

DAVY

Davy UK's Best Execution Policy

Overview

It is in the interests of our clients and our firm that we obtain the best possible result when placing orders with other firms (e.g. the Custodian, third-party brokers, platforms or fund managers) for the execution of client orders or when transmitting orders on behalf of clients. We are required to take all sufficient steps to obtain the best possible results when placing or transmitting orders, taking into account the execution factors listed below.

This Policy applies to orders in financial instruments such as funds and other investment types, as further explained in the Agreement. You provide your consent to the execution of your orders in accordance with the Policy by accepting the terms and conditions as issued to you. You should read this Policy in conjunction with the Agreement. We have designed this Policy to enable us to meet our regulatory obligations and to provide best execution to you. If you give us a specific instruction in respect of an order (for example, if you require us to place an order for execution with a particular third-party), this may prevent us from taking steps we have designed and implemented to obtain the best possible result for you. In such circumstances, we will comply with our regulatory obligations by following your specific instructions in respect of the order as a whole, or, where your instructions only relate to a specific aspect of the order, in respect of that aspect of the order.

2. Client Categorisation

Unless we tell you otherwise in writing, our Services are provided to you on the basis that you are a Retail Client. This means that you are afforded the greatest level of protection available under the FCA Rules. This policy sets out the steps that we take to achieve best execution for Retail Clients. You are entitled to make reasonable and proportionate requests for further information.

3. Scope

The Policy applies to Client orders in all Securities as well as any other financial instruments, which may be executed on your behalf from time to time.:

4. Best Execution

Davy UK has a regulatory obligation to take all sufficient steps to obtain, on a consistent basis, the best possible result for Clients applies whenever Davy UK places an order with, or transmits an order to, the Custodian or a third-party for execution. Davy UK will consider the following:

- Our arrangements with third parties, which include their arrangements to deliver best execution to you
- Your characteristics (including your regulatory client classification)
- The characteristics of the financial instrument concerned and of your order
- The execution venues we could use to carry out your order (i.e. – to which firms/entities we could transmit your order)

While Davy UK will take all sufficient steps to achieve the best possible result for Clients on a consistent basis, it cannot be guaranteed that best execution is achieved for each and every trade.

The Policy is subject to:

- Any specific instructions that you give to Davy UK (e.g. an instruction to execute subject to a specified price limit ('Limit Order'));
- The nature of your order (e.g. large orders relative to the normal trading volume of the financial instrument); and
- The nature of the markets and financial instruments (e.g. whether there are buyers and sellers in the market for the financial instrument).

5. Davy UK's Best Execution Obligation

In choosing to place or transmit Client orders to the Custodian or third-party, Davy UK has satisfied itself that the Custodian or third-party has arrangements in place to enable Davy UK to meet the best execution obligations that it owes to its clients. Any third-party to whom Davy UK transmits orders will be directly responsible to you for meeting its best execution obligations.

If you instruct us to place or transmit your order as a market order, we may provide you with the current market price. However, Davy UK cannot guarantee that the price quoted will be the price secured by the Custodian or third-party broker when they execute your order. Davy UK will not be liable for any direct or indirect Losses incurred as a result of market movements between a market price quoted to you and that secured by the Custodian or third-party broker.

6. Execution Factors

Davy UK will also make every effort to ensure the best possible result for you taking into account the following factors to the extent that they are relevant:

- Price of the financial instrument;
- Costs and expenses related to execution;
- The size of the order;
- Likelihood of execution and settlement;
- Speed of execution;
- Nature of the order; and
- Any other consideration that is relevant to the execution of your order.

If you are a Retail Client, except where you provide us with specific instructions as to the execution of your order, the best possible result will generally be determined in terms of the total consideration of a trade. In this context, the "total consideration" means the price of the relevant financial instrument and all costs and expenses relating to execution of your order (such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order).

7. Executing Your Order

Where you hold a Davy Portfolio, Davy UK will usually place your orders with, or transmit your orders to, the Custodian for execution. Where this is the case, we will rely on the Custodian to obtaining the best execution possible based on the brokers/entities to which it ultimately passes the order for execution. In arranging for the execution of your order:

- We may use a third-party broker or platform to execute your order;
- We may trade as an agent (where our scope of regulatory permissions allow us to do so); or
- We may place the order directly with a fund manager.

You should be aware that for certain types of financial instruments there may be only one execution venue available to us. Certain investments are generally not admitted to trading on a trading venue (e.g. units in CISs). You expressly consent to your orders being executed outside a trading venue where we deem that appropriate in accordance with the Policy, that is, outside of a regulated market, multilateral trading facility ("MTF") or organised trading facility ("OTF"). This will be the case where, for example, we place your order directly with a fund manager. Execution outside of a trading venue involves certain risks, including greater counterparty risk, as compared to shares traded on regulated markets that are cleared and settled through a settlement system.

8. Execution Venues

Davy UK will periodically assess the execution venues available to us to identify those that will enable us, on a consistent basis, to obtain the best possible result when placing or transmitting orders on your behalf. The list of

execution venues will then be updated, where necessary, following such assessment will be published on the Davy UK website at www.DavyUK.co.uk/disclosures. Davy UK will summarise and make public, on an annual basis, for each class of financial instruments, the top five investment firms in terms of trading volumes where we have transmitted or placed client orders for execution in the preceding year and information on the quality of execution obtained.

8.1 Dealing in Collective Investment Schemes

When we place or transmit orders for deals in collective investment schemes (“CIS”) (e.g. Unit Trusts, OEICs and Investment Trusts), we may arrange the deal through a third-party such as a platform or, in some cases, directly with the fund manager or operator of the CIS. We will pass your payment on to the relevant third-party or fund manager or operator of the CIS in accordance with the Agreement.

Providers of Unit Trusts and OEICs generally calculate and set their prices once a day, in accordance with the FCA Rules.

When selecting a third-party with or to whom we will place or transmit an order, we will consider the total consideration to be the most important factor in accordance with our regulatory obligations, except where you provide us with specific instructions as to the execution of your order. However, we also consider the following:

- the efficiency of transmission and execution (including the method of transaction);
- the nature and size of your order;
- the likelihood of successful execution and settlement; and
- any other consideration relevant to the execution of the order.

CIS Providers generally calculate and set their prices once a day, in accordance with the FCA requirements, over which we have no influence. Therefore, when selecting the third-party with whom we arrange a deal or to whom we transmit an order, we considered total consideration to be the most important factor.

8.2 Dealing in Structured Products

When we place or transmit orders in Structured Products we will deal directly with the product provider/administrator, who will normally execute your order on an agreed ‘strike date’ as detailed in the relevant prospectus or other literature and in line with the product provider’s own Best Execution Policy. We will pass your payment on to the relevant product provider/administrator in accordance with this Agreement. In addition to total consideration, the nature of the order is considered to be the most important factor when selecting the third-party product provider/administrator.

8.3 Dealing in Enterprise Investment Schemes

When we transmit orders for Enterprise Investment Schemes (“EIS”) we will deal directly with EIS providers and will pass your payment on to the relevant provider in accordance with the Agreement. In addition to total consideration, the provider’s relative strength and experience in the relevant markets are considered to be the most important factors when selecting the provider, followed by other factors relevant to your order, such as financial security and tax considerations.

8.4 Dealing in Equities, Exchange Traded Products & Bonds

When we place or transmit orders for listed securities or exchange traded products, Davy UK aims to deliver best execution by minimising the market impact of transactions and cost of those transactions and obtaining the highest quality execution possible by placing or transmitting orders for electronic broking. For other deals in Exchange Traded Products, Equities and Bonds in addition to total consideration, the provider’s relative strength, experience and performance in the relevant markets were considered to be the most important factors and, when selecting the provider, we take into account other factors relevant to your order, such as financial security and tax considerations.

9. Price

For most liquid financial instruments, price will be the overriding factor in the choice of execution venue, although for instruments such as CISs price will not be a determining factor as these types of investment are 'open ended' investments, whereby the fund manager can cancel/issue units based on the level of demand so are not price sensitive

10. Cost

When placing or transmitting orders for execution, the ancillary costs associated with the execution of the order will also be taken into consideration. Where we have recommended that you use a platform service to hold your investments, we will usually transmit orders for any collective investments to that platform (given we have established the service is appropriate for you) rather than transmitting orders directly to the individual fund managers.

Where we have previously transmitted orders for instruments that are exchange traded (e.g. ETFs, investment trusts, structured products), and we are transmitting another order of the same type, where available via any platform on which you already hold investments, this will be our preferred execution venue. Where this is the case, we will rely on the platform obtaining the best execution possible based on the brokers/entities to which it ultimately passes the order for execution.

In circumstances where orders are transmitted to another entity (e.g. broker) for execution, the firms/entities we may send orders to are outlined below in the section entitled 'execution venues'

11. Speed

Speed of execution may be important for some types of orders. For example, speed will be a high priority for a Retail Client executing an order in frequently traded shares

Speed is unlikely to be a consideration for investments that are not price-sensitive such as CISs and/or which are priced at single daily valuation points but in terms of meeting our obligations to act in our clients best interests we will transmit orders promptly and in a timely manner.

12. Likelihood Of Execution And Settlement

In some instances, ensuring an order is executed may be the principal consideration when deciding to whom we transmit an order for execution, for example where a financial instrument is rarely traded or illiquid. In these circumstances this may mean price will not be the crucial factor in the choice of entity to whom we transmit an order.

13. Size Or Nature Of The Order

The best price for certain securities or financial instruments may only be available for specific order quantities (e.g. – number of shares, units, contracts etc) and therefore the best price may not be obtained where an individual order does not match these terms. As we will not be executing transactions directly, we will not have control over this, although the firms/entities to which we transmit orders may be able to aggregate orders or transact your order in stages to obtain the best terms available.

As mentioned, certain investments will have a single price which is not affected by the size or nature of the order (e.g. units/shares in regulated collective investment schemes such as unit trusts and OEICs), although there may be instances where entities where which we transmit orders (e.g. platforms) have access to share/unit classes with lower annual management charges because they are able to aggregate client orders. Where we transmit individual orders directly to fund managers, we may not have access to these share classes.

14. Other Considerations Relevant To The Order

These will be considered on an order-by-order basis where appropriate.

For Retail Clients, the price and cost of execution of the order will normally be the most important aspect in obtaining the best possible result, and we will therefore assume this is the most important outcome for your transaction unless you tell us otherwise.

15. Client Specific Instructions

When you provide specific instructions in relation to your order, Davy UK will endeavour to ensure that the order is executed in line with those instructions, but we are not obliged to do so. Please note that instructions provided by you may prevent Davy UK from following some or all of the steps of our Policy, which has been designed to obtain the best possible result for Clients when placing or transmitting orders for execution. Where a Client provides specific instructions that relate to only part of the order, this Policy will be applied to the extent possible to those aspects of the order that are not covered by the instruction.

If you have given instructions that price is not the most important factor in executing your instructions, we will make every effort to comply with your instructions but cannot guarantee this. This may be due to either the nature of the order, or the type of financial instrument you wish to trade in.

16. Charges

It is Davy UK's policy that its remuneration structure will not influence either the selection of execution venues, or the order flow that follows as a result of the execution process.

17. Monitoring And Review Of Our Policy

We will periodically monitor the effectiveness of our Policy to identify and, where appropriate, correct any deficiencies. In particular, this will cover the execution quality of any third parties referred to in the Policy. Where we make a material change to our Policy, we will notify you. The most up to date version of this policy is available on our website at www.davyUK.co.uk/legal.

This review will be carried out periodically or whenever a material change occurs that affects our ability to continue to obtain the best possible result for our clients.

18. Staff Understanding And Training

All relevant staff are made aware of the Policy and given appropriate training to highlight and emphasise the importance of best execution.