

This Order Execution Policy sets out the details of how we, McInroy & Wood Limited, comply with our obligation to take all sufficient steps to obtain the best possible results when dealing in financial instruments on behalf of our clients, including the funds managed by McInroy & Wood Portfolios Limited, for whom we act as discretionary investment manager. McInroy & Wood Portfolios Limited is also required to provide appropriate information to investors in its funds and has adopted this policy. Investors in the funds should therefore interpret references to 'client' as being 'fund'.

## Objective and disclosure

The fundamental objective of this policy is to explain our approach to acting in the best interests of our clients when we place orders on their behalf with other entities for execution. We are obliged to take all sufficient steps to obtain the best possible results ('best execution') for our clients on a consistent basis and provide appropriate information to our clients about our order execution policy. This disclosure is initially provided to a new client as part of our Discretionary Investment Management Agreement ('Agreement').

## The Order Execution Policy

Most of our clients are retail clients. For retail clients, best execution is determined in terms of total consideration, representing the price and the costs related to execution, including 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.

The speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs may be given precedence over the immediate price and cost consideration only in so far as they are instrumental in delivering the best possible result in terms of the total consideration to the client.

**Any specific client instruction regarding the order may have the effect of preventing us from obtaining the best result for the client.**

## Placing orders

We always transmit or place orders, as agent of the client, to a broker for execution. We do not execute orders. This means that we do not have direct responsibility for best execution. Responsibility for best execution applies not only to us but to other entities, including the brokers we use. When we transmit orders for clients, we place reliance on the broker to execute orders on an agency basis. The broker is then responsible for the duty of best execution, and we are responsible for oversight and monitoring of the execution quality of the broker.

Broker selection for trading is determined entirely by the requirement to achieve the best possible result for our clients. When choosing brokers, we review their Terms and Conditions and Order Execution Policy to ensure that they have best execution arrangements in place that will enable us to comply with this policy. We also check that the broker will treat us as a 'professional' client. As such they have a duty to take all reasonable steps to obtain best execution for us taking into account all relevant factors including, for example, price, costs (implicit and explicit), size and speed. The relative importance of each of these factors will vary depending upon certain criteria, such as the type of financial instrument being traded and the characteristics of the execution venues to which that instrument can be directed.

Most orders for Equities, Exchange Traded Commodities ("ETCs"), Collective Investment Schemes and Fixed Interest instruments are sent to a broker electronically, assisting with accurate time stamping and transaction cost analysis. Occasionally, they are placed by telephone. Order confirmation is also received

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back from the broker electronically thereby reducing the need for re-keying of data and the associated potential for human error.

We may occasionally cross stock between clients when it is in the interests of both parties, is permitted and the trade meets best execution requirements for both clients. The agency cross would be executed in a timely manner through a broker in the market.

In some instances, a broker may execute orders outside a Regulated Market, Multilateral Trading Facility (MTF) or Organised Trading Facility (OTF), as defined in our Agreement. Our Agreement includes our client's express consent to dealings outside a Regulated Market, MTF or OTF where we believe it is in the best interests of the client. The client accepts that the order may be subject to the risk of the counterparty becoming insolvent during the execution of the trade.

Most orders in respect of Equities, ETCs and Fixed Interest instruments are placed with Pershing Securities Limited. Where we select a single broker for execution of a particular class of instrument, we shall monitor the quality of execution obtained to ensure that the best possible result for our clients is achieved on a consistent basis and that the results are at least as good as the results that we could reasonably be expected to achieve from instructing a variety of alternative brokers.

We do not receive inducements or fees from any brokers used and we pay directly for the cost of any third party investment research.

For each class of instrument, our approved brokers are listed below. This list is not exhaustive but comprises those brokers on whom we place significant reliance. As a result of our best execution oversight, we may add or remove brokers from this list.

Foreign exchange ("FX") trades are conducted through our clients' appointed custodian. We monitor the rates achieved, basing our assessment on factors including the currency pair, size of deal and market conditions at the time. For the avoidance of doubt, McInroy & Wood shall not employ 'best execution' to FX trades undertaken without our active involvement, for example repatriation of dividend income by the custodian.

## Monitoring and review

Our Investment Department constantly monitors the effectiveness of this policy. This involves both detailed consideration of how individual orders have been executed as well as monthly reviews of the overall volumes of business transmitted through each broker.

Our Investment Department also conducts an annual review of the order execution process to identify and, where appropriate, make enhancements. Such a review would also take place in the event of any material change affecting the policy. We will notify our clients of any material change. Meantime, the current version of this policy can be found on our website.

## Approved brokers

We place orders in respect of Equities, ETCs and Fixed Interest. Other than when the financial instrument relates to one of the undernoted overseas markets, we place most trades with **Pershing Securities Limited**.

For the following overseas markets, we place most orders with the following brokers, irrespective of the instrument type:

**Banco Santander S.A.** – Brazil, Chile and Mexico

**Saigon Securities Inc.** – Vietnam

**Macquarie Capital (Europe) Limited** – Europe, USA, Japan, India, Indonesia, Philippines, South Korea and Taiwan

**Investec Bank plc** – Kenya

**Pershing LLC** – Mainland China/ Hong Kong Stock Connect