

Background

This document sets out our Execution Policy and approach to providing Best Execution. This obligation to obtain the best possible result for clients is referred to, in this document, as Best Execution. This applies equally to all clients and the following is designed to inform you about our Execution Policy.

We are required to take "all sufficient steps" to obtain the best possible result for you as our client when involved in executing orders. Amongst the criteria that helps us to determine whether sufficient steps have been taken are:

- Characteristics of the order, for example if a price 'limit' has been specified
- Characteristics of the financial instruments involved
- Characteristics of the execution venues being considered.

Order Placement

Due to the way we conduct our business orders are normally received via the telephone.

Order Execution Factors

When we place an order for you, we consider a range of factors:

- * Price (normally considered the most important factor);
- * Cost;
- * Speed of execution;
- * Likelihood of execution and settlement date required;
- * Size of deal;
- * Nature of order; and
- * Any other considerations relevant to the execution of the order.

Cave & Sons will generally give price a higher relative importance, but will also consider the other execution factors detailed above to obtain Best Execution. This may not result in the best available price. Other considerations may include the liquidity of the market (which may make it difficult to execute an order), including whether or not such transactions are executable on a Regulated or Unregulated Market. Cave & Sons reserves the right to act, in a deal, as agent for more than one client collectively.

Order Execution Policy

When you place an order with us for execution, we have to consider a range of 'Best Execution factors', as detailed in the above section. This Order Execution Policy provides basic details on how we execute your orders in the market.

In the normal course of business, we may seek liquidity (the ability to execute your order) and to achieve best price via the Retail Services Provider (RSP) system used by us. This is an

electronic dealing system, providing access to a range of market counterparties (Market Makers) and their associated price quotes. If there is not sufficient liquidity via this method, or the order is of a complex nature, our dealing team may liaise and trade with other market counterparties in order to execute the order.

We reserve the right to route orders via a broker, if considered beneficial for you. This decision will be based upon various factors, including asset type, liquidity and pricing.

All executed orders are monitored and reviewed by us for best price, post trade, via the use of an external analytics provider.

If you provide specific instructions on how you would like us to deal with your order, e.g. via a specific market counterparty, we may not be able to apply either our Best Execution Policy or Order Execution Policy.

Order Execution Venues

When we execute orders on your behalf we select venues that allow us to achieve consistent Best Execution. Instruments that we are able to trade are as follows:

- » Equities;
- » Exchange Traded Funds (ETFs) & Investment Trusts;
- » Exchange Traded Commodities;
- » Government bonds;
- » Corporate bonds;
- » Collective Investment Schemes.

Trades placed in collective investment schemes (e.g. OEICs, unit trusts) will be traded directly with the respective fund manager.

In some instances, we may be able to place your order with a number of execution venues. This is likely to be the case when your order relates to UK listed securities. Our current execution venues for listed securities are as follows:

- » London Stock Exchange (LSE) Main Market & Alternative Investment Market (AIM) (Full Member);
- » LSE Retail Service Provider network;
- » Over the Counter (OTC) via counterparties;
- » Over the Counter (OTC) for overseas markets via counterparties.

A full list of current market counterparties is available on request from the Dealing Team. The Dealing Team can be contacted by telephone on 01604 621421.

Where there is only one execution venue to place your order, we will be required to use that venue irrespective of the order execution factors.

Order Execution Timescales

We cannot be held responsible for any failures in third parties, counterparties or messaging infrastructure during the execution of your orders.

Our regulatory obligation to provide you with Best Execution does not mean that we owe you any fiduciary responsibilities over and above the strict regulatory requirements placed upon us, or as otherwise specifically agreed with us.

Whilst regulations require us to take reasonable steps to satisfy ourselves that the arrangements we have in place will provide you with the best possible result on a consistent basis, we cannot guarantee that we will be able to provide you with Best Execution for every order where we act on your behalf.

Client Order Handling, Aggregation & Allocation

Order Handling & Aggregation

- » Cave & Sons 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.
- » Cave & Sons are not required to treat client orders sequentially if the orders are received via different media and it would not be practicable to do so.

Fair Allocation

Cave & Sons will allocate all orders promptly and fairly, and will not give preference to one client over another.

Limit Orders

When placing a limit order, please be advised that we do not guarantee execution of this order type and will work on a 'best endeavours' basis. Limit orders are typically held on an 'all or nothing' basis; partial execution of the order is not generally available. If you wish to amend or cancel a limit order, please contact the Dealing Team immediately on 01604 621421 as these orders may already have been placed with an external counterparty.

Cancellation

We reserve the right to cancel a transaction without notice where we believe there is sufficient justification. This may include, but is not limited to, circumstances where we are requested to do so by our counterparty or the relevant exchange, or where we believe you have submitted duplicate or repeated instructions to take advantage of any market limitations or restrictions. We will not be liable for any loss or expense you incur as a result of the cancellation of a transaction in such circumstances. If multiple trades are processed we will apply charges separately to each deal.

Monitoring and Reviewing

Cave & Sons is required to monitor the effectiveness of its order execution arrangements and execution policy to identify and (where appropriate) correct any deficiencies. This will include monitoring execution venues and whether they provide the best possible price (including considering, where relevant, information published by execution venues under MIFID II best execution requirements or any other relevant data). We will also monitor to ensure that the execution strategies employed are appropriate. The monitoring covers trading of all asset classes and focuses on three key execution factors: price, costs and speed, although all best execution factors will be considered.

Reporting

We will make public, via our website, the top five execution venues in term of trading volumes (where client orders have been executed or transmitted to in the proceeding year) and information regarding the quality of execution of certain financial instruments.

This reporting publication is an annual requirement. It forms part of the compliance monitoring programme to ensure that this is undertaken.

Consent

We are required to obtain your prior consent to our policy when we execute the transaction ourselves. You will be deemed to provide such consent when you instruct us to act on your behalf in relation to an order.



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