

# RTS 28 Disclosure

*Updated 31/07/2024*

*Prepared by:*

FUNDHOUSE

Annual qualitative disclosure on the quality of execution obtained

**Firm name:** Fundhouse Bespoke Limited

**Disclosure Period:** 12m end June 2024

**Important background:** We provide model portfolios to professional clients, not retail clients. As part of this we can control, but not hold client money. Equally, we only own pooled funds, therefore this document largely contains phrases like 'we did not trade in these instruments' because we only trade in collectives. Therefore Swaps, Forwards, Currency Derivatives and other instruments that are not collective investments were not traded in (and will not be traded in). We also have to conclude how we assessed execution factors like the price, related costs, the speed of execution and other factors. We also outsource the custody to the fund platforms that do control and hold client money. So we can control execution and not settlement. Also, we there is no 'price sensitivity' or 'added cost' involved in buying and selling mutual funds, so for the most part these are not relevant metrics to us. Equally deal size is not important, price wise. Whether we allocate small or large amounts, our clients receive the same cost and price. And all of our transactions are either buys or sells (of collective investments).

**Executive Summary:** Our investment and operations teams monitor execution quality and we were comfortable with execution quality during the last twelve months. As mentioned, because we are more focused on speed of execution, rather than cost and price (discussed further below), we have monitored the trades across our three execution partners and we believe that the trading has been effective (in cost, price and speed). We believe that our clients received best execution over the period and that all clients were treated equally.

**Legal information:** According to MiFID II, Article 3(3) of RTS 28 and/or Article 65(6) of the MiFID I, we have to disclose a summary of various analysis (like trading) on execution. As mentioned, transactions were only placed in units/shares of regulated collective investment schemes.

As mentioned, when we are placing trades, Fundhouse must consider price, cost and speed of execution, among other factors. These are discussed next:

- Price: The collective investments are not priced intra day like stocks and shares. Therefore best price is not an obvious consideration for us. However, we do aim to ensure that we purchase units at points in time that we are comfortable buying them.
- Cost: Fundhouse does not charge for placing trades and in our experience the fund groups do not charge any entry or exit fees when we trade in their pooled funds. Therefore trading costs are not material and are not a large consideration for us. However, there are some exceptions to this. Where transactions are large or the fund is illiquid, there may be an impact from a Dilution Levy/Swing Price. We do focus on this and we have had no impact from this during the year (we did not own any direct property, for example).
- Speed of Execution: This is an area that is of more concern and focus for us. In particular, we aim to use platforms to execute that can do it quickly so that our investment views are quickly reflected and our clients are not 'out the market'.

With respect to the speed of execution, we ensure:

- We understand the platforms and their speed of execution;
- Our instructions are entered in a timely manner;
- Every client is treated equally, by being rebalanced to the new model portfolio (with exceptions being where the adviser or client wants to wait before being rebalanced);

Fundhouse does control the execution and not the settlement. In all cases, the settlement is handled by the platform that holds and controls the client money. The platform does settle the trades in the collective investments that we trade in. It is important that we use platforms that have a history of successfully settling trades.

Important confirmations with respect to this disclosure:

- No priority is given for orders or trades in collective investments, each client is treated equally;
- We are not associated with any brokers or platforms (no close links, no ownership, no biased commercial relationship). We receive no kickbacks, rebates, commission, discount or any other benefits from the platforms;
- We use a select list of execution platforms;
- There is no need to treat or categorise clients differently, we only deal with professional clients;
- We used no data or tools relating to the quality of execution; we also do not use any consolidated tape providers.