

Order execution policy

1. Best execution and order execution - our commitment

1.1 Under the Markets in Financial Instruments Directive ("MiFID"), we are required to implement a best execution and an order execution policy. As part of these requirements, we must endeavour to take all sufficient steps to obtain the best possible result for you either when executing your orders or when receiving and transmitting orders for execution.

1.2 In accordance with the Financial Conduct Authority's Rules ("FCA Rules"), we have already obtained your consent, either through our client agreement or through our written notification to you, in regard to our order execution policy. In addition we have sought and obtained your express consent for an order execution taking place outside of a Regulated Market ("RM") or outside of a Multilateral Trading Facility ("MTF") and, for providing us with absolute discretion in instructing our counterparties to use their discretion to determine whether or not to publish any unexecuted limit orders.

1.3 We consider it important that we have the flexibility to agree to the execution of transactions on your behalf through the most appropriate venue to ensure that our counterparties are able to provide the best possible result whenever undertaking transactions on your behalf. In providing us with the necessary consents we are able to both meet our regulatory obligations and obtain for you the most advantageous order execution service under the regulatory regime in the United Kingdom.

1.4 Our MiFID best execution policy, set out below, is designed to provide you with appropriate information on how we take such steps to achieve the best possible result for you. We will usually place orders to be executed with appropriate counterparties and our policy applies to such orders when they relate to MiFID financial instruments and whenever we provide the service of portfolio management. It will also apply should we execute an order in a MiFID financial instrument on your behalf.

1.5 The full list of MiFID financial instruments comprise:

- Transferable securities;
- Money-market instruments;
- Units in collective investment undertakings;
- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event);
- Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market ("RM") and/or an Multilateral Trading Facility ("MTF");
- Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls;
- Derivative instruments for the transfer of credit risk;
- Financial contracts for differences; and

- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.

1.6 A Multilateral Trading Facility ("MTF") is a new type of entity that will compete with existing regulated markets and other execution venues. Other types of execution venues where transactions may be executed on your behalf include a Systematic Internaliser ("SI"). Systematic Internalisers will include firms that currently execute a significant number of transactions between their own clients and through whom it may, on occasion, be possible to execute transactions on a client's behalf on more favourable terms.

2. Best execution and order execution - our policy

2.1 When placing orders for execution, we will seek to obtain the best possible result taking into account the range of execution factors specified by MiFID, namely:

- the execution price;
- the execution costs;
- the execution speed;
- the likelihood of execution and settlement;
- the size of the order to be executed;
- the nature of the order to be executed; or
- any other consideration relevant to the execution of the order including implicit costs, availability of liquidity, market impact and where appropriate, availability of credit lines.

In the absence of specific instructions we will exercise our sole discretion in determining which factor or combination of factors will be relevant to achieve the best result.

2.2 Within these factors price will usually be accorded relatively greater importance although in the case of less liquid securities or financial instruments, or in more volatile market conditions other factors may need to be afforded relatively more weight to achieve the best outcome for you.

2.3 When determining the relative importance of the execution factors included above we will also take into account the following criteria:

- your characteristics (including your regulatory categorisation);
- the characteristics and nature of your order;
- the characteristics of the financial instruments that are the subject of that order; and
- the characteristics of the execution venues to which that order can be directed.

2.4 Appendix 2 expands on our consideration of relevant factors for each of the products/instruments we are most likely to trade in.

3. Execution venues and counterparties with which Saltus places client orders

- 3.1 We will only pass orders to counterparties for execution where the counterparties have agreed to take all reasonable steps to obtain the best possible result for us and for you; and, have provided information on their order execution policy to us. In addition, only those counterparties that we believe will enable us to obtain the best possible result on a consistent basis when transacting your orders will be included in our list of approved counterparties.
- 3.2 In those cases where we request a quote from a counterparty in a MiFID financial instrument, the counterparty will be obliged to ensure that the requirements to comply with best execution criteria are complied with at the time the quote is provided but will usually be under no obligation to update that quote to reflect any subsequent elapse of time. In such instances, as well as when negotiating the terms of a transaction or giving specific instructions in respect of your order, the counterparty may not be subject to the requirements to comply fully with its own stated order execution policy. In such cases we will closely monitor execution quality to ensure the best possible outcome for you.
- 3.3 Details of the execution venues/third parties used by us are listed in Appendix 1.
- 3.4 Where it is the case that orders may be executed outside of a regulated market we will obtain your consent beforehand.

4. Consent granted to counterparties

- 4.1 In the case of MiFID financial instruments which are traded on a Regulated Market or a Multilateral Trading Facility, we have given our consent to all our counterparties to execute Client orders in such financial instruments outside of a Regulated Market or a Multilateral Trading Facility. This is to ensure that the Manager's counterparties are able to execute our clients' orders in the most advantageous manner and thus ensure the best possible outcome for you.

5. Specific instructions from a client in respect of client orders

- 5.1 Should we be given specific instructions from you regarding the execution of an order, we will follow those instructions. In such circumstances, we will not be required to obtain the best possible result for you although we will always seek to do so within the constraints of your specific instructions. If we do accept any client specific instructions you should be aware that this may prevent us from following the processes set out in this policy which have been designed to obtain the best possible results for the execution of those orders in respect of the elements covered by those specific instructions.

6. Publication of unexecuted limit orders

- 6.1 Under the FCA Rules, we are under a duty to make public certain details of limit orders affected on your behalf, if those orders cannot be filled immediately.
- 6.2 You have already consented to us, when giving us specific instructions, to the extent that we place a limit order on your behalf with a third party for execution by that third party, not to make public (and to use reasonable endeavours to procure that the relevant third party does not make public) the details of that limit order unless we consider, in our absolute discretion, that it is appropriate for such details to be made public (which shall, without limitation, be deemed to include where the relevant third party makes the relevant details of that limit order public in circumstances where we have agreed with that third party that it can do so).
- 6.3 Where requested of us, we will agree to our counterparties using their discretion to determine whether or not to publish unexecuted limit orders.

7. Monitoring and review of this policy

- 7.1 We will monitor on a regular basis the effectiveness of our Policy in providing the best possible result for you and, in particular, the execution quality of the entities identified in our Policy. We will amend or enhance the Policy should that appear necessary or desirable. We will formally review our Policy annually and whenever there is a material change that appears likely to affect our ability to continue to obtain the best possible results for you, we will notify you of any material changes to our Policy.
- 7.2 All relevant staff are made aware of this policy to highlight and emphasise the importance of best execution.

8. Publishing trading volumes

- 8.1 On an annual basis we will publish on our website a statement of the top five firms to which client orders have been transmitted, by volume and information on the quality of execution obtained.

Appendix 1: Details of execution venues/third parties used for execution

NUMIS SECURITIES LIMITED
BLOOMBERG TRADEBOOK/GOLDMAN SACHS (GS IS THE SYSTEMATIC INTERNALIZER THAT BLOOMBERG USE TO PLACE EQUITY ORDERS)
CITY AND CO (CORPORATE BONDS)

Appendix 2: Consideration of relevant factors for products/instruments traded

Equities (including investment trusts)

Equity orders are normally passed to third party brokers for execution. The passing of the order may be by phone, Bloomberg, electronic link or some other method. In this situation, we rely upon the executing broker to execute the client order effectively on our behalf. Where we provide specific instructions to the broker, the Firm will ensure that the execution is in accordance with those instructions. This may limit the broker from obtaining the best result in accordance with the operation of the broker's own Order Execution Policy.

Key relevant execution factors will be the provision, on a consistent basis, of market (or better) prices given the order size and the likelihood of execution of the size in question. The relative importance of these factors will depend upon the circumstances. For example, where it is necessary to liquidate part of a portfolio to meet redemption requests, then more weight will be given to the likelihood of execution with the price remaining an important but not necessarily the most important factor.

The Firm will also take into account the implicit cost derived from the broker's skill at being able to limit market movement arising as a consequence of transacting in a large order by, for example, working a large order patiently, preserving the Firm's confidentiality. This may be particularly relevant for orders in small or medium sized companies. It is expected that Numis will be best placed to execute UK smaller company orders and UK investment trusts, given their prominence and market share. Bloomberg/GS would usually be best placed to execute other equity orders (e.g. non UK or ETF orders) given their prominence and market shares in those areas.

Bank Issued Notes (including Participatory Notes and Warrants), OTC Derivatives and Equity CFDs

These are not instruments which we or our clients would ordinarily deal in and as such we reserve the right to decline to deal in them.

Bonds

We will pass an order to a broker on the clear understanding that the broker is accepting that client order as an agent on our behalf. The broker will be executing the bond transaction and will owe best execution to the client.

Funds

The large majority of our trades for clients are in Collective Investment Schemes or funds, likely to have only one execution venue, namely the operator for regulated funds or the administrator for unregulated funds. For orders in collective investment schemes we will place the order directly with the fund manager/platform provider and/or the operator of the collective investment scheme.