

DELMORE ASSET MANAGEMENT LIMITED

ORDER EXECUTION POLICY

Introduction

Our Order Execution Policy (the “Policy”) is applicable if you are a client of ours where:

- a. we execute on your behalf deals in respect of financial instruments covered by the Markets in Financial Instruments Directive II (“MiFID II”);
- b. we pass on (i.e. transmit) orders at our discretion or your instruction to another party (such as a broker or custodian (“third party”) for execution.

Consent

Deemed consent: We are required to obtain your prior consent to the Policy. Our client agreement with you contains a provision whereby you are deemed to have consented to this Policy.

Express consent: Orders that may be executed outside a trading venue (Regulated Market, Multilateral Trading Facility (MTF)/Organised Trading Facility (OTF)) or Systematic Internalisers (SI’s) require your express consent before we execute any of your orders on such a basis. This also applies to our policy on incomplete “limit” orders. You will be asked to sign and return to us a form of consent regarding these matters.

Policy Accessibility

This Policy is issued in electronic format and is available on our website. If there are any significant changes to the Policy, we will reissue an updated version in the same electronic durable medium.

Best Execution Approach

The prime requirement of Best Execution under MiFID II is for firms such as Delmore, which is authorised and regulated by the UK Financial Conduct Authority (“FCA”) to undertake portfolio management activities on behalf of its clients, is to obtain the best possible result when placing orders with other firms e.g. custodians, brokers, for the execution of client orders.

We are required to take all sufficient steps to obtain the best possible result when carrying out such transactions taking into account a number of execution factors, and on request, to provide a copy of the policy that we have adopted to achieve that objective. This Policy applies to all clients where we provide a discretionary service or where we arrange for another firm to execute an order. This policy should be read in conjunction with other documents that constitute any agreement with Delmore Asset Management Ltd.

Delmore's Execution Model

Delmore executes orders in MiFID II financial instruments on an agency basis. We do not operate as a Multilateral Trading Facility (MTF) or Organised Trading Facility (OTF) or as a Systematic Internaliser (SI) in any MiFID II financial instruments. We do not run any proprietary trading desks and we do not fill client orders on our own account in any MiFID II financial instruments.

Typically, we will arrange for your orders to be transmitted to the custodian for execution; consequently it is the custodian's best execution policy which will apply in respect of the actual execution of the trades.

We review periodically the best execution policy of each custodian to ensure that it complies with relevant regulations. For those custodians based in the UK and the EU, these policies are required to meet the criteria for best execution set by the FCA and the relevant EU Competent Authority respectively. For those custodians who use execution venues based outside the UK and the EU, we will require that their execution policy meets the criteria set by applicable law and regulation which we consider to be reasonably equivalent to the standards established by the FCA and other EU Competent Authorities.

In addition to the review of their execution policies, broker/custodian execution performance is monitored on a continuous basis by our portfolio managers. Once a trade has been placed with a broker/custodian, prices are checked against the prevailing price in the market; its progress is monitored on a real-time basis by the portfolio manager to full execution. The executed price is monitored against the prevailing market volume weighted average price.

A list of the execution venues we access are detailed in Appendix 1 of this document.

Execution Factors

When transmitting orders, we are required to take all sufficient steps to obtain the best possible result for our clients, taking into account the following factors, price, costs, speed, likelihood of execution and settlement, size, nature or any other considerations relevant to the execution of the order. In summary, we interpret the following terms as set out below:

- **Price:** The executed price achieved when filling a client order.
- **Costs:** The trading costs incurred when executing a client order. As part of our Policy, we do not allow execution costs to influence the venues or brokers on which or with whom we place your orders. Therefore, we have no venue bias based on the cost of the trade. The executed price and likelihood of execution take priority over the costs that are incurred in trading. We will not trade on inferior venues just to save on explicit execution costs. We interpret "cost" to mean the charges levied by other third parties involved in the execution of a trade.
- **Speed:** The speed in executing a client order. Whilst speed is an important factor for immediately marketable orders, speed will take a lower priority specifically where we have to work an order slowly to limit market impact. This is usually the case for orders in securities that are not very liquid or orders that are over-sized.

- **Likelihood of execution:** The ability to find liquidity and fill a client order. For ‘hard to trade’ names or for oversized orders there may be occasions where this factor takes a higher priority and thus ‘price’ can take a lower ranking. This relationship between likelihood and price will depend on the level of urgency in filling a client order and also whether we have discretion.
- **Likelihood of settlement:** The ability to ensure that the security or cash can be settled into a client’s account efficiently. As our best execution approach is to deal via your chosen custodian the ability to settle will be a key factor for the custodian.
- **Size:** The number of shares to be bought or sold or value of the order. Where the order is for a large number of shares (either in absolute or relative terms) or the value of the order is material relative to the overall value of the security, we may need to work the order slowly to limit market impact.

- **Execution Factors – Collective Investment Schemes**

Where we buy or sell units or shares in collective investment schemes (such as US Mutual Funds and UCITS Funds), typically these financial instruments are forward priced, i.e. the last disclosed price may not necessary be the price an individual investor receives, as such the execution factors noted above may not be as relevant. In such instances, Delmore always aims to achieve the next disclosed execution price following a decision to trade. The price of a unit in such collective investment schemes is determined by the calculation of the Net Asset Value (“NAV”) of the underlying assets of the fund at a fixed valuation point taking into account the number of units in issue. This calculation is undertaken by the manager/operator of the collective investment scheme.

Orders to buy or sell units or shares in collective investment schemes will typically be executed by the custodian. Structured products (if they are included in your investment management agreement) will be executed on an over-the-counter basis with the product provider concerned rather than with a centralised market exchange.

- **Execution Factors - Securities (Equities and Fixed Income)**

The price and cost of execution of the order will normally be the most important aspect in obtaining the best possible result. We will therefore assume this is the most important outcome for your transaction unless you tell us otherwise. Custodians may charge a flat fee or commission for the execution of each transaction. Delmore does not charge fees for transactions executed by or transmitted by our custodians.

- **Execution Factors - Foreign Exchange**

Your custodian will provide Spot FX trading in connection with any non-base currency settlement activities. Whilst Spot FX is not classified as a financial instrument under MiFID II, we are providing you with a trading facility that is ancillary to another instrument or service that is covered by MiFID II. Therefore, we take an approach that has regard to the principles of the best execution principles.

- **Execution Factors – General Considerations for Retail Clients**

In accordance with FCA provisions for the execution of orders for retail clients, Delmore will determine the best possible result for our retail clients in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which includes all expenses incurred by the client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

Specific Client Instructions in relation to orders

Should Delmore be given specific instructions from a client regarding the execution of an order Delmore will follow those instructions. In such circumstances, Delmore will be prevented from taking the steps that it has designed and implemented in this policy to obtain the best possible result for the client. Nevertheless, in following the specific instruction, Delmore will consider that best execution has been achieved. This also applies to instances where a client has directed Delmore to place orders for execution with a specific broker.

Executing your order

In arranging for the execution of your order:

- We will aim to execute each order fairly and in turn (based on receipt or decision to trade).
- When we execute an order or make a decision to trade for a client, we will typically forward such order to your custodian for execution.
- We will usually aggregate your order with those of other clients which use the same custodian. The custodian may, in turn, aggregate our clients' orders with those of the custodian's other clients. At times this aggregation either by us or the custodian may work to your advantage and others to your disadvantage and may result in you obtaining a less favourable price. Where an order has been aggregated but is not filled on the day of execution, we will allocate the filled order across relevant clients on a pro-rata basis. If commission and other trading costs were to exceed 3% of the value of the transaction for each client, then the order allocation would be reviewed to determine the fairest method of allocation. Where a security is priced on a 'forward' basis, i.e. the price may not be known at the time the order is placed, we cannot guarantee the price at which the order is executed.
- When dealing in securities that are not listed on a regulated market, we will contact the custodian to check that they are able to deal in the particular security. However, other than collective investment schemes, we do not generally deal in securities that are not listed on a regulated market.

Execution Venues

The majority of Client Orders are passed to a third-party entity (typically a regulated broker in the UK including but not limited to Canaccord Genuity Wealth Management, Quilter Cheviot, Credo Capital, Raymond James and Walker Crips for execution. In order to get the best possible overall result (taking into account all relevant factors) for our retail clients we have selected one entity to which we transmit orders where that entity is considered able to obtain results for clients at least as good as could be obtained from alternative entities.

We may use as a venue a Regulated Market, an MTF, an OTF, a Systematic Internaliser, a third party investment firm acting as market maker or other liquidity provider, a non-EU entity acting as market maker or other liquidity provider, or any combination thereof for the execution of client orders in UK equities and/or warrants, exchange traded funds, UK government and corporate bonds, PIBS, overseas equities and/or warrants, overseas government bonds (not listed on the LSE or PLUS), unit trusts, OEICs or any other collective investment fund. Only with your prior approval will we purchase investments which are not readily realisable even though there is no recognised market for such investments and no certainty that the market makers will be prepared to deal in them. Note: it is extremely unlikely that we would agree to purchase investments for you that are not readily realisable.

The Manager will assess, on a product-by-product basis, which of the above-mentioned venues are likely to provide the best possible result. For certain financial instruments, there may only be one execution venue and in such circumstances, the Manager will take the view that the best possible result has been achieved.

Please note that this is not an exhaustive list of venues but comprises those execution venues on which we place significant reliance. Execution may occur on other venues from time to time provided those venues are consistent with our best execution policy.

When trading in overseas securities, execution of orders could be restricted to those market makers able to provide the necessary settlement and foreign exchange solutions. On these occasions, best execution is monitored by reference to the prices provided by the market makers concerned and any available local market price data.

For those instruments where there is only one venue, we will monitor best execution by reference to the prices provided by the market makers concerned and any other available price data.

We reserve the right to execute orders otherwise than as listed above where we deem it appropriate to do so in accordance with our policy.

We are required to obtain your prior consent to our policy when we execute the transaction ourselves. You will be deemed to provide such consent where you continue to use our services.

Monitoring of our Policy

We monitor the effectiveness of this Policy and order execution arrangements and, where appropriate, do our best to correct any deficiencies. In particular, this will cover the execution quality of any custodian referred to in the Policy. Any updates to this Policy will be published on our website.

Annual review of our Policy

We will review this Policy and our order execution arrangements on at least an annual basis. We will also carry out a review and re-issue this Policy should a material change occur that may affect our ability to obtain the best possible result on a consistent basis using the execution venues included in this Policy.

Annual publication of execution venues

We will summarise and make public, on an annual basis, the top five brokers/custodians in terms of our trading volumes for equities / fixed income / exchange traded funds with whom we placed client orders in the previous 12 months accompanied with information on the quality of execution achieved.

Staff understanding

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

Appendix 1

- **Execution Venues are chosen by our custodians listed below:**

- Butterfield Bank
- Canaccord Genuity Wealth Management
- Credo Wealth
- Lombard Odier
- Nedbank
- QuilterCheviot Investment Management
- Raymond James & Associates (UK)
- Royal Bank of Canada (RBC)
- Standard Bank
- Walker Crips

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