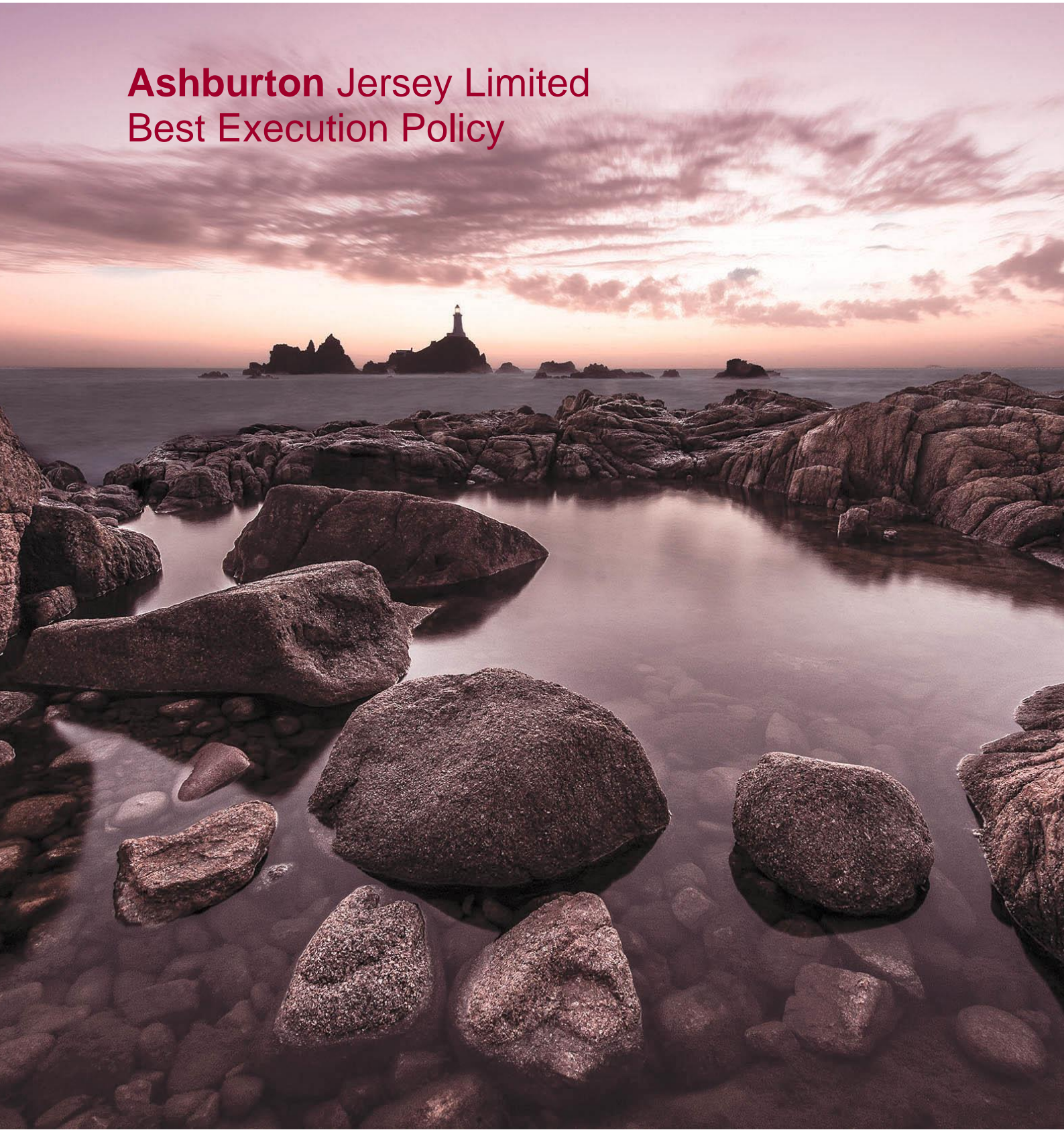


# Ashburton Jersey Limited Best Execution Policy



## Best Execution Policy

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### 1. Introduction

The business of Ashburton (Jersey) Limited (“Ashburton”) calls for it to at all times adhere to a fiduciary standard based upon fundamentals such as trust, integrity and treating customers fairly. In order to maintain the fiduciary standard, Ashburton has in place this Best Execution Policy (“the Policy”) that sets out various high level principles that Ashburton will follow when placing, arranging or executing trades for the various arrangements in place for its clients in accordance with the best execution obligation.

### 2. Client Orders

Ashburton may consider itself to be in receipt of a client order where it is acting as investment manager for a client (including a Collective Investment Scheme for which it is appointed Investment Manager) and in that role has discretion over the management of investments and assets, and also where it arranges execution for a client upon receipt of the client’s instruction, i.e. where an agency obligation exists. These relationships are established in a form of:

- a) Discretionary Investment Manager: A signed discretionary mandate (Investment Management Agreement) between Ashburton and the client;
- b) Fund Investment Manager: A signed Agreement between Ashburton, a Collective Investment Scheme (“a Fund”) and the appointed Fund Manager;

The obligation to deliver the best possible results when executing client orders applies in relation to all types of financial instruments. However, given the differences in market structures, and the structures of financial instruments, it may be difficult to identify and apply a uniform standard and process for best execution that would be valid and effective for all classes of instruments. Best execution obligations are therefore applied in a manner that takes into account the different circumstances associated with the execution of orders, relating to particular types of financial instruments. This Policy is applied irrespective of whether Ashburton acts in its own name or under any delegation or outsourcing agreement.

### 3. Client Order Execution Policy

Where Ashburton owes a duty of best execution, all reasonable steps will be taken to obtain the best possible execution result on a consistent basis, however, there is no guarantee that circumstances will enable this to be achieved for every single transaction as markets are subject to volatility.

When executing a client order, Best Execution means that Ashburton takes into account the following criteria for determining the relative importance of the execution factors:

- 1) The characteristics of the client order;
- 2) The characteristics of financial instruments that are the subject of that order; and
- 3) The characteristics of the execution venues to which that order can be directed.

For purposes of ensuring that Ashburton obtains the best possible results for the client when passing on client orders for execution, Ashburton takes into consideration all factors that will allow it to deliver



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the best possible result in terms of the total consideration, representing the price of the financial instrument and the costs relating to execution.

Ashburton's Execution Policy establishes a process for the determination of the relative importance of each of the execution factors designed to obtain the best possible result for the execution of its client orders.

Factors in order of importance are:-

- **Execution Price** – priority is given to the price of the relevant financial instrument
- **Cost** – commission charged by the broker for executing trades, representing the total consideration
- **Potential Speed of Execution** – how the client order is worked, including aspects such as the speed and likelihood of execution and the availability and incidence of price improvement
- **Settlement** – as important as trading, as delays by an inferior settlements team can be costly
- **Information provided** – information provided by sales traders/salesmen on market conditions, company news and situations happening throughout the day
- **Size** – consideration given at the time the order is placed as to which broker is able to handle a certain size, whether the broker is able to put on risk to win the order
- **Speed of confirmation** – reporting of the trade

## 4. Order Execution Policy

The objective of the Order Execution Policy is to ensure that when dealing for clients in any financial instrument, the best possible results are obtained for the clients.

### 4.1 Approved Financial Instruments

Currently, the financial instruments dealt in for clients are set out below:

- Equities
- Fixed Interest Securities
- Collective Investment Funds (Unit Trusts/Open-Ended Investment Companies {"OEICS"/}Hedge Funds/Offshore Funds)
- Exchange Traded Funds
- Over the Counter Securities and Transactions ("OTC")
- Foreign Exchange (Spot and Forward)

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- Exchange Traded Derivatives

Commodities will only be dealt with through Exchange Traded Funds, Collective Investment Schemes or derivatives. Exposure to real estate will be dealt through Collective Investment Schemes.

### 4.2 Execution Venues

Orders can be executed using a variety of venues, as listed below, that Ashburton believes will enable it to obtain the best possible result on a consistent basis. The nature of the instrument that is to be traded will determine the specific venue.

- Regulated markets
- Bond Markets
- Trading platforms having multilateral trading facility (“MTF”) status
- Investment firms offering broking facilities
- Other OTC sources of liquidity, such as order crossing networks and electronic trading platforms not having regulated market or MTF status
- Off exchange

Generally, the execution venue for Ashburton will be selected by the broker nominated to execute the order. The broker is under an obligation to seek the execution venue that will provide Ashburton, on behalf of its clients, with the best possible result.

Generally, Ashburton will be classified as a Professional Client by the brokers it uses to execute deals.

Each broker will be selected in compliance with the Order Placing Policy as set out in 4.3 below.

### 4.3 Order Placing Policy

Brokers with which orders are placed will be those which will assist Ashburton in achieving optimal execution in compliance with applicable rules and regulations and which have been approved in line with Ashburton’s policy.

Deals must only be placed with brokers who are on the Approved Broker List.

The dealer **MUST** give due consideration to best execution criteria including the speed, likelihood and costs of trade execution and only place deals with brokers who offer the best overall trade execution for the client, seeking to maximise the value of a client’s portfolio given their stated investment objectives and constraints. Where an Approved Broker offers research or market analysis, this may be taken into account when determining best execution, as long as the benefits from the research or analysis accrue to Ashburton’s clients and not the firm.

### 4.4 Order Allocation

For each Fund managed by Ashburton, a guideline deal size is used, depending on the instrument type, expressed as a percentage of the Fund’s Net Asset Value (“NAV”). The Dealing function within the PM and Dealing team place trades and monitor “fills” for good execution.

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Trades are allocated on a bottom-up basis with reference to the guideline NAV percentage. Any part-completed trades are allocated on a pro rata basis, unless an allocation would result in a lot-size problem.

### 4.5 Dealing in Collective Investment Schemes

Transactions in units/shares of collective investment schemes will be dealt through the respective fund manager/administrator, via the custodian/administrators automated system or via a third party industry trading platform. Where possible, Ashburton will attempt to purchase for clients those classes of units/shares where there is no initial fee charged by the fund manager/administrator and the best dealing terms are achieved (i.e. dealing at the creation price).

### 4.6 Approved Brokers

The Broker approval and monitoring process is set out in Ashburton's Approved Broker Policy.

### 4.7 Aggregation

Ashburton is not permitted to carry out a client order in aggregation with another client order unless the following conditions are met:

- i. it must be unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated;
- ii. it should be disclosed to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order; and
- iii. a policy of order allocation must provide the fair allocation of aggregated orders and transactions.

### 4.8 Matched Orders

Ashburton operates a formalised policy covering In-Specie Transfer of holdings between portfolios.

## 5. Research Services

It is acknowledged that some securities firms offer to provide investment managers with a variety of services and benefits that go beyond bare execution, examples being: propriety research reports and analysis. In such cases, a potential conflict of interest is presented in every instance a Dealer chooses to place a trade with a broker that has furnished Ashburton with such services or benefits.

Ashburton's policy in respect of placing orders with brokers or dealers who provide services, is that the client must always receive best execution. The only circumstances in which Ashburton may take into account the services or benefits provided by a broker (or by any other party pursuant to an arrangement with the broker), is when the following conditions are satisfied:

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- Ashburton is exercising investment discretion in the transaction
- this Best Execution policy is complied with

### **6. Monitoring**

Ashburton will periodically monitor the effectiveness of its order execution arrangements and order execution policy to identify and, where appropriate, incorporate any amendments to procedures.

### **7. Review and Update of Policy**

This Policy will be subject to annual review and update as appropriate by Ashburton's Dealing function.

### **8. Scope**

This policy is applicable to Ashburton (Jersey) Limited.