



## Order Execution Policy

### *Purpose*

Alva Capital LLP (“Alva”) is required to establish order execution arrangements and an order execution policy for compliance with MIFID’s best execution regime. This regime requires that when placing order on behalf of clients, Alva takes all reasonable steps to obtain the best possible result for that client taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to that order execution.

Alva does not execute orders but places those orders with brokers and other counterparties to execute. This policy is therefore intended to set out the order execution strategy of Alva, the key steps taken to comply with the overarching best execution requirements and to detail how those steps enable Alva to obtain the best possible result.

### *Strategy*

Most of the bonds that Alva trades are reasonably illiquid and liquidity is only available through a limited number of brokers or counterparties. Accordingly for these bonds speed and certainty of execution are the most important *execution factors* and the best result is likely to be achieved by identifying the counterparty or counterparties which most actively trade the bond.

Occasionally the clients may trade more liquid bonds in which case there is unlikely to be any significant difference in the price available from different counterparties and the bond will generally be provided through the prime broker/custodian as this will minimise any custody costs.

### *Key steps*

The first step is to select those brokers and counterparties that Alva considers are able to provide liquidity in the bond they are looking to trade.

The investment manager will then use Bloomberg messenger service to contact the various brokers who are trading the bonds that Alva is looking to trade in. Alva will request a price and ticket size for the specific bond from those broker.

Once a price has been provided, Alva will select the counterparty based on (a) the best price offered in the market for the particular bond but always with the proviso that the counterparty can trade in the appropriate size.

### *How these steps achieve the best possible result*

By focussing on those counterparties that have the greatest liquidity. Alva will ensure that it is able to execute the trades it has decided to make in a timely manner. By then selecting the best price from those brokers that are able to execute, this will achieve the best possible result.

Trading liquid bonds through the custodian/prime broker minimises transaction costs and achieves the best possible result because the price is unlikely to vary between counterparties



### ALVA Capital LLP Top Brokers by Volume

|   | % of Total Volume |
|---|-------------------|
| UBS Group AG<br>BFM8T61CT2L1QCCEMIK50                           | 94.9%             |
| UBP S.A.<br>IPLPO8C7P68Q5FFRI280                                | 2.6%              |
| J.P. Morgan Securities plc<br>549300SFXPU7I9JQMJ07              | 0.9%              |
| Morgan Stanley & Co. International PLC<br>4PQUHN3JPF GFNF3BB653 | 0.9%              |
| Barclays Execution Services Limited<br>213800WPZYBPB6WU3U15     | 0.7%              |
| <hr/> Total   | <hr/> 100.00%     |