

DAVY UK BEST EXECUTION POLICY

This is a summary of the J & E Davy (UK) Limited ('Davy UK') Best Execution Policy (the 'Policy') for Retail Clients.

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. third party brokers, platforms and fund managers) for the execution of client orders or when transmitting orders on behalf of clients. We are subject to a regulatory obligation to take all sufficient steps to provide best execution when carrying out such transactions. We are also required to provide Retail Clients with a summary of our Policy, including the steps we take to provide best execution, and this document has been prepared for that purpose. You are also entitled to make reasonable and proportionate requests for further information in certain circumstances.

This Policy applies to orders in financial instruments such as funds and other investment types, as further explained in your Client Agreement. You provided your consent to the execution of your orders in accordance with the Policy in your Client Agreement. You should read this summary of the Policy in conjunction with your Client 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.

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 Financial Conduct Authority's ('FCA') Rules.

EXECUTION FACTORS

When placing your orders with, or transmitting your orders to, other firms for execution, Davy UK will consider the following:

- Your characteristics (including your regulatory client classification as noted above);
- The characteristics of the financial instrument concerned and of your order; and
- The execution venues we could use to carry out your order (i.e. – to which firms/entities we could transmit your order).

We will take all sufficient steps to obtain the best possible result for you taking into account the following factors, to the extent 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).

DEALING IN COLLECTIVE INVESTMENT SCHEMES

When we arrange 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 your Client Agreement.

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

When selecting the third party with whom we will arrange a deal or to whom we will 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.

DEALING IN STRUCTURED PRODUCTS

When we arrange deals 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 order execution policy. We will pass your payment on to the relevant product provider/administrator in accordance with your Client 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.

DEALING IN EQUITIES (ENTERPRISE INVESTMENT SCHEMES)

When we arrange deals in Enterprise Investment Schemes (‘EIS’) we will deal directly with EIS providers and will pass your payment on to the relevant provider in accordance with your Client Agreement. In addition to total consideration, the provider’s relative strength and experience in the relevant markets is considered

to be the most important factor when selecting the provider, followed by other factors relevant to your order, such as financial security and tax considerations.

EXECUTING YOUR ORDER

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 CIS). You 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.

EXECUTION VENUES

In executing your orders, we place significant reliance on the following execution venues/third parties. We may from time to time use other execution venues, where appropriate, in accordance with our regulatory obligations and/or your specific instructions.

Class of financial instrument	Execution Venues
Collective Investment Schemes (Unit Trusts/OEICs)	<p>Our execution venues are as follows:</p> <ul style="list-style-type: none"> • Fidelity or Standard Life; or • any other third party provider with whom a client holds an existing investment; or • we may select the venue on a case by case basis <p>We may also transmit orders for units in collective investment schemes directly to the relevant fund managers or operators of the CIS, rather than via a platform.</p>
Structured Finance Instruments (Structured Products)	<p>Structured product providers/administrators are selected based on up to date published quantitative and qualitative data. In the period 1 January 2017 to 31 December 2017, the following third party providers were selected:</p> <ul style="list-style-type: none"> • Investec; • Meteor Asset Management; and • Société Générale.
Equities (Enterprise Investment Schemes)	<p>Enterprise Investment Schemes are selected based on up to date published quantitative and qualitative data. In the period 1 January 2017 to 31 December 2017, the following third party provider was selected. We are satisfied that this execution venue allows us to deliver best execution on a consistent basis:</p> <ul style="list-style-type: none"> • Ingenious

We will periodically assess the venues/third parties available to us to identify those that will enable us, on a consistent basis, to obtain the best possible result when arranging the execution of your orders. The list will then be updated, where necessary, following such assessment.

Where there are competing execution venues, we will take into account our own commissions and costs for executing an order when assessing and comparing the results that would be achieved by executing your order on each of the execution venues that is capable of executing your order.

The third parties themselves have responsibilities in relation to best execution and client order handling. We will also undertake periodic monitoring to ensure that they are meeting the relevant requirements; including review of the regulatory information such third parties are required to publish on the quality of execution they deliver for their clients in accordance with their regulatory obligations (where and to the extent available).

CLIENT SPECIFIC INSTRUCTIONS

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.

If we do accept any client specific instructions you should be aware that this may prevent us from following the processes set out in our 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.

CHARGES

It is Davy UK 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.

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 summary is available on our website at www.davy.ie/legal

This review will be carried out periodically (on at least an annual basis) or whenever a material change occurs that affects our ability to continue to obtain the best possible result for our clients.

DISCLOSURE

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. This information will be published on our website at www.davy.ie/legal.

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.

Davy Private Clients UK is the trading name of J & E Davy (UK) Limited. J & E Davy (UK) Limited is incorporated and registered in Northern Ireland No. NI28952.

The registered office is: 7 Donegall Square North, Belfast BT1 5GB, VAT number 240872609.

J & E Davy (UK) Limited is authorised and regulated by the Financial Conduct Authority. Firm Reference Number: 172140.