

# Order Execution – Forward Foreign Exchange

## Policy

Longview acts in the best interests of its clients when placing forward foreign exchange (“forward”) orders with external counterparties for execution.

Longview will only trade forwards for clients who have requested that their currency exposure in their portfolio is hedged back to their base currency. Forwards are FX transactions settling at greater than the standard settlement period for securities within the relevant jurisdiction, which in most cases means more than two business days after execution.

To ensure that Longview takes all sufficient steps to obtain the best possible result for its clients, it has considered the relative importance of the following execution factors:

- *Likelihood of settlement:* Assessment of the counterparty’s operational capability and credit risk to maximise the likelihood of the order settling on time.
- *Operational risk:* Assessment of operational complexity.
- *Price:* Achievement of the best possible price for the order.

Longview uses knowledge of each client’s circumstances and requirements to determine the factors that are considered for the purpose of providing best execution. Longview provides investment management services to a range of professional clients. Therefore, it is recognised that whilst price is an important factor in determining best execution, price alone will not determine whether best execution has been achieved.

## Procedure

A client portfolio will trade a forward contract to manage the currency exposure of the non-base currency denominated investments in their portfolio.

Execution factors are ranked below in order of importance:

- *Operational Risk:* Given the complexity and risks that may arise from trading forwards with multiple counterparties, Longview executes forward orders with the client’s custodian.
- *Likelihood of settlement:* Due to the characteristics of a forward contract, i.e. the longer settlement period, there may be counterparty exposure risk.

- *Price*: Ensuring that the price offered by the broker is in line with the market price.

### ***Executing orders outside a trading venue***

On occasion, client orders may be executed outside of a trading venue. In such circumstances, the protections provided by trading on venue would not apply and as such counterparty risk may increase. If required, clients may request additional information from the Compliance team in respect of the possible consequences of transactions being executed outside a trading venue.

### ***Best Execution Committee***

The Best Execution Committee (BEC) consists of the CIO, the Head of Compliance and the Chair of the London Risk Committee. The BEC meets quarterly and is joined by members from teams including Trading, Business Optimisation Portfolio Risk Analysis, Compliance and Operations. In respect of forwards, the BEC are responsible for the evaluation of best execution as well as broker evaluation.

### ***Monitoring and Review***

The Best Execution Committee evaluates all orders on a quarterly basis. Trades and brokers are analysed using various metrics.

On a daily basis, Longview monitors counterparty ratings (where available) and reviews the impact of any change on our counterparties. In addition, Longview also monitors Credit Default Swap (CDS) spreads (where available) and Bloomberg CDS ratings against internal tolerance levels. Bond yields are also monitored as an additional category given the lack of CDS data available for some of our counterparties.

Longview's Order Execution Policy is reviewed on at least an annual basis by Compliance, to ensure it still facilitates obtaining the best possible result for Longview's clients. It is provided to all clients (where applicable), with each client's consent to the policy being received prior to commencement of managing their assets. In addition, clients are provided with the latest version of the policy on an annual basis or following any significant change to the policy.

### ***Further Information***

For more information about Longview's trading practices, please refer to Longview's Order Execution – Equities Policy and Dealing and Trade Allocation Policy.

# Schedule of Brokers as of 01/03/2024

- Banque de Luxembourg
- Pictet & Cie SA

# Version Control

Date	Version	Updates Made
2007	1.0	Policy creation
2008	2.0	Annual Review and Update
2009	3.0	Annual Review and Update
2010	4.0	Annual Review and Update
2011	5.0	Annual Review and Update
2012	6.0	Annual Review and Update
2013	7.0	Annual Review and Update
2014	8.0	Annual Review and Update
2015	9.0	Annual Review and Update
2016	10.0	Annual Review and Update
2017	11.0	Annual Review and Update
2018	12.0	Annual Review and Update
2019	13.0	Annual Review and Update
2020	14.0	Annual Review and Update
2021	15.0	Annual Review and Update
2022	16.0	Annual Review and Update
03/2023	17.0	Annual Review and Update
03/2024	18.0	Annual Review and Update

\*This policy is directly applicable to Longview Partners LLP. Where Longview Partners (Guernsey) Limited delegates the activity of investment management to Longview Partners LLP, Longview Partners (Guernsey) Limited is responsible for the oversight of this policy.

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