



RBC Global Asset Management (UK) Limited (“GAM UK”) Order Execution Disclosure Statement

It is our responsibility to act in the best interests of our clients when placing orders with other entities for execution that result from our decisions to deal in financial instruments on our clients’ behalf. This document provides you with information about how we will seek to carry out transactions in financial securities for your portfolio.

Typically, we carry out transactions by passing orders to another person, such as a broker, who then executes the order on our behalf. Alternatively, we may trade directly with a counterparty through a trading venue; or, we may do so bilaterally or “over-the-counter”.

Client specific instructions

Where we agree to carry out transactions based on specific instructions that you have given us, you should be aware that this may prevent us from taking the steps that we have designed and implemented to achieve best execution.

Execution of orders outside a trading venue

We are required to make you aware of the risks of executing orders outside a trading venue which can include counterparty and operational risk. If you require more information concerning this method of execution then we would be happy to provide it via your regular client contact.

Relevant factors and how we determine their relative importance when deciding how to execute orders

Financial Conduct Authority (“FCA”) rules require us to take into account a range of factors in deciding how and with whom we carry out orders. These factors include the security price, execution costs, speed, likelihood of execution and settlement, the size and nature of the orders and any other factors we consider to be relevant to the execution of the order. In determining the relative importance of these factors in achieving best execution, we will consider both the characteristics of our client and the order.

In general, we aim to carry out orders in such a way that achieves the best possible result in terms of price and costs for our clients, in the context of and while aiming to achieve out performance for their portfolio as a whole over time.

For small equity orders that represent a low percentage of the average daily volume (ADV), we prioritize factors such as price over likelihood of execution. However, for large equity orders that represent a high percentage of ADV we are more likely to prioritize speed of execution, followed by likelihood of execution, followed by price.

When executing orders in fixed income securities, different securities warrant different priorities. For instance, for orders for emerging market bonds we may prioritize the likelihood of execution and

settlement over price, whereas for orders for bonds that trade infrequently certainty of execution will often assume a higher level of importance.

When we execute orders in derivatives, we generally rank price and execution costs as the most important relevant factors.

List of factors used to select a venue, counterparty or broker

When GAM UK carries out orders on behalf of clients it will seek to achieve best execution by selecting execution venues, brokers and counterparties that allow it to consistently obtain the best possible result.

Typically, we do not select venues, but instead select brokers when trading equities. Execution venues are then selected by the brokers. Broker selection for trading is undertaken by our traders and is dependent primarily on their opinion of who is best capable of executing the trade in the most efficient manner. Brokers are reviewed on a quarterly basis by the Trade Management Oversight Committee (TMOOC). These reviews will take into account the quality of service provided by each broker across the spectrum including execution capability, access to capital and ability to provide natural flow or market colour.

When selecting execution brokers, in most circumstances, our overriding aim is to minimize market impact for orders that are large in scale. Therefore, we select brokers based on their ability to provide natural liquidity as a priority. Secondly, we consider access to broker capital. Finally, we prioritize those brokers whose desk gives our traders information on market trends and other developments which can assist us in choosing a trading strategy.

In fixed income execution, sourcing for liquidity at a fair price generally takes priority over venue selection. In most cases, our counterparties are listed on all venues we are currently subscribing to and we are indifferent as to which venue we use.

Monitoring of Best Execution

The pre-trade analysis we perform, combined with the analysis we receive from our venue analysis vendor and a trade cost analysis (TCA) tool, allow us to monitor quality of execution across different brokers/venues. If we do not believe that the quality of execution provided by certain brokers/venues aligns with achieving best execution for you then we may exclude trading with those brokers/venues. We never evaluate the success of a single trade using just TCA as other factors will also be considered such as the speed and likelihood of execution.

FCA rules require us to monitor the effectiveness of our order execution arrangements. We therefore review on a regular basis whether the execution venues to whom we transmit orders achieve best execution on a consistent basis.

Consent to the Policy

FCA rules also require us to receive the consent of clients to our Order Execution procedures prior to carrying out transactions. We are also required to notify you of any material changes to those procedures. A current version of this Order Execution Disclosure Statement can be found on our website at www.rbcgam.com and clients may contact us with any questions at rbcgamukclients@rbc.com.

Appendix 1

RBC places significant reliance on the following venues in meeting its obligation to obtain best execution:

Equities:

EEA Regulated Markets:

Athens Stock Exchange

Borsa Italiana

Budapest Stock Exchange

Deutsche-Boerse (Xetra)

Irish Stock Exchange

London Stock Exchange

Madrid Stock Exchange

NYSE Euronext (Paris, Amsterdam, Brussels, Lisbon)

OMX Exchanges (includes exchanges in Denmark, Sweden and Finland)

Oslo Stock Exchange

Prague Stock Exchange

Vienna Stock Exchange

Derivatives:

Eurex

Liffe

CBOT

NYMEX

LME

Bloomberg SEF

Non EEA Regulated Markets:

American Stock Exchange
Australian Stock Exchange
Hong Kong Stock Exchange
Istanbul Stock Exchange
Jakarta Stock Exchange
Johannesburg Stock Exchange
Korea Stock Exchange
NASDAQ
New York Stock Exchange
Mexican Stock Exchange
Philippine Stock Exchange
Sao Paulo Stock Exchange BOVESPA
Shanghai Stock Exchange
Shenzhen Stock Exchange
Singapore Stock Exchange
SWX Europe
SWX Swiss Exchange
Tel Aviv Stock Exchange
Tokyo Stock Exchange
Toronto Stock Exchange

Fixed Income:

Bloomberg
Bats Trading
Blockwatch
BOAT
Chi-X
Equidnet
MarketAxess
NASDAQ OMX
OS Crossfinder
Sigma X
Turquoise