

ORDER EXECUTION POLICY

OVERVIEW

Under the EU Markets in Financial Instruments Directive 2014/65 EU ('MiFID II'), as implemented by Statutory Instrument No. 375 of 2017 in Ireland ('the MiFID II Regulations'), Davy Asset Management (also referred to as 'the Firm') is required to have an Order Execution Policy in place and to take all sufficient steps to obtain the best possible result for its clients when buying and selling (referred to below as execute, executing or execution) financial instruments on behalf of its clients. The purpose of this document is to provide clients with information on this Policy.

Davy Asset Management provides portfolio management and other investment services to its clients. The Firm is required to execute orders on terms that are most favourable to its clients (termed 'Best Execution'). The Firm must take all sufficient steps to obtain the best possible result for clients in the execution or placement of such orders.

While the Firm takes all sufficient steps to achieve the best possible result for its clients on a consistent basis, it cannot be guaranteed that best execution is achieved for each and every trade.

The steps we typically take to ensure we achieve the best possible result are described in the Firm's Order Execution Policy. This policy is subject to:

- Any specific instructions that you may provide
- The nature of your order (e.g. large orders relative to the normal trading volume of the financial instrument)
- The nature of the markets and financial instruments (e.g. whether there are buyers and sellers in the market for the financial instrument).

SCOPE OF THE POLICY

The Policy applies to client orders in all financial instruments covered by the MiFID II Regulations. This includes: listed and unlisted shares; fixed income instruments, units in collective investment schemes and derivatives such as options, futures and forwards; as well as any other financial instruments covered by the MiFID II Regulations which may be executed on your behalf from time to time.

The Policy applies where the Firm:

- Makes decisions to deal on behalf of clients
- Receives and transmits orders to brokers or dealers
- Executes orders on behalf of clients.

EXECUTION FACTORS

The following factors will be taken into consideration by Davy Asset Management in determining how to obtain the best possible result for client orders:

1. Price of the financial instrument
2. Costs and expenses related to execution
3. The size of the order
4. Likelihood of execution and settlement
5. Speed of execution
6. Nature of the order
7. Any other consideration that is relevant to the execution of the order.

For retail clients, the best possible result is usually determined in terms of the total consideration of a trade, representing the price of the financial instruments and all costs and expenses relating to execution (such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order). In some circumstances, we may use our discretion to place a higher importance on the other factors referred to above, as listed from 3 – 7. In general, the ranking of the relevant importance of such factors is listed in this order, but may vary on a case by case basis as the Firm takes the following factors into account:

- The categorisation of the client (retail or professional)
- The characteristics of the order
- The characteristics of the financial instrument
- The characteristics of the execution venues to which the order may be directed.

For professional clients, in general the principles remain the same with price or total consideration meriting the highest relative importance in obtaining the best outcome. However, as noted above for retail clients, in some circumstances, higher importance may be placed on execution factors other than price and total consideration.

The firm places reliance on its commercial judgement and experience to determine the appropriate factors to consider.

SPECIFIC INSTRUCTIONS

For clients who provide the Firm with specific instructions in relation to their order, we will follow those instructions. Where specific instructions relate to only a part of the order, we will continue to follow this Policy for those aspects of your order that are not covered by your instruction. Any instructions provided by you may prevent the Firm from following all steps of the Policy which has been designed to obtain the best possible result for you in respect of the elements that are covered by that instruction.

EXECUTION VENUES

For equity trades, the Firm may place your order with a broker or dealer on the Firm's Approved Counterparty List. In such cases, the Firm will satisfy itself that the broker or dealer has arrangements in place to enable us to meet our best execution obligations.

The Firm has established and implemented a Counterparty Approval Process to select only those counterparties that consistently provide a high quality execution service, taking account of the relevant factors. This is monitored on an ongoing basis and any counterparty that does not deliver a high quality execution service may be removed from the Approved Counterparty List.

A copy of the Firm's Approved Counterparty List is attached to this Policy in Appendix 1.

For fixed income and derivatives orders, the Firm may use one of the following types of venues;

- Multilateral Trading Facilities ('MTF') ^[1]
- Organised Trading Facilities ('OTF') ^[2]
- Brokers/Counterparties included in the Firm's Approved Counterparty List
- Non EU entities performing similar functions to MTFs or OTFs.

Where there is more than one competing execution venue, the Firm takes into account its the commissions and also the costs for executing the order on each of the eligible execution venues.

For some orders, the Firm may determine the best result is achieved by executing outside a trading venue. Such trades are not afforded the same protections as trades executed on a trading venue, which are subject to rules and regulations governing execution and settlement. This increases counterparty risk.

^[1] *Multilateral Trading Facility (MTF) – is, in broad terms, a system that brings together multiple parties (e.g. retail investors or other investment firms) that are interested in buying and selling financial instruments and enables them to do so. These systems can be crossing networks or matching engines that are operated by an investment firm or a market operator. In an Irish context, the IEX (Irish Enterprise Exchange) market of the Irish Stock Exchange is an MTF.*

^[2] *Organised Trading Facility (OTF) – is a multilateral system that is not a regulated market or MTF bringing together multiple third party buying and selling interests in financial instruments in a way that results in a contract or transaction.*

ORDER HANDLING AND FAIR ALLOCATION

In accordance with the MiFID II Regulations, the Firm is required to have procedures and arrangements in place that provide for the prompt, fair and expeditious execution of client orders. The Firm also considers whether any potential conflicts of interest arise as a result.

Davy Asset Management may aggregate your orders with the orders of other clients where we believe that such aggregation is unlikely to work to your disadvantage. However the effect of the aggregation may work to your disadvantage in relation to a particular order. If aggregated orders can be executed only in part, in general, the Firm allocates the related trades to clients on a pro-rata basis. Where orders are allocated on a non-pro-rata basis, an internal procedure is followed. The Firm does not conduct proprietary trading nor does it carry any cross trades internally.

MONITORING AND REVIEW OF THE POLICY

The Firm has an execution monitoring programme that reviews execution quality on an ongoing basis, assessing whether more favourable results for clients could be consistently achieved on alternative venues and whether the brokers or dealers to whom the Firm transmits orders for execution and with whom the Firm may place orders continue to provide the best possible result for the Firm's clients on a consistent basis. If deficiencies are identified, appropriate amendments will be made to the Firm's execution arrangements and the Policy.

Upon client request, the Firm can provide information on how best execution was achieved for a particular client order.

An overall review of the Policy and / or execution arrangements is completed on an annual basis or more frequently where a material change occurs. Material changes to the Policy are notified by posting an updated version of the Policy on the website at www.davyassetmanagement.com.

A summary of the Firm's review of execution quality, together with details of the most frequently used execution venues and third party brokers used across the Firm on an annual basis is available on www.davyassetmanagement.com from April 2018.

APPENDIX 1 - DAVY ASSET MANAGEMENT APPROVED COUNTERPARTY LIST

Equities

Baird
Bank of America Merrill Lynch
CLSA
Davy
Morgan Stanley
Sanford Bernstein
UBS
Citigroup

Fixed Income

Bank of America Merrill Lynch
Barclays
Citigroup
Danske
Davy
DZ Bank
J.P. Morgan
Morgan Stanley
UBS

Collective Investment Schemes

Collective Investment schemes (CIS) only have a single venue of execution, i.e. usually either the fund manager of the CIS or their agents. All orders will therefore be routed to the relevant party for execution at the Net Asset Value (NAV).

Derivatives

AIB
Bank of Ireland
Bank of New York Mellon
BNP Paribas
Credit Suisse
Morgan Stanley
Northern Trust
Sumitomo Mitsui Trust Bank