

Background

It's in the interests of our clients and our firm that we obtain the best possible result when placing orders for execution on behalf of our clients, with third parties, such as platforms, fund managers or stockbrokers. We're required to take all sufficient steps to provide best execution when carrying out such transactions and, on your request, to provide you with a copy of the policy that we have adopted to achieve that objective.

This best execution policy applies to orders in investments such as funds and other securities. You should read this policy in conjunction with your client agreement (and where relevant your discretionary management agreement and our Terms of Business document).

Order Execution Venues and third parties

An execution venue is effectively a trading venue such as a regulated stock market where investment transactions are executed. Our firm doesn't execute orders or deals directly with execution venues.

Instead, we'll place orders on behalf of our clients with appropriate third parties as explained below:

- **Investments on a platform:** for investments held on our preferred platform(s) (an online investment administration service), client orders will be placed directly with the relevant platform. Our main platforms are Pershing, AJ Bell, Ascentric, Old Mutual, and Transact.
- **Investments not on a platform:** for investments held directly with individual fund managers, client orders will be placed directly with the relevant fund manager for the particular investment.

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.

We'll regularly assess the third parties available to us to identify those that will enable us, on a consistent basis, to obtain the best possible result when arranging the execution of your orders. The above list will then be updated, where necessary, following such assessment.

The third parties have responsibilities in relation to best execution and client order handling themselves. We'll also undertake periodic monitoring to ensure that they're meeting the relevant requirements.

Order Execution Factors

When transmitting orders to a third party, we'll make every effort to ensure the best possible result for our clients taking into account the following factors:

- Price
- Cost
- Speed
- Likelihood of execution and settlement
- Size
- Nature of the order
- Any other considerations relevant to the execution of the order



For retail clients, the price and cost of execution of the order will normally be the most important aspect in obtaining the best possible result. We'll therefore assume this is the most important outcome for your transaction unless you tell us otherwise.

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.

Client Specific Instructions

If you've given instructions that price is not the most important factor in executing your instructions, we'll make every effort to comply with your instructions but cannot guarantee this. This may be due to either the nature of the order, or the type of investment you wish to trade in.

We'll make all decisions as to where the orders are placed and won't usually accept specific instructions from clients regarding which third parties to use.

If we do accept any client specific instructions, you should be aware that this may prevent us from following the processes set out in this policy which have been designed to obtain the best possible results for the execution of those orders in respect of the elements covered by those specific instructions.

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 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.

Charges

It's our policy that commission and charging structures won't influence either the selection of third parties to which we place client orders, or the order flow that follows as a result of the execution process. We'll therefore not discriminate between the third parties used to arrange execution of your orders.

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 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.

This review will be carried out regularly (on at least an annual basis) or whenever a material change occurs that affects our ability to continue to obtain the best possible result for our clients.

Reporting & publishing trading volumes

On an annual basis we'll publish details on our website of the top five entities to which client orders have been transmitted, by volume and information on the quality of execution obtained.

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.

Staff understanding

All relevant staff are made aware of this policy to highlight and emphasise the importance of best execution.



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