

Best Execution

We maintain a best execution (or order) policy to help ensure we take reasonable steps to obtain the best possible result when executing orders. All instructions received by us will be dealt with in the order they are received and carried out in accordance with the policy to ensure they are treated in a fair and consistent manner.

We monitor dealing instructions at regular intervals to ensure they are carried out in accordance with the policy. We also review the policy's effectiveness each year and will let you know if we make any significant changes to it.

When you trade with us, trading will be considered to be your consent to this Policy.

Acting reasonably, we may delay or suspend the transmission of any trading instruction where an event, act or circumstance outside our reasonable control affects our ability to act on the trading instruction in accordance with the best interests of our clients or in accordance with applicable law and regulation (for example, market disruption).

Our terms and conditions contain further information about the way we handle transactions in the Transactions Section.

Our Trading Agents

All instructions for collective investments such as funds are sent to BNP Paribas Security Services, with Winterflood Business Services handling instructions for exchange traded funds, equities and securities and other investment instruments. We have contracted with these parties to provide trading and settlement services.

For collective investments, BNP Paribas Security Services will route dealing instructions to the appropriate fund manager for execution at the next available valuation point for that particular fund.

Aggregation

Where other relevant trades are taking place, we aggregate deals in collective investments (OEICS, SICAVS, UCITS) and exchange traded funds.

All valid instructions will be aggregated in the same asset level on the same valuation point, for purchase or sale by unit or purchase or sale by value. We do not carry out net dealing.

Where a deal is unable to be placed, it will be carried over to the next available valuation point until it is determined that the deal is unlikely to be placed, at which point the instruction will be cancelled and you will be informed.

Aggregation can generally benefit our clients by:

- > Reducing the overall cost of dealing administration
- > Sharing dealing fees *
- > Reducing the overall cost of custody
- > Allowing clients to purchase an investment below the investment's minimum purchase requirements
- > Allowing client holdings below the minimum holding requirement*
- > Disaggregation of a deal may result in a fractional increase in units allocated which might not happen if dealing directly with the fund manager.

*these do not apply to equities

However, there are circumstances where aggregation may be a disadvantage:

- > Additional explicit charges (for example, a dilution levy) might apply
- > Delaying part of the deal until a later valuation point
- > Disaggregation where a fund manager rounds down may result in a very small decrease in units (typically only worth a few pence)

If any of these circumstances occur, charges will only be applied in line with the terms and conditions and assets or proceeds will not be allocated until the whole deal has completed.

Execution Factors

When executing an instruction on your behalf, the following factors will be considered by Winterflood:

- > Price
- > Cost
- > Speed of execution
- > Likelihood of execution and settlement
- > The nature of the order and the investment/instrument being ordered
- > Order size
- > Venue
- > Any other criteria relevant to the execution of the order

Winterflood will generally use price as the primary factor for achieving best execution. They will also use their commercial experience and judgement to determine the relative importance of the above factors in achieving the best possible result.

They have access to a number of execution venues for the purpose of trading, price referencing or trade reporting and are responsible for selecting the appropriate execution venue for any deal. When selecting a venue they consider the price offered, the amount of any commission and other charges incurred by the client, the venue's ability to manage the order and the reliability of its settlement and clearing features, the creditworthiness of the venue, the speed of execution, the quality of regulation and any other venue characteristics relevant to the execution of the order.

Winterflood's Trading Arrangements for Different Types of Investment

For orders in UK equities where there is sufficient depth on the relevant exchange order book or the market maker quote size in the relevant market is sufficient they will either reference the volume weighted average price or, in a quote driven market, the order's price and size to their published quotes on the relevant execution venues.

For orders in European equities, they will reference its price to the home market price and where possible, the relevant multi-lateral trading facility order book. Where orders involve elements like home market or non-standard settlement and/or foreign exchange, they will be reflected accordingly.

For orders in US equities, they will reference its price to the home market price where possible. Where orders involve elements like home market or non-standard settlement and/or foreign exchange, they will be reflected accordingly.

Depending on the time an order is placed, there may not be a home market price to reference to. Such periods will be classed as out of hours trading and their house price will be used.

For small orders in bonds and gilts, Winterflood will use automated execution technology to source the best price from a range of dealers. Larger orders may have to be dealt with manually to identify current traders in the security. If liquidity is available and a price comparison made for the size of trade concerned, they will route the order to the counterparty which gives the most competitive overall pricing.