



EdenTree – Order Execution Policy

Each of the terms which appear in **bold** below is defined in the Definitions section at the end of this document.

1. **Purpose**

Under the EU Markets in Financial Instruments Directive (**MiFID**) and COBS 11.2 of the Financial Conduct Authority's Sourcebook, EdenTree Investment Management Limited and EdenTree Asset Management Limited ('**EdenTree**') are required to put in place an order execution policy and to take all sufficient steps to obtain the best possible result (or "best execution") on behalf of its **Professional Clients** either when executing client **Orders** or receiving and transmitting Orders for execution. EdenTree is also required to provide appropriate information to its Clients on its order execution policy.

EdenTree places and executes orders across multiple asset classes, including equities, fixed income, derivatives and currencies.

The purpose of this document is to provide Clients with information on EdenTree's order execution policy and to obtain their consent to such policy.

2. **Scope**

This order execution policy applies only to Professional Clients dealing in Financial Instruments where EdenTree:

- (i) receives and transmits client Orders; and/or
- (ii) executes Orders on a Client's behalf.

Executing Orders "on a Client's behalf"

EdenTree will be treated as executing Orders "on a Client's behalf" where the Client legitimately relies on EdenTree to protect its interests in relation to the pricing or other aspects of the transaction that may be affected by how EdenTree executes the Order. For example when EdenTree:

- executes an Order by dealing as agent;
- executes an Order by dealing as riskless principal on behalf of a Client; and
- "works" an Order on a Client's behalf.

EdenTree will not be executing Orders on a Client's behalf (and so will not owe "best execution") where it publishes a quote or provides a "request for quote" service and the Client transacts with EdenTree on the basis of that quote.

3. **Order execution – obtaining the best possible result**

Subject to any specific instructions that may be given by you (see Section 10 below), when executing Orders on your behalf, we will take all sufficient steps to obtain the best possible result for our Clients taking into account the **Execution Factors** listed in Section 4 below.

We will determine the relative importance of the Execution Factors by using our commercial judgement and experience in light of market information available and taking into account the **Execution Criteria** described in Section 5.

4. **Execution Factors**

The Execution factors that will be taken into account are: price; costs; speed; likelihood of execution and settlement; size; nature or any other consideration relevant to the execution of the Order.

Price will usually merit a high relative importance in obtaining the best possible result. However, in some circumstances, for some Clients, Orders, Financial Instruments or markets, we may appropriately determine that other Execution Factors are more important than price in obtaining the best possible execution result.

5. **Execution Criteria**

The Execution Criteria that will be taken into account are the characteristics of:

- (i) the category of Client; (EdenTree only has permission to execute trades for Professional clients)
- (ii) the Order;
- (iii) the Financial Instruments that are the subject of that Order; and
- (iv) the Execution Venues to which that Order can be directed.

6. **Execution Venues**

The Execution Venues used by us in respect of each class of Financial Instruments include the following:

- Regulated Markets

- Multilateral Trading Facilities
- Third Party investment firms acting as Market Makers (Brokers)
- Systematic Internalisers
- Non-EU entities performing similar functions

We will generally place or transmit orders to third party investment firms for execution. The entities with which we place such orders are approved by us and regularly monitored to ensure their execution arrangements comply with our obligations to obtain the best possible result. In certain financial instruments there may only be one execution venue. In executing a trade in such circumstances we will presume that we have provided best execution.

A list of approved brokers / counterparties is attached at Appendix A. EdenTree outsources equity trading to Northern Trust Securities LLP. Northern Trust is a leading provider of execution services with in-depth expertise of trade execution across global equity markets. Northern Trust was selected to undertake this function on EdenTree's behalf following detailed due diligence and analysis of their execution capabilities, expertise, systems and controls. EdenTree believes that the arrangement with Northern Trust is in the Client's best interests providing independence from the Fund Management desk, greater liquidity through access to a wider range of global venues and counterparties, and reduced costs due to economies of scale. Northern Trust also provides detailed execution data and analysis to enable EdenTree to fulfil its regulatory reporting and oversight functions. A full list of Northern Trust's trading venues is available on request.

Trading for fixed income and foreign exchange continues to be executed in-house by the fund management team.

This list of Execution Venues is not exhaustive but comprises those Execution Venues on which we place significant reliance. We reserve the right to use other Execution Venues where we deem appropriate in accordance with our MiFID order execution policy in order to obtain the best overall result and may add or remove any Execution Venues from this list.

We will regularly assess the Execution Venues available in respect of any products that we trade to identify those that will enable us, on a consistent basis, to obtain the best possible result when executing Orders. The list of Execution Venues will then be updated, where necessary, following such assessment. The current list will be available on our website at www.edentreeim.com. You will not be notified separately of any changes to these venues.

7. **Trading outside a Regulated Market or a Multilateral Trading Facility (MTF)**

There may be occasions where we assess to achieve the best possible result in executing a Client's Order requires us to execute the Order outside a Regulated Market or MTF.

Under the FCA rules where an instrument is admitted to trading on a Regulated Market or MTF, we are required to obtain your prior express consent before we execute an Order in such instrument outside of a Regulated Market or MTF (save where no Regulated Market or MTF is included in the list of Exclusion Venues for that particular asset class). Your consent to this order execution policy by one of the methods set out below includes express consent to us to execute on your Order outside a Regulated Market or MTF.

8. **Selecting an Execution Venue**

Subject to any specific instructions that may be given by you (see Section 10 below), in order to select an Execution Venue for an Order.

When placing Orders on a Regulated Market or MTF, we will select the Execution Venue that we consider the most appropriate taking into account the Execution Criteria and the Execution Factor.

We will consider all sources of reasonably available information, including MTFs, local exchanges, brokers and data vendors, to obtain the best possible result for the Order.

Our selection criteria takes into account the following:

- the historic performance, including the quality of executions obtained over a period of time;
- the reliability and timeliness of settlement arrangements ;
- market reputation and any matters arising from our due diligence process;
- asset coverage and liquidity provided by these venues/market counterparties

9. **Methods of Execution**

Subject to any specific instructions that may be given by you (see Section 10 below), we will execute an Order by one of the following methods or combination of methods:

- Where we have obtained your prior express consent, outside a Regulated Market or MTF by executing the Order with a matching Order from another EdenTree Client.
- Directly on a Regulated Market or MTF or, where we are not a direct member of the relevant Regulated Market or MTF, with a third party participant with whom

we have entered into an agreement for handling Orders for that Regulated Market or MTF.

10. **Specific Client instructions**

Where you give us a specific instruction as to the execution of an Order (for example, Direct Market Access orders submitted via an electronic system), we will execute the Order in accordance with those specific instructions. Where your instructions relate to only part of the Order, we will continue to apply our MiFID order execution policy to those aspects of the Order not covered by your specific instructions.

You should be aware that providing specific instructions to us in relation to the execution of a particular Order may prevent us from taking the steps set out in our MiFID order execution policy to obtain the best possible result in respect of the elements covered by those instructions.

11. **Reception and transmission of Orders**

Subject to any specific instructions that may be given by you (see Section 10 above), we may transmit an Order that we receive from you to an external entity, such as a third party broker, for execution. In doing so, we must act in your best interests and also comply with Sections 4 and 5 above.

12. **Client Limit Orders**

The FCA rules require unexecuted Client Limit Orders to be made public immediately unless the Client expressly instructs otherwise. By consenting to this policy you are expressly instructing EdenTree not to make such Orders public.

13. **Monitoring**

We will monitor compliance with our MiFID order execution policy and review the effectiveness of our execution arrangements by using third party Transaction Cost Analysis tools.

14. **Review**

We will review our order execution arrangements regularly. We will also review our MiFID order execution policy annually and whenever a material change occurs that affects our ability to continue to obtain the best possible result for our Clients.

We will notify you of any material changes to our execution arrangements or our MiFID order execution policy by posting an updated version of this document on our website at www.edentreeim.com. We will also update the list of Execution Venues when necessary. You will not be notified separately of any changes to these venues. You should therefore refer to the current list of Execution Venues from time to time.

15. **Consent**

We are required to obtain your prior consent to our MiFID order execution policy. You will be deemed to provide such consent when you give an Order or enter into a discretionary investment management agreement with EdenTree.

For an instrument admitted to trading on a Regulated Market or MTF, we are also required to obtain your prior express consent before we execute an Order in such instrument outside of a Regulated Market or MTF.

16. **Definitions**

Client – see definition of Professional Client below.

EU means the European Union established by the Treaty on European Union signed at Maastricht on 7 February 1992 (as amended)), taking into account the UK's withdrawal from the Union pursuant to article 50 of the Treaty.

Execution Criteria means those factors listed in Section 5 of this document.

Execution Factors means those factors listed in Section 4 of this document.

Execution Venue means a Regulated Market, an MTF or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the function performed by any of the foregoing.

Financial Instruments – includes:

- (i) transferable securities;
- (ii) money-market instruments;
- (iii) units in collective investment undertakings;
- (iv) various options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivative instruments, financial indices, financial measures or commodities;
- (v) derivative instruments for the transfer of credit risk; and

(vi) financial contracts for differences.

(see Annex 1 Section C of MiFID)

For the avoidance of doubt, “Financial Instruments” do not include spot transactions or loans and certain exclusions and regulations.

MiFID means EU Directive 2014/65/EU on markets in financial instruments as amended from time to time and transposed into the laws of the UK pursuant to the European Union (Withdrawal) Act 2018 and the European Union (Withdrawal Agreement) Act 2020.

Multilateral Trading Facility (MTF) means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in Financial Instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with the provisions of Title II of MiFID.

Order means an instruction to buy or sell a Financial Instrument which is accepted by EdenTree for execution or transmission to a third party.

Professional Client means a client meeting the criteria laid down in Annex II of MiFID.

Regulated Market means a multilateral system operated and/or managed by a market operator which brings together or facilitates the bringing together of multiple third party buying and selling interests in Financial Instruments - in the system and in accordance with non-discretionary rules – in a way that results in a contract, in respect of the Financial Instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of MiFID.

Appendix A

Approved Counterparties - Equity securities

Northern Trust Securities LLP

Approved Counterparties – Debt securities

- ADM Investor Services
- Barclays Bank Plc
- The Bank of New York Mellon
- Bank of Montreal
- Bloomberg TSOX
- Cambridge International Securities
- Canaccord Genuity Limited
- Chalk Hill Partners
- Credit Suisse
- Allia C&C Ltd
- Daiwa
- Guy Butler
- HSBC Bank Plc
- ING Bank
- Investec Bank Plc
- J&E Davy
- Jefferies Fixed Income
- JP Morgan Fixed Income
- King & Shaxson
- Landesbank Baden Wuerttemberg
- Lindisfarne
- Lloyds Bank Plc
- Merrill Lynch International
- Mint Partners
- Mizuho International Plc
- Mitsubishi UFJ Trust International
- National Bank Financial Inc
- NBCA – National Bank of Canada
- Nomura
- Peel Hunt
- RIA Capital Markets
- RBC
- Stifel Nicolaus Europe Limited
- The Seaport Group Europe LLP
- Toronto Dominion
- Tullett Prebon Securities Limited
- UBS
- Wells Fargo
- Winterflood Securities

Approved Counterparties – Foreign Exchange and Derivatives

- Barclays Bank Plc
- BNY Mellon
- FXall
- Morgan Stanley
- Lloyds Bank