



BEST EXECUTION AND ORDER HANDLING POLICY

This is our best execution and order handling policy, which we follow when executing orders on behalf of clients.

Clients giving us orders to trade after receiving this policy will be consenting to having their orders handled by ourselves under the terms of this policy.

What is best execution and order handling?

When we execute an order on behalf of a client, we may owe that client a duty of best execution. This means that we are obliged to take all sufficient steps to obtain the best possible result for that client when executing your orders.

This does not mean achieving the best price for every client order, but rather the best possible result that we can reasonably be expected to achieve with the resources available to us.

We have an obligation to implement procedures that provide for the prompt, fair and expeditious execution of client orders in relation to other client orders or our own trading interests.

When does best execution apply?

- When we have an order in respect of a financial instrument AND we are arranging transactions (for example, ringing up a broker and placing an order through them, known as “receiving and transmitting orders”);
- When making an investment decision in accordance with a discretionary mandate given by a client; and
- When a client places an order for execution-only services or services on a non-discretionary basis.

PLEASE NOTE: if the client provides us with specific instructions this may prevent us from taking the steps set out in our policy to obtain the best possible results for the execution of that order in respect of the elements covered by these instructions. Executing a client order in accordance with their instructions satisfies our obligation to take sufficient steps to obtain the best possible result for the execution of that order.

How do we satisfy the best execution obligation?

We have to take all sufficient steps to obtain the best possible results for our clients. In practical terms, this means selecting execution venues (i.e. third party investment firms) that consistently deliver best execution taking into account the execution factors listed below.

Execution factors:

- Price
- Costs of transaction
- Speed
- Likelihood of execution
- Likelihood of settlement
- Size of order

AND we must also take into account:

- Any other relevant considerations, such as:
 - a) The investment intent of the portfolio manager who created the order when operating on a discretionary mandate;
 - b) The characteristics of financial instruments that are the subject of that order; and
 - c) the characteristics of the execution venues to which that order can be directed.
- Whether you have given us any special instructions (as execution according to those instructions will satisfy the best execution obligation).

Execution Venues

In establishing our Execution Policy, we have identified a variety of different third party investment firms (i.e. execution venues) that we may use depending on the nature of the financial instrument concerned. In executing orders for you we will place a significant reliance on these execution venues in order to obtain the best possible result on a consistent basis.

Some financial instruments may only be traded on one venue (notably if we purchase units/shares of a collective investment scheme (CIS), the venue will be the fund manager/ CIS operator itself and the trade may need to be routed via our custodian in which case their terms and conditions will also apply). We will regularly assess the execution venues available and may add or delete venues in accordance with our obligation to provide you with the best possible execution on a consistent basis.

Selection of a venue for the execution of an order will be based upon the Execution Factors. Our policy is to access market liquidity via various methods that allow Heritage to obtain the best possible result for the execution of client orders on a consistent basis. Heritage is not affiliated with any broker, bank or venue.

Broker Selection

The panel of brokers that we place significant reliance on to execute your trades are:

- Butterfield Bank (Guernsey) Limited
- Guy Butler Limited
- Liberum Capital Limited
- Numis Securities Limited
- Panmure Gordon & Co
- Stocktrade (Embark Group Limited)

The determining factors for choosing a particular broker for executing a trade include:

- Competitiveness of commission rates or spreads;
- Promptness of execution;
- Clearance and settlement capabilities;
- Provision of delegated regulatory reporting;
- Quality of service;
- Creditworthiness; AND
- Reputation.

Class of Instruments

The main brokers we use to execute your trades in the various instruments, using the execution and determining broker factors above, are:

	Equities	Investment Funds	Fixed Income	Heritage's Commission*	Broker's Commission	Total Commission
Butterfield Bank (Guernsey)	X	X	X	0.25% (minimum £50)	0.10% - 0.50%	0.35% - 0.75% (minimum £50)
Guy Butler	X	X	X	0.25% (minimum £50)	0.10% - 0.50%	0.35% - 0.75% (minimum £50)
Liberum	X	X	X	0.25% (minimum £50)	0.05% - 0.10%	0.30% - 0.35% (minimum £50)
Numis Securities	X	X	X	0.25% (minimum £50)	0.05% - 0.10%	0.30% - 0.35% (minimum £50)
Panmure Gordon	X	X	X	0.25% (minimum £50)	0.05% - 0.10%	0.30% - 0.35% (minimum £50)
Stocktrade	X	X	X	0.25% (minimum £50)	0.10% - 0.50%	0.35% - 0.75% (minimum £50)

*Heritage's Commission only applies to trades not within Heritage funds (i.e. not within the Heritage Managed Portfolio Fund, the Heritage Absolute Return Fund or the SVS Heritage Balanced Portfolio Fund)

Top 5 Execution Venues

When we select brokers to provide order execution services, we will summarise and make public on our website, on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where we transmitted or placed client orders for execution in the preceding year and information on the quality of execution obtained.

Best Execution Monitoring

Heritage will ensure that there is monitoring of best execution in place depending on the volumes of trades that are being executed. The purpose of this monitoring will be to ensure the effectiveness of the best execution policy and to meet the regulatory obligations of best execution.

This will be done internally by quarterly thematic testing. We will pick a sample of trades and find outliers that appear to be outside of our pre-determined factors. The pre-determined

factors will include reference points or relevant benchmarks such as mid-prices, or a volume weighted average price for the interval of data that we are testing.

Order Handling

All client orders must be given in writing.

We are required to ensure prompt, fair and expeditious execution of client orders, relative to other orders or our interests

We must execute client orders promptly and execute comparable client orders promptly and sequentially unless the characteristics of the order or prevailing market conditions make this impossible, or the interests of the client require otherwise.

We will satisfy the following conditions when carrying out client orders:

- a. Ensure that orders executed on behalf of clients are promptly and accurately recorded and allocated;
- b. Carry out otherwise comparable client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the client require otherwise;
- c. Inform a retail client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

We also do not have to treat client orders sequentially if the orders are received by different media and it would not be practicable to do so.

If your order is to be aggregated with other client orders and/or with our own orders, the effect of aggregation may work to your disadvantage in relation to a particular order.

Fair allocation

We will allocate all orders fairly and will not give preference to one client over another.

If we have aggregated client orders with our own orders and we cannot complete the total order we will fill the client orders first unless we can show that without our participation the order could not have been filled on such favourable terms or at all.

Reviewed 24th April 2023