GPIM LIMITED

Best Execution Policy

Updated May 2021

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1. Introduction

The purpose of this summary is to provide clients with information about GPIM Limited's Best Execution Policy and to seek the client's consent for this policy. This policy outlines all the sufficient steps that GPIM takes to ensure that it achieves "Best Execution" for its clients, which means obtaining the best possible results for the client when carrying out transactions on the client's behalf, sometimes referred to as "executing orders", when placing orders with other firms e.g. brokers, custodians, platforms, for the execution of client orders or when transmitting orders on behalf of clients.

Please note that this information should not be seen as a prescriptive statement of how a particular order must be dealt with.

This policy is supplemental to the GPIM Limited Terms of Business provided to clients and forms part of the terms. Clients are deemed to have consented to this policy when agreeing to the Terms of Business, signing an account opening document with GPIM Limited for discretionary management services or, where relevant, placing an order. A copy of this policy will be available on the firm's website.

The firm believes that all clients - both Retail and Professional - are legitimately relying on GPIM to obtain the best outcome for orders, since the firm's relationship is always on an agent/client basis. The firm does not deal as "principal" against clients' orders. The firm regards best execution as an obligation that extends to all its clients.

2. Application

This policy is applicable where the firm:

- Arranges execution on a client's behalf, orders in respect of financial instruments covered by MiFID (known as acting as agent);
- passes on (i.e. transmit) orders at the firm's discretion to another party (such as a broker or custodian ("third party") for execution.

A significant majority of GPIM client orders are placed with a third party (Third Platform Services - TPS) to arrange for execution. TPS is responsible for ensuring best execution in these instances. Details of TPS' Best Execution Policy are available via their website (thirdplatformservices.co.uk).

There may be occasions when GPIM feels that it is in the client's best interest to deal directly with the market. GPIM Limited is a member of the London Stock Exchange and therefore it can seek to deal directly with other member firms. This is GPIM's Best Execution Policy (the "Policy"). The Firm will review its execution policy and execution performance at least annually, publishing a report (also known as a RTS 28 Disclosure) on its website.

The policy will <u>not</u> apply where, for example;

- The firm is following specific instructions to execute an order in a particular manner or at a particular price as specified by the client;
- The firm is following specific instructions by a client to execute a specific part or aspect of an order; or
- The firm is instructed to place an order with a particular venue.

If clients instruct the firm to execute an order at a particular time or over a particular period, regardless of the price available, the firm will endeavor to execute the order at that time or over that period in the best possible manner but will not be responsible for the timing or any of the consequences for price or other factors that results from the timing of execution.

Clients should be aware that providing specific instructions to the firm in relation to the execution of a particular order may prevent the firm from taking the steps set out in this policy to obtain the best possible result in respect of the elements covered by those instructions. The firm reserves the right to refuse specific instructions from clients regarding the execution of a particular order, where in the firm's opinion, such instructions are not practicable, may be contrary to the client's best interests or, where the firm is unable or unwilling to, transact with a requested venue or counterparty.

Placing orders with a third party

The firm will generally pass client orders on to a third party (which in most cases will be TPS, or on occasions it may be a broker) to execute your order.

GPIM has internal processes and procedures in place to review periodically its choice of third party to determine that, taking into account all the factors specified above, the third party is providing the best results for your orders on a consistent basis. In making this determination GPIM will have regard to:

- prices offered for the particular type of instrument over time;
- average costs per trade charged for the type of trade over time;
- the best execution policy of, and any other guidance issued by, the relevant broker or dealer from time to time.

3. Order execution

Subject to any specific instructions as stated above, where relevant, the firm will take all sufficient steps to obtain the best possible result for clients taking into account the execution factors listed below. The firm 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 below.

4. Execution criteria

The execution criteria that will be taken into account are the characteristics of:

(i) the client, including whether categorised as Retail or Professional;
(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.

5. Execution factors

The execution factors that will be taken into account are:

(i) price: for most liquid instruments, market price will be the overriding factor in attaining best execution. Price is likely to be the main execution factor for Retail Client Orders; however this may not always be the case where, for example, associated costs of dealing on a particular execution venue mean that the total consideration would be excessively impacted. In such circumstances costs rather than price may be the overriding execution factor.

(ii) costs: where particular Execution Venues carry additional charges (such as exchange fees or settlement/custody costs) the firm may pass these on. If these charges have a significant adverse impact on the total consideration for a client's order (for example, due to the cost of many small trades on an order book), then at the firm's discretion this may become the most important factor to consider.

(iii) speed: the speed of execution may be important for some types of order or client. For example, speed will be a high priority when executing an order in liquid (frequently traded) shares in a fast-moving market.

(iv) likelihood of execution and settlement: in some instances, the firm's ability to arrange for execution all will be the primary factor to be considered. Where, for example, the instrument is illiquid (rarely traded) or the size of the order is unusually large compared to normal trading volumes, the firm's ability to carry out the order may take precedence over other execution factors. Application of the "total consideration" requirement (please see below for more information) may mean that this factor is given precedence over the immediate apparent price of an instrument where this will – in the firm's opinion – deliver a better overall result for the client.

(v) size and nature of the order: the best price in a market is usually represented by the opportunity to trade in a particular size (number of shares or units), which may not match the size of the client's order. Where the order is bigger than the typical quoted size, then the part of the order executed over and above the threshold, or the terms offered for the whole order may only be available at a less favorable price. There are various strategies for trading large orders and the firm exercises its discretion where there is no other instruction from the client. Large or illiquid orders may be placed with third party brokers to execute over the course of a day, (with the overall order execution being expressed as an average price of all the individual execution fills carried out on a particular day). It is possible with large or unusual orders that third party brokers warehouse orders overnight. In such circumstances, these are monitored by the Chief Investment Officer.

(vi) any other consideration relevant to the execution of the order: the firm will take into account any other execution factor relevant to the order that the firm believe may warrant consideration in terms of how that order should be executed. This could be simply whether it is a buy or sell order, the imposition of price limits, non-standard settlement, whether it is part of a contingent order, or whether the security is dealt in another market.

The priority of the execution factors may vary, depending on the client's classification:

(i) Retail Client: the best possible result will be determined in terms of the "total consideration", representing the price of the instrument together with the costs related to execution (including the firm's charges). Speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs will be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the client.

(ii) Professional Client: price will ordinarily merit a high relative importance in obtaining the best possible result. However, in some circumstances, for some clients, orders, instruments or markets, the firm may appropriately determine that other execution factors are more important than price in obtaining the best possible execution result.

6. Execution venues

The main execution venues ('venues') used by the firm are shown below. These venues are those upon which we place significant reliance. These may be markets where the firm is a direct member (for example, the London Stock Exchange) or other firms such as TPS we use when transmitting orders for them to execute on your behalf. The firm reserves the right to use other venues where it deems them appropriate in accordance with this policy and may add or remove any venues from this list. The firm will regularly assess the venues available in respect of any instruments that it trades to identify those that will enable the firm, on a consistent basis, to obtain the best possible result when executing orders. The list of venues will then be updated, where necessary, following such assessment. Clients should refer to the firm's website from time to time for a detailed assessment of the venues. Clients will not be notified separately of any changes to these venues.

When carrying out client orders, the firm places significant reliance on the following venues in no particular order:

(i) member firms of the International Capital Market Association;
(ii) member firms of overseas stock exchanges;
(iii) platforms;
(iv) managers and administrators of collective investment schemes and other investments;
(v) other UK and overseas venues that the firm deems appropriate and that accord with this policy.

Where applicable, the firm takes steps to ensure it does not structure or charge its commissions in such a way as to discriminate unfairly between venues.

The firm undertakes ongoing assessments of the performance of the venues that are used to determine whether they continue to consistently provide the best possible outcomes for clients and also to review the potential suitability of new venues. In making such assessments the firm uses the results of its own internal best execution monitoring information as well as execution quality data reported by venues in accordance with MIFID and its implementing measures. This includes the following factors:

(i) price
(ii) liquidity
(iii) execution and clearing costs
(iv) clearing arrangements, such as settlement reliability
(v) Execution Venue trading controls

7. Selecting an Execution Venue

Subject to the above, and to any specific instructions that may be given by the client (as stated above), in order to select an venue for an order the firm will use the following methodology:

(i) when carrying out orders on a venue the firm will select the venue that it considers the most appropriate. The venue may be the venue itself, or a member firm of the venue.

(ii) for an instrument admitted to trading on a venue, where the firm believes that it can trade to a clients advantage or at no disadvantage to the client, it may transmit an order to, or execute an order on, a venue that is outside a venue.

(iii) for an instrument not admitted to trading on a venue, the firm will select the venue that it considers the most appropriate.

(iv) some instruments (for example, collective investments such as unit trusts and open ended investment companies, as well as Structured Products) may have only one possible venue and their pricing points may be unusual. With single venue products, the firm will take sufficient steps to ensure the fairness of prices offered.

8. Execution strategies

GPIM acts on an agency basis, it does not operate as an MTF, OTF or as a SI in any instruments. The firm does not run any proprietary trading desks and it does not fill client orders on own account in any instruments. Typically, the firm will arrange for client orders to be transmitted to the custodian or platform services provider (TPS) for execution. Therefore, it is typically the platform’s best execution policy which will apply in respect of the actual execution of the trade. The firm will periodically review the best execution policy of each platform to ensure that it complies with relevant regulations.

Assuming normal market conditions and subject to any specific instructions that may be given by the client, the firm will carry out an order by one of the following execution strategies or combination of strategies (in no particular order):

a) using the electronic Retail Service Providers (RSPs) for execution at the best available price. Although this is not guaranteed, prices are normally better than the best available London Stock Exchange (LSE) bid or offer price at time of polling the RSPs. Larger and/or illiquid orders that exceed the pre-set parameters, and/or cannot be executed via the RSP network, are considered separately and other methods may be used.

b) direct negotiation with registered market makers or other member firms of the LSE;

c) on a venue or, where the firm is not a direct member of the relevant venue, with a third-party participant with whom the firm has entered into an agreement for handling orders for that Regulated Market or MTF/OTF;

d) transmitting it for execution to TPS.

e) where the client has provided prior express consent, outside a venue by transmitting it for execution to, a liquidity provider that is not part of a venue (the firm will carry out the order in the manner that it considers the most appropriate).

Whilst the firm might decide it is beneficial to execute all or part of a client order outside a venue, by way of improved price and/or faster execution, there might be additional risks including:

(i) orders may not be subject to the rules of a venue that have been designed to provide the protection of a fair and orderly market for the execution of orders;

(ii) orders may not benefit from pre- and post-trade transparency that venues require for orders to improve price formation; and

(iii) orders may not be covered by the relevant clearing and settlement rules of a venue and non-order book trades may not benefit from having a Central Counterparty. This means transactions may be subject to a counterparty settlement risk.

Larger or more complex orders may need to be worked over a period of time and might be executed using a combination of the above.

Clients are regarded as having consented to these strategies upon signing an account opening form and agreeing to the firm's Terms of Business.

9. Limit Orders

The firm accepts limit orders for the day only and not good until cancelled. Limit orders allow investors the ability to specify the minimum price at which they want to sell, or the maximum price at which they want to buy shares, and tell the firm how long they want the order to stay open to meet those requirements. It may not always be possible to execute such orders under the prevailing market conditions especially as GPIM often utilizes TPS for execution services. The firm would then be required to make such orders public ahead of execution, unless the client agrees that the firm need not do so. The firm believes that it is in the best interests of clients if it exercises its discretion as to whether or not it makes such orders public, taking into account what the firm believes to be in the client's best interests. Where a Limit Order is placed with the firm that is not immediately executed, unless the firm believes that it would be in the best interest of the client to do so, or the client expressly requests otherwise, the firm will not publish the unexecuted Limit Order during the period that it remains unexecuted.

By signing the account opening document and agreeing to GPIM Limited's Terms of Business, clients are deemed to have provided such consent. Clients wishing to publish unexecuted limit orders ahead of execution must explicitly request so when placing the order.

10. Aggregation and allocation of orders

The firm may aggregate client orders provided that:

- it is unlikely that the aggregation of the orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated; and

- it is disclosed to each client whose order is to be aggregated that the effect of aggregation may work to that client's disadvantage in relation to a particular order (this is confirmed in the firm's Terms of Business).

Discretionary decisions to trade may be aggregated by the Investment Manager. The policy and procedures ensure no specific discretionary client is treated differently when consideration is given to the market impact and timeliness of the execution of orders. The creation of an order occurs over a defined period of time.

If the firm aggregates multiple client orders, it will allocate all orders fairly, including where an aggregated order is partially executed, taking into account the volume and price of the orders.

11. Monitoring of this Policy

The firm monitors the effectiveness of this policy and order execution arrangements and, where appropriate, correct any deficiencies. In particular, this will cover the execution quality of TPS. Any updates to this policy will be published on the firm's website.

The firm will review this policy and any order execution arrangements on at least an annual basis. The firm will also carry out a review and re-issue this policy should a material change occur that may affect the firm's ability to obtain the best possible result on a consistent basis using the execution venues included in this policy.

The top five execution venues in terms of trading volumes for instruments where the firm has executed client orders in the previous 12 months accompanied with information on the quality of execution achieved is published by the firm on its website on an annual basis. The publication will cover trading for each calendar year and will typically be published by the following April.

12. Amendments to the policy

The firm reviews this Policy on an annual basis or when circumstances warrant it. A copy is available to clients when they open an account and on the firm's website. Any questions about this policy should be directed at GPIM's Head of Compliance via:

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