



Client Order Execution Policy

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Adam & Company



Adam & Company – Order Execution Policy

The EU Markets in Financial Instruments Directive ('MiFID') and corresponding rules of the Financial Conduct Authority ('FCA') require that investment firms establish an order execution policy and take all sufficient steps to obtain the best possible result for their clients when executing a Client Order. This policy is applicable to Retail clients ('you or your') of Adam & Company, a business name of The Royal Bank of Scotland plc ('Adam') and explains how Client Orders in Financial Instruments are arranged and executed. Such Client Orders may arise where Adam are:

- providing you with advice or a recommendation to perform a transaction and you have provided an instruction to give effect to the advice or recommendation;
- acting as a discretionary or advisory investment manager; or
- providing an ongoing service to you for arranging deals, having received an instruction from you in relation to that service.

For over-the-counter ('OTC') Derivatives including Foreign Exchange Forwards and Swaps, Adam & Company, a business name of The Royal Bank of Scotland plc will execute directly with you as Principal and will be your Counterparty to any OTC Derivative transaction. In executing these trades Adam will take all sufficient steps to achieve the best outcome for you, primarily taking into account the factors of timeliness of execution and the liquidity of the instrument being traded, and, subject to these, the fairness of price.

In order to facilitate OTC Derivative transactions with you, Adam will execute separate back to back transactions with a financial institution. For this purpose, Adam places significant reliance on NatWest Markets plc, who acts as Adam's sole counterparty to these transactions.

Except for the above, Adam will arrange for all other Client Orders to be executed by Coutts & Co. Coutts & Co is a company within the Natwest Group which is incorporated under English Law (Registered no. 36695) and has its registered office at 440 Strand, London WC2R 0QS. Coutts & Co maintains its own execution policy and utilises an approved panel of brokers when executing Client Orders. Details of the Coutts & Co Client Order Execution Policy are set out for your information below. References in the Coutts & Co Policy to 'clients', also apply to clients of Adam.

The Coutts & Co Client Order Execution Policy and their associated list of execution venues are available on the Adam website: adambank.com/important-information.html.

Coutts & Co – Order Execution Policy Application

The EU Markets in Financial Instruments Directive ('MiFID') and corresponding rules of the Financial Conduct Authority ('FCA') require that investment firms establish an order execution policy and take all sufficient steps to obtain the best possible result for their clients when executing a Client Order.

This policy is applicable to clients ('you or your') of Coutts & Co ('we, our') and explains how we execute your orders in Financial Instruments. Such orders may arise where we are:

- providing you with advice or a recommendation to perform a transaction and you have provided an instruction to give effect to the advice or recommendation;
- acting as a discretionary or advisory investment manager; or
- providing an ongoing service to you for executing and arranging deals, having received an instruction from you in relation to that service.

We will take all sufficient steps to achieve the best execution of Client Orders, subject to different factors which are dependent on the financial instrument and the type of market on which the order is executed. Regardless of client classification, for the purpose of best execution we will treat all clients as Retail clients.

Our policy, in providing you with best execution, is, so far as possible to exercise the same standards and operate the same processes across all financial instruments and the different markets on which we execute your orders. However, the diversity in those markets and instruments and the type of orders that you may place with us mean that different factors (see Execution Factors of Importance overleaf) will have to be taken into account.

Please note that whilst we will take all sufficient steps, based on the resources available to us, we cannot guarantee that we will be able to provide best execution for each and every order executed on your behalf. Our commitment to provide you with best execution does not mean that we owe you any fiduciary responsibilities over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us.

This policy is effective as at 23 February 2021 and replaces the previous version of 1 November 2019. The first order that you place with us on or after this date will be construed by us as your consent to this policy.

This policy can be found on the Coutts website: coutts.com/important-information-and-fscs.html

Best execution factors

Dependent on whether the transaction is executed on a Regulated Market, multilateral trading facility ('MTF'), organised trading facility ('OTF') or over the counter ('OTC'), there are a range of different, potentially conflicting factors which can affect the way in which a transaction is executed, such as:

- the price of the instrument;
- the overall cost of the transaction;
- the need for timely execution;
- the liquidity of the instrument or market (which may make it difficult to execute an order); and
- the size and nature of the order.

We determine the relative importance of the above-mentioned factors by reference to:

- the characteristics of the client, including categorisation for best execution purposes as a Retail client;
- the characteristics and nature of the order, including whether any specific instructions are given by you;
- the characteristics of the financial instruments that are the subject of that order; and
- the characteristics of the execution venues to which that order can be directed.

Ordinarily, we will determine the best possible result in terms of total consideration, representing the price of the financial instrument and the costs related to execution. Notwithstanding the above, the following factors will also be taken into account and may be given precedence over the immediate price and cost considerations, in so far as they are instrumental in providing the best result for you:

- speed and likelihood of execution and settlement;
- the size and nature of the order; and
- the potential market impact of the above.

Execution arrangements and brokers

We have entered into relationships with a set of brokers ('Execution Brokers') who will execute trades with us either as our Agent acting on our behalf on a Regulated Market, MTF or OTF, or as Principal.

Execution Brokers are appointed based on our assessment of those that should enable us, on a consistent basis, to obtain the best possible result for you. The Execution Brokers that we use are subject to our own due diligence processes, which are carried out prior to entering into a new relationship with an Execution Broker and on an ongoing basis thereafter. This due diligence includes an assessment of the Execution Broker's capability and quality of execution, operational performance, creditworthiness and relevant legal, regulatory and reputational risk considerations. We also have procedures in place to ensure that the set of Execution Brokers selected is sufficiently diverse to consistently achieve best execution for the instruments and markets in which we deal.

For certain types of financial instrument, we may appoint a single Execution Broker, which will be selected depending upon the size and frequency of the transactions we execute in those instruments. We have established a robust process to monitor the performance of these Execution Brokers and we regularly review our arrangements with these Execution Brokers to ensure that you continue to receive the best possible result taking into account the factors detailed in this policy.

The Execution Brokers may charge commission on the transactions that we execute with or through on your behalf. Where this is applicable, we have negotiated a standard level of commission with all Execution Brokers that we trade with for the applicable market. We do this to ensure that our costs of execution are consistent and do not influence the decision to select a particular Execution Broker over another. These market commission arrangements are reviewed and benchmarked annually on the basis of independently sourced market data.

Our Execution Brokers have been listed by asset class and the list should be reviewed in conjunction with this policy. This list is also available on the Coutts website: coutts.com/important-information-and-fscs.html

Please note that the list of Execution Brokers is not exhaustive. Where we deem appropriate we may add or remove any Execution Brokers from this list. You are encouraged to therefore refer to the current list of Execution Brokers from time to time.

Execution of Client Orders

When carrying out your orders, we will select an Execution Broker from our panel to execute with. In making this selection, we will consider the characteristics of your order by performing pre-trade and post-trade analysis, which will include:

- an assessment of what we believe to be the best outcome for you in terms of the total consideration of the transaction;
- the liquidity available in the market for the relevant instrument;
- such other factors as may be appropriate, including the ability of an Execution Broker to manage complex orders and the speed of execution.

Transactions in less liquid instruments will be executed in such a way that causes the least possible impact to the price of the instrument. This may result in large orders being executed in a number of smaller tranches over a period of time.

Order Aggregation and Allocation

Generally, we will not prioritise specific Client Orders over others. Rather we will place Orders with our Execution Brokers sequentially, in the order in which they are received by us to execute.



However, in certain circumstances, if we feel that it is in your best interests, we may combine any transaction or series of transactions for you with transactions for other clients so as to deal collectively for several clients. If we choose to deal collectively, there may be a delay in implementing your instructions. Whilst there is a risk that on occasion this approach could work to your disadvantage, we believe that combining orders in this way will not generally result in any detriment to you.

Where we provide investment management services to you, the decisions we make to buy or sell instruments for your portfolio will usually be implemented as part of a larger order including other client portfolios. This is in order to deliver consistent outcomes to clients for whom we manage similar portfolios, wherever it is appropriate and practicable to do so.

There may be certain occasions when we deal collectively or when we participate in an Initial Public Offering ('IPO'), where we are not able to obtain the full quantity of instruments that were requested as part of your order. In these situations, we will wherever possible allocate instruments to you and our other clients on a pro-rata basis.

Specific client instructions

Where you give a specific instruction about the execution of an order, the order (or the relevant part or aspect of it) will be executed in accordance with those instructions so far as is possible whilst complying with any applicable laws and regulations, observing any relevant internal policies and only trading with approved Execution Brokers. You should be aware that providing specific instructions might prevent us from taking the steps which we have designed and implemented to obtain the best possible result for the execution of the relevant transaction. However, we will endeavour to ensure that all possible steps are taken to meet the aims of this order execution policy where we are not precluded from doing so by your specific instruction.

Information on order execution arrangements for specific assets classes

Note: Whilst all factors are considered where possible, the 'Execution Factors of Importance' are the key factors considered for the asset class.

Equity Products

We execute Client Orders via an Execution Broker who will fulfill the order as our Agent, trading on our behalf on a Regulated Market, MTF or OTF or by trading with us directly as Principal.

Execution Factors of Importance: Price and Liquidity.

Fixed Income Products

We will use an MTF to execute Client Orders with an Execution Broker who will fulfill the order as our Agent trading on our behalf or, by trading with us directly as Principal.

Execution Factors of Importance: Price and Liquidity. Note: With less liquid instruments there might be only one Execution Broker and therefore only one available price.

Exchange Traded Futures and Options

We arrange for Orders to be executed with an Execution Broker, who will act as Principal.

Execution Factors of Importance: Timely execution and Liquidity.

OTC Derivatives, including FX Forwards

We will execute directly with you as Principal and will be your Counterparty to any OTC Derivative transaction. For OTC Derivatives other than certain FX Forwards, in order to facilitate our transaction with you, we will execute separate back to back transactions with a financial institution.

Execution Factors of Importance: Timely execution and Liquidity, and, subject to these, the fairness of price.

Structured Investments and Securitised Derivatives

We will execute all transactions OTC and solely with the principal broker/market-maker of the relevant product. The availability of a secondary market in these products will be subject to the principal market-maker providing liquidity.

Execution Factors of Importance: Timely execution and Liquidity.

Collective Investment Schemes ('CIS')

We will transact with selected fund aggregation platforms.

Individual CIS will state in their prospectus the manner in which subscriptions and/or redemptions can be purchased/made. Client Orders will be transferred to the appropriate venue for execution at the next available valuation point. Please note, which subscriptions and/or redemptions can be purchased/made. Client Orders will be transferred to the appropriate venue for execution at the next available valuation point. We have established internal dealing cut-off times that expire prior to these valuation points. Please contact your relationship manager for more details on these cut-off times.

Execution Factors of Importance: Timely execution and Liquidity.

Foreign Exchange (‘FX’) (in relation to securities transactions)

The Coutts FX product pricing is based on the following principles:

- Coutts acts as Principal/price maker to any client transaction;
- The FX rate is determined by reference to wholesale interbank quotes sourced from Reuters/Bloomberg quoted as bid/ask;
- The wholesale interbank quote is adjusted (marked up/down depending on whether the client is buying or selling the foreign currency) to take account of the transaction size and type.

The exchange rate you will receive on any foreign exchange transaction conducted in connection with this service will be the Bank’s prevailing exchange rate at the date and time that the foreign exchange transaction is processed by the Bank (or will be at a margin above or below the exchange rate if we have told you that this is the case).

Indicative Reference Exchange Rates are published at coutts.com/fxrates and can be found by searching ‘Coutts Exchange Rates’ using the site search engine or are available from the Bank. These Reference Exchange Rates are indicative only and are made available by the Bank solely for reference purposes. The Bank may change its exchange rates immediately and without telling you in advance if there has been a change in the Reference Exchange Rate.

For currencies where restrictions apply and the currency is not covered by the Coutts FX department, Coutts will arrange for settlement with our trading counterparty. The settlement currency however, is likely to be limited to US dollars only.

Execution Brokers of significant reliance

The table below sets out the Execution Brokers on which we place significant reliance for transactions in certain instruments. Not all financial instruments will have a Broker of significant reliance. In some cases the significant reliance may be that only one Execution Broker is used based on certain criteria such as the size of the transaction, eg transactions under an agreed number of shares or total consideration will be routed to a single broker. In addition, a Financial Instrument may only be available from or via one Execution Broker. In some cases the single Execution Broker may be an affiliate of Coutts & Co. When a single Execution Broker is used it is subject to the same requirements to ensure they meet these order execution arrangements.

Instrument Type	Execution Broker
Equities	• Winterflood Securities Ltd
OTC Derivatives	• NatWest Markets plc and The Bank of New York Mellon
Foreign Exchange	• NatWest Markets plc and The Bank of New York Mellon
CIS	• SIX SIS AG and FundSettle
Exchange Traded Products	• Winterflood Securities Ltd

Review and monitoring

We will regularly monitor the quality of our execution against the factors detailed in this Policy to identify deficiencies and, where appropriate, enhance our arrangements. In addition, we will publish an annual review of the performance of our Execution Brokers and a summary of the quality of our execution on the Coutts website: coutts.com/important-information-and-fscs.html

We will also review our execution arrangements and Execution Brokers on at least an annual basis or whenever a material change occurs that affects our ability to obtain the best possible result for our Client Orders. We will inform you of any material changes to our execution arrangements or our execution policy.

Glossary

ADR: American Depositary Receipt is a negotiable security that represents securities of a non-US company that trades in the US financial markets. ADRs are denominated and pay dividends in US dollars and may be traded like regular shares or stock.

Agent: A firm trading for the account and on behalf of a client.

Client Order: An instruction to buy or sell a Financial Instrument that is accepted by us for execution or transmission to a third party.

Collective Investment Schemes or CIS: A fund or collective investment scheme is an investment vehicle typically a unit trust or an OEIC (Open Ended Investment Company) into which investors can make an investment by purchasing a unit, share or interest (a unit) in the fund.

Counterparty: The other party that participates in a financial transaction.

Counterparty Risk: The risk that a Counterparty will not be able to meet its payment or delivery obligations.

Derivatives: A synthetic product or contract, such as a swap, option, dual currency investment, forward or future, whose price is dependent upon or derived from one or more underlying assets. These products can be executed ‘Over-the-Counter’ (OTC) or via an Exchange (ETD).

Equity: Equities represent ownership interest in a company, typically referred to as ‘shares’.

Equity Products: These include Equities, Exchange Traded Funds (‘ETF’), American Depositary Receipts (‘ADR’), Global Depositary Receipts (‘GDR’), Exchange Traded Commodities (‘ETC’), Exchange Traded Notes (‘ETN’), Warrants, Covered Warrants.

ETC: Exchange Traded Commodities, these are debt securities traded on an exchange, designed to track the performance of a single commodity or a commodities index. These are typically issued by special purpose vehicles which may invest in Derivatives or the physical commodity itself.

ETD: Exchange Traded Derivative, a derivative contract, traded on an authorised exchange and cleared through a clearing house, which is characterised by standard terms and conditions.

ETF: Exchange Traded Fund, a CIS that tracks an index or a basket of assets like an index fund, but trades like a stock on an exchange. These may invest in Derivatives or the physical underlying of the index/basket itself. ETFs experience price changes throughout the day as they are bought and sold.

ETN: Exchange Traded Note, these are debt securities traded on an exchange, designed to track the performance of a market index. These are typically issued by financial institutions and unsecured, therefore involve Counterparty Risk.

Exchange: A marketplace in which securities, commodities, Derivatives and other Financial Instruments are traded. The core function of an exchange – such as a stock exchange – is to ensure fair and orderly trading, as well as efficient dissemination of price information for any securities trading on that exchange. Exchanges give companies, governments and other groups a platform to sell securities to the investing public. An exchange may be a physical location where traders meet to conduct business or an electronic platform.

Execution Broker: The firm with or through whom we execute Client Orders.

Execution Brokers of Significant Reliance: Execution Brokers on which we significantly rely to help us execute client orders. The Execution Brokers vary depending on what type of product is being traded, and the nature of the reliance depends on the Execution Broker. Some examples of how we rely on these Execution Brokers are set out in this policy summary.

Financial Conduct Authority: An independent non-governmental body, given statutory powers by the Financial Services & Markets Act 2000, which regulates the financial services industry in the UK.

Financial Instrument: A generic term used to refer to any type of tradable financial asset, such as an Equity or debt security, derivative or Unit in a Collective Investment Scheme.

Fixed Income: Securities which pay a rate of interest and involve varying degrees of Counterparty Risk. The most common type of fixed-income securities are Eurobonds and Government Bonds.

Fixed Income Products: This includes fixed income instruments, bonds and money market instruments, such as government bonds, corporate bonds, inflation-indexed bonds, short dated bills, high yield bonds, zero-coupon bonds, floating rate notes, convertible bonds (includes contingent convertibles (CoCo’s) – sales to close positions only), asset-backed securities, subordinated bonds, perpetual bonds, municipal bonds, retail bonds.

GDR: Global Depositary Receipt, this is typically a bank certificate issued in more than one country for shares in a foreign company. GDRs are held by a foreign branch of an international bank. GDRs trade like domestic shares, but are offered for sale globally through the various bank branches. As a Financial Instrument, it enables domestic companies to raise capital from foreign markets in a freely convertible currency.

IPO: Initial Public Offering, this is the process through which a company offers tradable securities to the public for the first time. In these situations, the demand for a company’s securities may exceed the volume being offered to the market, and therefore investors participating in IPOs take the risk that their order may not be entirely fulfilled.

MiFID: Means the Directive 2014/65/EU of the European Parliament and the Council of 15 May 2014 on Markets in Financial Instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast). The Directive is effective from 3 January 2018.

MTF: Multilateral Trading Facility. 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 accordance with non- discretionary rules.

OTC: Over the Counter. Where buying and selling is not conducted over an Exchange and product features can be tailored to individual clients’ needs via a direct link between the buyer and the seller.



OTF: Organised Trading Facility. A multilateral system, which is not a Regulated Market or MTF, and which brings together multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives.

Principal: A firm which is trading on its own account either on its own behalf or on behalf of the client.

Reference Exchange Rate: A 'Reference Exchange Rate' is an indicative exchange rate for the conversion of one currency into another which is made available for reference purposes only and is determined by reference to the foreign exchange market rates published by information service providers such as Reuters and Bloomberg.

Regulated Market: An Exchange, other than an MTF, operated and/or managed by a market operator which brings together or facilitates the bringing together of multiple third-party buying and selling in Financial Instruments 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 MiFID or applicable national regulation.

Securitised Derivatives: These instruments may give you a time limited right or an absolute right to acquire or sell one or more types of investment which is normally exercisable against someone other than the issuer of that investment. Alternatively, these instruments may give you rights which allow for speculation on fluctuations in the value of the property of any description or an index, such as the FTSE 100 index. These are typically issued by financial institutions as unsecured securities; they therefore involve Counterparty Risk.

Structured Investments: A type of investment specifically designed to meet a defined financial objective by customizing a group of Financial Instruments (including Derivatives) with varying terms, payouts and risk profiles on a range of underlying assets. These are typically issued by financial institutions as unsecured securities; they therefore involve Counterparty Risk.

Warrants: A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying asset.

Valuation Point: The time at which a CIS or more commonly known as a 'fund' is valued (typically daily). Other than for ETFs, the value of a fund at the valuation point is used to calculate the price of units.

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Calls may be recorded.