OTC derivatives will be exposed to credit risk on counterparties with whom the transactions are made and will bear the risk of settlement default with those counterparties to the extent that these positions are uncollateralised.

7. Access to and allocation of initial public offerings and underwriting

From time to time, Aviva Investors has access to initial public offerings (IPOs), new bond issues and underwriting. On notification of the opportunity to invest, Aviva Investors considers the market conditions, the type of investment, the settlement period and the issuing price to ensure that the underlying investment is one that we would wish to undertake.

Once it has been established that an IPO, new bond issue or underwriting is one Aviva Investors would wish to transact, the amount offered is allocated pro rata across all funds with an existing holding. This allocation will exclude funds where underwriting is not permitted or where receipt of the allocation would breach the mandate of that client. Any excess of capacity is offered to funds without an existing holding that may participate. In this case, allocation is made on the basis of the current value of the portfolio.

Securing IPO, new bond issue or underwriting opportunities only influences Aviva Investors trading patterns as far as these opportunities may replace market transactions.

8. Custody services

Selection process

Where Aviva Investors appoints or changes a custodian, a process of due diligence is undertaken, to ensure that the potential custodian would be satisfactory for Aviva Investors requirements. This process includes obtaining a detailed 'Request for Proposal' (RFP) from a number of relevant custodian banks. This document provides details of the custodian's financial status (including credit ratings) and its main custody processes and systems. The RFP also details such aspects as market coverage, cut-off deadlines and fees. A detailed analysis is then conducted to ensure that the level of service that the provider could deliver would meet Aviva Investors requirements.

Monitoring process

Aviva Investors custodians are monitored closely. Besides the formal review process (see below), regular contact is maintained with the custodian's client services and relationship management teams. Regular conference calls take place, with issue logs being maintained for both routine processing issues and strategic matters. The former calls are conducted with the custodian's client services team and the latter with the custodian's relationship manager. In addition to this monitoring, the custodian's credit rating is checked quarterly, to ensure that it is within agreed parameters.

Review process

Aviva Investors formally reviews its custodians on a bi-annual basis. This involves a detailed assessment of the standard of delivery of services by the custodian over the review period. This includes comments and ratings on such aspects as trade and cash settlement, cut-off deadlines, fee billing, corporate actions, electronic banking services, client services, relationship management, reporting, market knowledge and tax reclamation. The review document forms the basis of a face-to-face custody review meeting. In addition, an annual review and formal recommendation to continue / review / change a custodian is signed off by the relevant Aviva Investors executive in accordance with the Aviva Investors Oversight Policy requirements.



Custody fees

When appointing a custodian, the custodian's fee schedule is one of the many important facets of the service that is analysed by Aviva Investors. The fee schedule (both safekeeping and transaction fees) is compared to Aviva Investors existing custodians to ensure that the new provider's fees are not out of line. Where necessary, Aviva Investors would negotiate with the custodian to reduce particular fees that are uncompetitive. Since Aviva Investors uses the services of a number of key custody providers, it is well able to judge whether any particular provider's fees are competitive. The fee schedules are formally reviewed every three years with the latest review taking place in Q3 2009.

9. Placing of deposits

Aviva Investors normal minimum acceptable rating for a counterparty is A- / A3 / A- long-term, or A1 / P1 / F1 short-term in the absence of a long-term rating. The Aviva Investors Credit Committee monitors counterparty names and limits are set for each. Limits are set on the basis of credit rating. Limits are reviewed daily and any breaches reported to our Compliance and Business Risk Department. Limits are adjusted when credit ratings change. Ratings are reviewed for changes on a daily basis.

Deposits are not placed with fellow subsidiaries of the Aviva group.

Money market funds are used, but only those that have a AAA rating. The limit for such a fund is the same as the limit for any other AAA rated entity.

Clients may decide on their own credit and limits criteria if they wish.

10. Foreign exchange transactions

Aviva Investors maintains an authorised list of foreign exchange banks, currently numbering 14. These have been chosen for their expertise in foreign exchange, including fine pricing and ability to provide advice and research.

Foreign exchange banks need to have a minimum rating of A- / A3 / A- long-term. There are mark-to-market limits for all foreign exchange counterparties. Limits are reviewed daily and any breaches reported to our Compliance and Business Risk Department. Limits are adjusted when credit ratings change. Ratings are reviewed for changes on a daily basis.

Where a trade is for a marketable amount, two banks will be asked for competing quotes and the one with the best price chosen. Where there is a particularly large amount to be transacted, the deal will be given to one bank to work in the market. The execution is monitored. If the deal is small (less than £2m), one bank will be asked to quote. Small trades will typically be executed via the FX Connect system. All banks on the authorised list are given the opportunity to quote for business, although those that are most competitive in their pricing and provide valuable advice / research will get the most opportunities.

11. MiFID – Aviva Investors Execution Policy

Aviva Investors must establish and implement a policy to allow us to obtain, for clients' orders, the best possible result in accordance with our best execution obligations. We are also required to provide our clients with appropriate information on our order execution policy and to obtain consent. The information disclosed to clients in this document meets our obligation to supply appropriate information to clients about Aviva Investors execution policy.



Monitoring and review

We will monitor the effectiveness of our execution arrangements and policy in order to identify and, where appropriate, correct any deficiencies. We will assess on a regular basis whether the execution venues included in the order execution policy provide for the best possible result for the client or whether we need to make changes to our execution arrangements. Where we are passing an order to another entity for execution, we will monitor their execution quality and, where appropriate, correct any deficiencies. If we make any material changes to our order execution arrangements or execution policy, we will notify our clients.

Aviva Investors will correct any deficiencies in its own execution arrangements as revealed by the various checks and processes set out in this document.

We will review our execution policy and order execution arrangements annually or whenever a material change occurs that affects our ability to continue to obtain the best possible result for the execution of client orders on a consistent basis using the venues included in our policy. A material change is likely to include, for example, the introduction of a regulated market, which then becomes the dominant source of liquidity in a particular instrument. It is unlikely to include the removal of a single counterparty from the list of approved execution venues.

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