

## BCWM Best Execution Policy

### Contents

<b>Introduction</b> .....	2
<b>Consequences of failing to adhere to Best Execution Requirements</b> .....	2
<b>Choosing a Stockbroker</b> .....	2
<b>Financial Instruments</b> .....	3
<b>Execution Venues</b> .....	3
<b>Factors BCWM considers</b> .....	4
<b>Specific Instructions</b> .....	5
<b>Order Allocation:</b> .....	5
<b>Dealing in Over the Counter trades</b> .....	5
<b>Dealing in investments which are not MiFID Financial Instruments</b> .....	6
<b>Publication</b> .....	6
<b>Monitoring</b> .....	7
<b>Client reporting</b> .....	8
<b>Retention of Records</b> .....	8
<b>Portfolio Management</b> .....	8
<b>Training</b> .....	8

## BCWM Best Execution Policy

### Introduction

Best execution refers to BCWM's duty to take sufficient steps to obtain the best possible result for its clients when placing orders in financial instruments. The purpose of this policy is to outline how BCWM achieves best execution for its clients. When clients of BCWM place an order with BCWM, they agree to the terms of this Best Execution Policy.

When this policy refers to 'placing' an order, it means the act of transmitting an order in a security to a stockbroker, either to buy or sell the security. The order is then executed by an authorised broker who must complete the order in line with its own best execution policies. BCWM is not authorised to execute trades.

BCWM does not receive any remuneration or non-monetary benefit for placing orders with brokers and BCWM does not deal on its own account.

Further information on BCWM's Best Execution process is available to all clients on request.

This policy shall be reviewed at least annually, or where material changes which affect the firm's ability to obtain the best possible results occur and is therefore subject to change. BCWM will notify clients if the change is deemed material. The most up-to-date version of the policy is found on BCWM's website.

### Consequences of failing to adhere to Best Execution Requirements

According to the Central Bank of Ireland letter of 10 November 2020, regarding the 'Best Execution Thematic Inspection', if staff have a poor understanding of their best execution obligations, there is a risk to clients that their order execution will not deliver the best possible outcome across several areas, including costs, price, speed, likelihood of execution and settlement, size, nature and any other consideration relevant to the execution of the order. It is essential that staff not only understand the firm's policies and procedures, but also the consequences for their clients of failing to adhere to the requirements.

### Choosing a Stockbroker

BCWM clients with self-directed portfolios may choose their stockbroker. BCWM has preferred brokers which it uses for clients who do not express a preference for a particular broker. All stockbrokers are subject to due diligence at take-on and at least bi-annually thereafter. BCWM considers the below listed factors for all stockbrokers and carries out additional due diligence on stockbrokers who are preferred brokers, which includes a due diligence meeting with each such broker. If BCWM discovers that a stockbroker a client has chosen is not delivering best execution on a consistent basis, we will inform the client.

When reviewing stockbrokers, BCWM:

- establishes that the firm is MiFID authorised.
- seeks a copy of the firm's Best Execution Policy and satisfies itself that such policy is adequate.
- satisfies itself that the commissions and other charges applied to client orders will be reasonable.
- satisfies itself that the broker commission fees actually charged are in line with what was disclosed/agreed

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- satisfies itself that the firm has the capability to execute, administer and settle efficiently orders in the range of securities envisaged for dealing with that firm.
- satisfies itself that other services sought from the firm in conjunction with order execution (such as custody) are likely to be delivered efficiently, cost-effectively and without exposing the client to unreasonable risks.
- considers the metrics the stockbroker publishes under the new MiFID II requirements.

BCWM shall include the following warning in the Terms of Business with clients:

**Warning:** You should note that if you chose a stockbroker that is not a preferred broker, it is subject to a lower level of due diligence by BCWM.

At the date of this policy, the full list of approved stockbrokers is as set out below.

<b>Stockbroker</b>	<b>Financial Instrument Type</b>
All Funds	Investment Funds & ETFs
Ramsey Crookall	All
Alliance Trust (formerly Stocktrade)	All
Cantor Fitzgerald	All
Davy Stockbrokers	All
Goodbody Stockbrokers	All
Brewin Dolphin (formerly Investec Wealth & Investment)	All
Interactive Brokers	All
Quilter Cheviot Europe Limited	All

## **Financial Instruments**

This Best Execution Policy covers trades in MiFID financial instruments. This means:

- Transferable securities (eg any of the following that is capable of being traded on the capital markets i) equities (or shares in a company), ii) bonds, iii) depositary receipts for shares or bonds, iv) an Exchange Traded Fund that is capable of being traded on the capital markets)
- Money market instruments (instruments dealt on the money market such as treasury bills, certificates of deposit, commercial papers)
- Units in collective investment undertakings (eg a UCITS Fund, an AIF, a SICAV)
- Options, warrants, futures, swaps and forward rate agreements, derivative contracts, contracts for differences, emission allowances

## **Execution Venues**

The Firm places orders in MiFID financial instruments with a broker who will normally execute the order at an execution venue or over-the-counter.

An execution venue means:

- a regulated market (for example the London Stock Exchange)
- an MTF (Multilateral Trading Facility – a multilateral system which brings together multiple third-party buying and selling interests in financial instruments ; orders are on a non-discretionary basis)

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- an OTF (Organised Trading Facility – a multilateral system in which multiple third-parties buy and sell bonds, structured finance products, emission allowances or derivatives; orders are carried out on a discretionary basis)
- a systematic internaliser (an investment firm which, on an organised, frequent systematic and substantial basis, deals on its own account by executing client orders)
- a market maker or other liquidity provider or (a person who holds himself out on the financial markets on a continuous basis as being willing to deal on its own account by buying and selling financial instruments against that person’s proprietary capital at prices defined by that person)

Dealing over-the-counter means a broker dealing directly with another broker, or the broker dealing as principal on its own account.

## Factors BCWM considers

BCWM will normally consider the factors outlined in the table below when executing trades, reviewing completed trades and/or reviewing brokers:

Factor	How BCWM considers this factor
Price	BCWM considers the market price of financial instruments before placing trades in equities, bonds and ETFs and gives the stockbroker a price range within which the trade should be done. The price achieved is then monitored post trade by the Client Services team (who places the order) and the Operations team (who issues the contract note)
Costs (all expenses incurred by the client which are directly relating to the execution of the order)	The broker commissions, foreign dealing charges, annual account charges and other third-party costs charged by brokers is a key factor in BCWM’s review of brokers.
Speed	BCWM expects trades to be executed by the brokers promptly. Any pattern of delays in trades shall be escalated to the Head of Risk and Compliance and considered in any reviews for discussion at the Risk Committee..
Likelihood of execution and settlement	The likelihood of execution and settlement are deemed to be the most critical factors prior to the selection of a broker and for any ongoing due diligences. BCWM must be satisfied that the broker is reliably able to execute the order before a broker is approved.
Size	The size and value of orders BCWM places is relatively low compared to the Irish and global stock markets. Therefore the size of the order is generally not a key consideration for BCWM.
Nature	Whether the order is a buy order or a sell order is generally not a key consideration for BCWM.
Characteristics of the client, including whether retail or professional	The vast majority of BCWM’s clients are classified as Retail clients under MiFID and for Retail clients, an emphasis is placed on the total consideration, representing the price and the costs. Other factors may be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the retail client.

	BCWM will inform retail clients about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.
Characteristics of the Financial instrument	<p>BCWM considers the financial instrument specific factors:</p> <p><b>Equities &amp; Exchange Traded Funds</b></p> <ul style="list-style-type: none"> <li>- BCWM will place the order for an Exchange Traded Fund with a broker. The broker identifies the best available prices from a variety of execution venues such as a regulated market, an MTF, an OTF, another broker, a market maker or may deal as principal on its own account</li> </ul> <p><b>Collective Investment Schemes (such as UCITS, AIF, SICAV funds)</b></p> <ul style="list-style-type: none"> <li>- BCWM places the order with a broker. The broker will then route the order to the fund manager at the available price for that particular fund or on an exchange if the fund is listed. Orders in unit funds are likely to be executed outside of a regulated market, MTF, or OTF</li> </ul> <p><b>Bonds</b></p> <ul style="list-style-type: none"> <li>- BCWM places the order for any bonds with a broker. Brokers generally execute orders for bonds on an over the counter basis.</li> </ul>
The characteristics of the client order, including where the order involves a securities financing transaction (SFT);	Should the order be in a non-standard financial instrument, such as a securities financing transaction, a member of the Senior Management Team will be involved in the transaction to ensure that best execution is achieved.
Any other relevant factors	BCWM considers availability of data from the stockbroker, and their response to requests, in order to allow meaningful assessment of service

## Specific Instructions

If a client gives BCWM a specific instruction, BCWM will satisfy its best execution obligations only in respect of the part or aspect of the order to which the instructions relate. A specific instruction may prevent BCWM from taking the steps outlined in this policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

## Order Allocation:

BCWM carries out otherwise comparable client orders in the order in which they were received unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the client require otherwise. BCWM does not aggregate client orders.

## Dealing in Over-the-Counter trades

From time to time, the broker will execute the trade on an over-the-counter basis, rather than on a centralised exchange. A financial instrument is traded on an over-the-counter basis, when it is not traded on a trading venue (i.e. a regulated market, an MTF or OTF). For the typical financial instrument held by BCWM clients, there are market prices available for BCWM to determine if a fair price was achieved, even if it was traded over-the-counter. Details of

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typical over-the-counter trades and how BCWM determines if a fair price is achieved is outlined below:

<b>Financial Instrument</b>	<b>Over-the-counter Basis</b>	<b>BCWM Checks</b>
Transferable Securities	The broker may trade directly with another broker, or on its own book	BCWM will check versus the published exchange prices on the day
Units in collective investment undertakings	The broker normally trades unit in collective investment undertakings directly with the fund manager	BCWM will check versus the Net Asset Value of the Fund on the day
Bonds	Brokers generally execute orders for bonds on an over the counter basis directly with another counterparty	BCWM will check versus the published exchange prices on the day.
Derivative contracts, Options, Warrants	Brokers generally execute orders for derivative contracts, options, and warrants on an over-the-counter basis directly with another counterparty	BCWM shall check the fairness of the price by gathering the data available used in the estimation of the price of the product and where possible by comparing with similar or comparable products.

When dealing in over-the-counter products, it may be more difficult for the broker to liquidate an existing position. Over the counter products may be less regulated than financial instruments traded on an exchange.

## **Dealing in investments which are not MiFID Financial Instruments**

From time to time, BCWM's clients invest in assets which are not regulated by the MiFID Regulations, such as property or life policies. It is unlikely that BCWM will use a broker for these trades and unlikely that the trade will take place on an execution venue. These investments are not subject to the Best Execution policy and the process for these investments is included here for information only:

- Investments in unit linked funds (life policies): The trade will be placed with the insurance company directly either by the client or by BCWM. BCWM shall check that the price achieved for the trade was be the next available unit price
- Property: if a client invests in property, the client will agree the price with a seller directly

## **Publication**

Each year BCWM shall publish on its website the following information relating to the preceding year:

- The top five brokers used for each class of financial instrument (equities, bonds etc) in terms of trading volumes
- BCWM will indicate the classes of financial instruments for which it executes a very small number of orders
- Information relating to the quality of the execution obtained, including detail on price, costs, speed and likelihood of execution
- The percentage of trades for each of the top five brokers, for which the broker was chosen by the client
- This information shall be split for Professional clients and for Retail clients

# BCWM

- Any trades for Securities Financing Transactions shall be presented separately
- Reports shall be made available on or before 30th April each year
- Reports will be in a machine-readable electronic format, most likely in Excel format.

BCWM shall also publish, for each class of financial instrument, a summary of the analysis and conclusions its draws from the monitoring of the quality of execution on the brokers for the preceding year. This information shall be prepared by the Head of Compliance & Risk and shall include:

- an explanation of the relative importance BCWM gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution
- a description of any close links, conflicts of interests, and common ownerships with respect to any brokers used to execute orders. As of the date of the policy there are none.
- Confirmation the BCWM has no specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received
- an explanation of the factors that led to a change in the list of approved brokers, if such a change occurred
- an explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements
- an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client;
- an explanation of how BCWM has used any data or tools relating to the quality of execution from the brokers
- where applicable, an explanation of how the investment firm has used output of a consolidated tape provider

## Monitoring

BCWM monitors this best execution policy in the following fashion:

- i) Monitoring of brokers
  - The investment committee carries out ongoing due diligences on brokers
  - the Head of Client Asset Oversight carries out due diligence reviews on all new entities ongoing due diligence at least bi-annually thereafter
- ii) Monitoring of Trades
  - Prices are checked after the trade details are received from the broker to ensure it was within the price range given to the broker. This is done by the Operations team when the trade details are received and by the Client Services team on a sample basis.
  - The Head of Risk & Compliance (HRC) and the Head of Client Asset Oversight (HCAO) are points of escalation for best execution issues, errors, breaches, or potential errors. They will review and escalate business issues to the Board and Risk Committee, if appropriate.
  - At least bi-annually, Compliance carries out monitors of trades on a sample basis.. The Compliance sampling utilises the criteria set down in the above paragraph, titled 'Factors BCWM Considers'. Compliance will review the list of factors which contribute toward Best Execution, including Price, Costs, Speed, Likelihood of Execution and settlement, volume, nature, characteristics and any other relevant factor.
  - In addition to BCWM's Internal Audit function and the normal monthly regulatory filings and inspections, client asset accounts are audited on an annual basis by External Auditors to examine compliance with the CAR and report on same to the Central Bank

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of Ireland. Internal Audit will escalate business issues to the Audit Committee, if appropriate.

## **Client reporting**

BCWM shall notify clients promptly in a durable medium with the essential information concerning the execution of the order. BCWM shall do this by way of issuing a contract note to clients no later than one business day following receipt of the trade details from the executing stockbroker. If the stockbroker issues a contract note directly to a client, BCWM will not issue a contract note.

The contract note shall include:

- BCWM's name
- the name of the client
- the trading day & time
- the type of the order
- the venue where the order took place
- the name of the instrument
- whether it is a buy or a sell
- the nature of the order if other than buy/sell
- the quantity
- the unit price
- the total consideration
- a total sum of the commissions and expenses charged by the stockbroker
- the rate of exchange obtained where the transaction involves a conversion of currency;

When BCWM places a trade with stockbrokers, the cash will be in the client's account with the broker and the broker will take the payment directly from the account. BCWM is not a stockbroker and therefore will not be the counterparty to any trade.

## **Retention of Records**

BCWM is obliged to retain client identification and client transaction records of six years from the end of the client relationship or the date of the transaction, whichever is the later. Other information may be retained for no longer than necessary for the purpose for which it was provided to us or as required or permitted for legal, regulatory, fraud prevention and legitimate business purposes.

## **Portfolio Management**

Portfolio management means managing portfolios on a discretionary basis in accordance with mandates given by clients. BCWM makes the investment decision and transmits the order to the stockbroker to buy or sell the security. As of the date of this policy, BCWM does not carry out any portfolio management services. Should this change, BCWM will update the policy to describe the portfolio management process.

## **Training**

Annual training is provided to staff members engaged in executing trades, reviewing completed trades, and/or reviewing brokers.

This Best Execution Policy was reviewed and approved by BCWM Senior Management on 30th April 2024.

**Trevor Forbes**  
**Chief Risk Officer & Head of Compliance**  
**April 2024**

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