

Information about Davy's Order Execution Policy

This is a summary of J & E Davy's order execution policy (the 'Policy') for retail clients.

Overview

Under the EU Markets in Financial Instruments Directive 2014/65 EU ('MiFID II'), as implemented by Statutory Instrument No. 375 of 2017 in Ireland ('the MiFID Regulations'), J & E Davy (trading as Davy) is required to have an Order Execution Policy in place and to take all sufficient steps to obtain the best possible result for its clients when buying and selling (referred to below as execute, executing or execution) financial instruments on behalf of its clients. The purpose of this document is to provide retail clients with information on this Policy.

Davy is required to execute orders on terms that are most favourable to its clients (termed 'best execution'). This requires Davy to take all sufficient steps to obtain the best possible result for clients in the execution or placement of such orders.

While Davy takes all sufficient steps to achieve the best possible result for its clients on a consistent basis, it cannot be guaranteed that best execution is achieved for each and every trade. The steps we typically take to ensure we achieve the best possible result are described in the policy. The Policy is subject to:

- Any specific instructions that you give to Davy e.g. an instruction to execute subject to a specific price limit ('limit order')
- The nature of your order (e.g. large orders relative to the normal trading volume of the financial instrument)
- The nature of the markets and financial instruments (e.g. whether there are buyers and sellers in the market for the financial instrument).

Scope of the policy

The Policy applies to client orders in all financial instruments covered by the MiFID Regulations. This includes: listed and unlisted shares; fixed income instruments, including bonds; money market instruments such as treasury bills, certificates of deposit, commercial paper; units in collective investment schemes and derivatives such as options, futures and forwards; as well as any other financial instruments covered by the MiFID Regulations which may be executed on your behalf from time to time.

The Policy applies where Davy:

- Receives and transmits client orders to brokers or dealers
- Executes orders on behalf of a client

Execution factors

The following factors will be taken into consideration by Davy in determining how to obtain the best possible result for your order:

1. Price of the financial instrument
2. Costs and expenses related to execution
3. The size of the order
4. Likelihood of execution and settlement
5. Speed of execution
6. Nature of the order
7. Any other consideration that is relevant to the execution of your order.

As this policy applies to retail clients the best possible result for a client will be determined in terms of the total consideration of a trade, representing the price of the financial instruments and all costs and expenses relating to execution (such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order). In some circumstances we may use our discretion to place a higher importance on the other factors referred to above, as listed from 3 – 7. In general, the ranking of the relevant importance of such factors is listed in this order, but may vary on a case by case basis as Davy will take the following factors into account:

- Your categorisation as a retail client
- The characteristics of your order
- The characteristics of the financial instrument
- The characteristics of the execution venues to which the order may be directed

Specific instructions

Where you provide Davy with specific instructions in relation to your order, the order will be executed in line with these instructions. Where you provide specific instructions that relate to only a part of the order, we will continue to follow this Policy to those aspects of your order that are not covered by your instruction. Any instructions provided by you may prevent Davy from following all steps of the Policy which has been designed to obtain the best possible result for you in respect of the elements that are covered by that instruction.

Execution venues

In order to meet the obligation to obtain the best possible result for the execution of client orders, Davy may use one of the following types of venues:

- Regulated Markets^[1]; such as Euronext Dublin
- Multilateral Trading Facilities ('MTF')^[2]; such as AssetMatch
- Organised Trading Facilities ('OTF')^[3]
- Davy is registered as a market maker^[4] on Euronext Dublin and as a primary dealer in Irish government bonds. When entering into a transaction for you, Davy may be dealing as principal for its own account by selling the financial instrument concerned to you or buying it from you
- Other market makers, third party brokers or other liquidity providers
- Non EU entities performing a similar function to the above.

Collectively, executing on a Regulated Market, MTF or OTF is referred to as executing or trading on a trading venue.

Where there is more than one competing execution venue Davy takes into account its own commissions and also the costs for executing the order on each of the eligible execution venues. Davy does not structure or charge its commissions in such a way as to discriminate unfairly between execution venues. For certain types of financial instruments, there may be only one execution venue available to Davy.

^[1] Regulated market – is a market place, trading system or exchange which meets the minimum EU standards set out in title III of the MiFID Regulations.

^[2] Multilateral Trading Facility (MTF) – is, in broad terms, a system that brings together multiple parties (e.g. retail investors or other investment firms) that are interested in buying and selling financial instruments and enables them to do so. These systems can be crossing networks or matching engines that are operated by an investment firm or a market operator.

^[3] Organised Trading Facility (OTF) – is a multilateral system that is not a regulated market or MTF bringing together multiple third party buying and selling interests in financial instruments in a way that results in a contract or transaction.

^[4] Market Maker: is a firm that buys and sells a particular financial instrument on a regular and continuous basis by posting or executing orders at a publicly quoted price. This is to enhance liquidity in that particular financial instrument. It may also include a firm engaging in algorithmic trading that is pursuing a market making strategy.

For some orders, Davy may determine the best result is achieved by executing outside a trading venue. Such trades are not afforded the same protections as trades executed on a trading venue, which are subject to rules and regulations governing execution and settlement. This increases counterparty risk.

Davy may place your order with another broker or dealer for execution. In such cases, Davy will satisfy itself that the broker or dealer has arrangements in place to enable us to meet our best execution obligations to you.

A full list of execution venues and third party executing firms used by Davy for each class of financial instrument in respect of which Davy executes orders on behalf of clients or places or transmits orders to other entities for execution is available at www.davy.ie/legal

Order Handling and Fair Allocation

Davy ensures that client orders are executed in a prompt, fair and efficient manner. Davy may aggregate your orders with the orders of other clients or Davy's own orders where we believe that such aggregation is unlikely to work to your disadvantage. However the effect of the aggregation may work to your disadvantage in relation to a particular order. If aggregated orders can be executed only in part, in general, Davy will allocate the related trades to clients on a pro-rata basis. Where orders are allocated on a non pro-rata basis, this follows an internally agreed procedure. If we have aggregated your order with Davy's own orders and the aggregated order is partially completed, we will allocate the related trades to clients in priority to Davy's own orders unless we can demonstrate that without Davy's participation the order would not have been carried out on such favourable terms, or at all.

Should you place a limit order with Davy for a share admitted to trading on a regulated market or traded on a trading venue, below a certain size and this is not immediately executed under prevailing market conditions, then we may be obliged to publish the details of your limit order unless you have expressly instructed otherwise.

Monitoring and review of the policy

Davy has an execution monitoring programme that reviews execution quality on an ongoing basis, assessing whether more favourable results for clients could be consistently achieved on alternative venues and whether the brokers or dealers to whom Davy transmit orders for execution and with whom Davy may place orders continue to provide the best possible result for Davy's clients on a consistent basis. Where your order is executed against Davy's own book, execution quality is reviewed in the same way as any other execution venue. If deficiencies are identified, appropriate amendments will be made to Davy's execution arrangements.

Upon client request, Davy will provide information on how best execution was achieved for a client order.

An overall review of the policy and/or execution arrangements is completed on an annual basis or more frequently where a material change occurs. Material changes to the policy are notified by posting an updated version of the policy on the website at www.davy.ie/legal

A summary of Davy's review of execution quality, together with details of the most frequently used execution venues and third party brokers used across the firm on an annual basis is available on www.davy.ie/legal

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