



Order Execution Policy

Schroder Wealth Management (US) Ltd

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1. Order Execution Policy

1 Purpose

SWUSL (“us” or “we”) has put in place this Order Execution Policy to ensure that we take all sufficient steps to obtain the best possible result on behalf of our Clients when transmitting orders for execution in relation to financial instruments.

2 Scope

This Order Execution Policy applies where we transmit orders on your behalf for execution. This policy applies to orders on behalf of both Retail and Professional Clients. We do not execute client orders ourselves, but we transmit them to an approved third party for execution. In doing so, we will act at all times in your best interests and take all sufficient steps to obtain the best possible result for you.

The following financial instruments are within the scope this Policy when transmitting orders to a third party for execution:

- Equities or shares
- Fixed interest or bonds
- Units in collective investment schemes
- Exchange Traded Funds (ETFs) and Exchange Products (ETPs).

3 Order Execution

Subject to any specific instruction that may be given by you (see ‘Specific Client instructions’ below), when transmitting orders in relation to financial instruments for execution on your behalf, we will take all sufficient steps to achieve what is called ‘best execution’ of your orders.

Under the FCA Rules, we must be able to demonstrate that we act in accordance with our Execution Policy, but this does not necessarily mean that you will receive the best possible price for every trade. Our commitment to take the steps we can to ensure you receive 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.

When selecting counterparties to whom we transmit orders, we will take into consideration a range of different execution factors, which would primarily include the counterparties’ regulated status (i.e. whether they can transact on behalf of US clients), as well as the cost of the transaction, the liquidity of the market (which may make it difficult to execute an order), the likelihood of execution and settlement, the size and nature of the order and the nature of the financial transaction.

As stated above, given the nature of SWUSL’s business (in particular the US clients for whom we act), in practice, there is an extremely limited number of counterparties to whom we can transmit trades for our clients. This is because we are constrained by the fact we are not an authorised broker-dealer under SEC regulation, and we must therefore transmit orders to counterparties who have the required authorisations, and who are prepared to accept orders from us.

4 Execution Venues

We do not access the execution venues ourselves.

We will only transmit orders to an approved third party for execution. We will act at all times in our Clients’ best interests and remain accountable for taking all sufficient steps to ensure best execution of their orders on a consistent basis (subject to the limitations of the available venues, as detailed above, and the fact that we may be treated as a Professional Client by the third parties to whom we transmit orders). We consolidate our equity

dealing with a single leading broker and our fixed interest / bond dealing with a single leading broker, both subject to the on-going monitoring of execution quality and periodic review of alternative execution venues.

The following table lists the brokers which we use to execute our client orders. Any additional brokers used but not listed below will nevertheless still have been selected in accordance with this policy:

- Royal Bank of Canada Capital Markets (for transactions in relation to equities);
- Oppenheimer Europe Ltd (for transactions in relation to fixed income);
- Pictet (for transactions in relation to Pictet custodied clients only).

5 Selecting an Execution Venue

We carefully select the brokers to whom we transmit orders. Brokers are selected according to the quality of trade execution. Selection would include criteria such as:

- Their ability to handle orders and trades for US Persons at the flow size our clients require;
- Their order execution arrangements and order execution policies so we can satisfy ourselves that they are appropriate and comply with the requirement to provide us with best execution;
- Perceived creditworthiness, reputation and financial stability;
- Access to markets and quality of service (such as responsiveness and promptness of execution);
- Competitiveness of costs and charges;
- Ability to handle less liquid instruments and provide consistently competitive spreads.

It is our policy that third-party brokerage costs incurred on behalf of Clients will relate solely to the execution of trades and will not include costs for the provision of investment research or other services. In some cases because of the nature of the order, the best execution obligation has limited scope. These are as follows:

- **Single Venue Transactions** - Where the nature of the transaction and our business results in there only being one execution venue, and therefore the only pricing consideration is the time of execution;
- **Highly Structured and Bespoke Transactions** - When dealing in highly structured off exchange transactions, it may not be possible to provide any comparisons with other transactions or instruments. Different considerations will apply where the transaction involves a customised OTC financial instrument tailored to your circumstances;
- **Specific Client Instructions** - Where you give us a specific instruction as to the execution of an order, we will execute the order in accordance with those specific instructions (where possible), subject to the FCA Rules. Where your instructions relate to only part of the order, we will continue to apply our Execution Policy to those aspects of the order not covered by your specific instructions. You should be aware that providing specific instructions to us about the manner of execution may prevent us taking the steps we have designed and implemented in this Execution Policy to obtain the best possible execution result in respect of the elements covered by your instructions. In the absence of express instructions from you, we will exercise our own commercial judgement and experience in the light of market information available, using the above criteria, to determine the factors that we need to take into account for the purpose of providing you with best execution and the relative importance of those factors.

6 Consent to Non-Publication of Limit Orders

Client instructed limit orders (in respect of shares admitted to trading on a Regulated Market) which are not immediately executed under prevailing market conditions must be published to other market participants unless the Client elects otherwise. We believe that your interests are best served if we are able to use our discretion in determining whether to make public such limit orders.

Rather than seeking this consent for individual transactions, it seems more appropriate for us to seek this consent in the form of a general agreement up front. In signing the Client Information and Appointment Form (or other account-opening documentation) we acknowledge your consent to our exercising our discretion in this regard. In relation to individual limit orders, it will always remain open to you to instruct us to make them public, even having provided this general consent.

7 Other Information About Our Order Execution Policy

When we execute orders for Retail Clients, this will be subject to the FCA Rules regarding best execution, prioritisation and fair allocation. All transactions in FX or other investments are subject to applicable local market regulations and the principle of fair treatment of Clients.

Monitoring

We monitor the effectiveness of the order execution arrangements of the counterparties to whom we transmit trades for execution - we assesses on a regular basis whether the execution venues included in the Policy provide best execution and makes adjustments in its execution arrangements if necessary.

We use a Transaction Cost Analysis ("TCA") system to analyse execution quality for trades. This analysis, and analysis of broker commissions, is generally undertaken on a monthly basis.

Review

This Policy is reviewed at least annually and any changes reported to the Management Committee, which is responsible for overseeing the review.

We periodically review the brokers that are used and provide Senior Management and Compliance with the results of such reviews.

We carry out the following reviews at least annually:

- Broker commissions
- Execution prices for a sample of transactions
- Ad hoc checks of unusual executions
- Other appropriate reviews on an ad hoc basis
- Assessment of execution quality
- Assessment of selection of execution venues

This Policy is reviewed whenever a material change occurs that affects our ability to continue to obtain best execution on a consistent basis using the venues set out in this document.

Governance

We have a robust governance framework in place to ensure that there is appropriate oversight over the firm's arrangements in order to deliver the best possible result for Clients and achieve best execution wherever possible. The Senior Management Committee convenes on a regular basis and includes the periodic review of execution venue selection and quality of trade execution as a part of its responsibilities.

Disclosure

We have an obligation to provide Clients with appropriate information and obtain their prior consent to the Policy. We have provided our Clients with a summary of the Policy in our Terms of Business and Clients consent to the Policy by signing the Client Information and Appointment Form. It is the responsibility of the Client manager to ensure Clients receive information on the Policy.

Where there is a material change to the Policy it will be disclosed to Clients via our website.

Appendix 1

Equities

1 Instruments

Equity transactions include:

- Shares
- American Depositary Receipts
- International Depositary Receipts
- Global Depositary Receipts
- Private Equities

2 Prioritisation of Execution Factors

We have set out below, how we prioritise execution factors against a set of criteria when executing equity transactions. However, such prioritisation is not fixed and appropriate consideration needs to be carried out on a transaction by transaction basis. Although price is usually the leading factor for most orders, certainty of execution, reduction of market impact and speed of execution might have greater importance depending on size of the order and the market conditions at any given time. The prioritisation of factors may therefore need to be adjusted to take these circumstances into account in order to ensure the best possible result.

Liquid Equities – General

1. Ability to handle orders and trades for US Persons
2. Price
3. Costs
4. Speed
5. Size
6. Likelihood of execution and settlement
7. Nature of the transaction or any other relevant considerations

Illiquid Equities – Market Maker stocks

The market for illiquid securities is often less transparent and are most effectively executed using a market maker. Consideration is given to the most effective market maker.

1. Ability to handle orders and trades for US Persons
2. Size
3. Likelihood of execution and settlement
4. Price
5. Costs
6. Speed
7. Nature of the transaction or any other relevant considerations

Illiquid Equities – Private Equity

Private equities may only be available using a single venue. The consideration will then be restricted to the timing of execution and if the trade is priced fairly.

3 Brokers

Equity transactions are transmitted by us to leading brokers, which have been evaluated to ensure best worldwide coverage and to fulfil trading needs. Other brokers will be considered where necessary, should we require coverage of additional jurisdictions which we may use on an irregular basis.

Additional factors impacting the broker selection include:

- Jurisdictional rules and regulations
- Clearing schemes
- Circuit breakers
- Scheduled actions
- Other relevant considerations

Our main broker for Equities is:

- Royal Bank of Canada Capital Markets

1 Instruments

Fixed income transactions include:

- Bonds (domestic and foreign)
- Floating Rate Notes
- Eurobonds
- Treasuries
- Inflation linked Bonds

2 Prioritisation of Execution Factors

We have set out below, how we prioritise execution factors against a set of criteria when executing fixed income transactions. However, such prioritisation is not fixed and appropriate consideration needs to be carried out on a transaction by transaction basis. Although price is usually the leading factor for most orders, certainty of execution, reduction of market impact and speed of execution might have greater importance depending on size of the order and the market conditions at any given time. The prioritisation of factors may therefore need to be adjusted to take these circumstances into account in order to ensure the best possible result.

Fixed Income – General

1. Ability to handle orders and trades for US Persons
2. Price
3. Costs
4. Speed
5. Size
6. Likelihood of execution and settlement
7. Nature of the transaction or any other relevant considerations

3 Brokers

Fixed Income transactions are transmitted by us to leading brokers, which have been evaluated to ensure best worldwide coverage and to fulfil trading needs. Other brokers will be considered where necessary, should we require coverage of additional jurisdictions which we may use on an irregular basis.

Additional factors impacting the broker selection include:

- Jurisdictional rules and regulations
- Clearing schemes
- Circuit breakers
- Scheduled actions
- Other relevant considerations

The main broker for our fixed income transactions is:

- Oppenheimer Europe Ltd

1 Instruments

Exchange Traded Product Transactions include:

- Exchange Traded Funds
- Exchange Traded Notes
- Exchange Traded Commodities

2 Prioritisation of Execution Factors

We have set out below, how we prioritise execution factors against a set of criteria when executing exchange traded product transactions. However, such prioritisation is not fixed and appropriate consideration needs to be carried out on a transaction by transaction basis. Although price is usually the leading factor for most orders, certainty of execution, reduction of market impact and speed of execution might have greater importance depending on size of the order and the market conditions at any given time. The prioritisation of factors may therefore need to be adjusted to take these circumstances into account in order to ensure the best possible result. We transmit the orders to a leading broker who carries out exchange traded product transactions directly on the venue.

Products traded on Exchange

1. Ability to handle orders and trades for US Persons
2. Price
3. Costs
4. Speed
5. Size
6. Likelihood of execution and settlement
7. Nature of the transaction or any other relevant considerations

Products traded with Market Makers

1. Ability to handle orders and trades for US Persons
2. Size
3. Likelihood of execution and settlement
4. Price
5. Costs
6. Speed
7. Nature of the transaction or any other relevant considerations

3 Execution Venues

Orders for exchange traded products are transmitted by us to leading brokers. Execution venues have been evaluated to ensure best worldwide coverage and to fulfil trading needs. Other venues will be considered where necessary, should we require coverage of additional jurisdictions which we may use on an irregular basis.

Additional factors impacting the execution venue selection include:

- Jurisdictional rules and regulations
- Clearing schemes
- Circuit breakers
- Scheduled actions
- Other relevant considerations

Our execution venue selection is consolidated to ensure liquidity is not diluted with extra costs being incurred by spreading lower volumes across additional venues. Main execution venue is:

- Royal Bank of Canada Capital Markets