



Order Execution Policy Statement

dps Select

November 2009



Order Execution Policy Statement

This is a summary of the order handling and execution arrangements we use when we execute orders, or arrange for others to execute them, on behalf of our clients for whom we provide custody & execution services. If you would like further information about these arrangements, please contact us.

BACKGROUND

We provide custody & execution services to clients only in connection with their portfolios of which we have custody and only on the relevant investment manager's instructions in accordance with our agreement with them. In accordance with our custody & execution client terms we will not generally provide execution services to clients on their own instructions.

In almost all cases, the assets in relation to which we provide custody & execution services are held by our sub-custodians. This means that we generally execute client orders by transmitting them to the relevant sub-custodian for execution in accordance with their best execution policies.

Wherever possible and appropriate we seek to execute client orders on a net basis by cross executing sale orders resulting from clients' investment manager instructions against purchase orders.

BEST EXECUTION

When transmitting orders in relation to financial instruments to others for execution on behalf of our clients or executing them ourselves, we will do so under arrangements designed to ensure that we take all reasonable steps to achieve the best possible result on a consistent basis for the client. This does not mean achieving the best price available in all the potential execution venues for every client order, but rather the best possible result that we can reasonably be expected to achieve taking into account the various execution factors and criteria detailed below.

We have in place a policy and procedures which are designed to meet this commitment, subject to and taking into account the nature of the orders, the priorities individual clients place upon us in relation to the execution of those orders, and the nature of the market in question; and which provide, in our view, an appropriate balance across a range of what may sometimes be conflicting factors.

The execution factors which will be taken into account are: price; costs; speed; likelihood of execution and settlement; size; nature of transaction; or any other consideration relevant to the execution of the order. For retail clients, we will usually attach the highest relative importance to total consideration when executing orders. Total consideration comprises the price of the relevant financial instrument and the costs related to its execution. Even for professional clients, price will ordinarily merit a high relative importance in obtaining the best possible result. However, in some circumstances, for some clients, orders, financial instruments and/or markets, we may appropriately determine that other execution factors such as speed of execution (and the need for timely execution), likelihood of execution and settlement, size and nature of the order, liquidity of the market (which may make it difficult to execute the order at all), market impact and any other implicit transaction costs are more important than price or costs in obtaining the best possible result.

In determining the relative of importance of these factors, we will take into account the characteristics of the client (including their categorisation as either a retail or professional client), as well as other criteria such as the characteristics of the order,

the characteristics of the financial instrument that is the subject of the order, and the characteristics of the execution venues or brokers available for such orders as well as our own commercial judgement and experience.

In accordance with our custody & execution client terms we will not generally provide execution services to clients on their own instructions. However, where they are given, we will also take into account any such instructions given to us by the client which may affect how we are able to execute that client's order. **Please note that executing an order in accordance with a client's instructions may prevent us from following the policy that we have implemented to obtain the best possible result for the execution orders.**

OUR ORDER EXECUTION VENUES

This document identifies the most significant venues on which we may execute orders and the circumstances under which we may transmit orders to other parties for execution. We will assess, on a regular basis, the quality of execution afforded by those other parties and venues and whether we need to change our execution arrangements. From time to time, we may execute orders on other execution venues not listed below in order to obtain the best possible result for the client. Such venues will be selected in line with our policy and further details can be provided upon request.

Our policy, in aiming to provide clients with best execution, aims, so far as possible and subject to the processes set out below, to operate to broadly the same standards across all the different markets and financial instruments in relation to which we arrange the execution of orders. However, the diversity in those markets and instruments and orders we deal with mean that different factors have to be taken into account when we assess the nature of our order execution policy in the context of different instruments and different markets.

We provide details below of the execution venues on which we place significant reliance and of where we may transmit orders to other parties for execution.

Collective Investment Schemes and other mutual funds

Depending on range of factors, an order may be executed:

- a. By crossing (executing) a sale order against another purchaser order;
- b. By transmitting the order to our relevant sub-custodian for execution by them;
- c. For UK Unit Trusts and OEICs which are supported by the Cofunds electronic platform, by placing the order with Cofunds; or
- d. By our contacting the relevant fund provider direct to place the order.

UK & Foreign Equities, Bonds and other financial instruments

Depending on range of factors, an order may be executed:

- a. By crossing (executing) a sale order against another purchaser order;
- b. By transmitting the order to our relevant sub-custodian for execution by them; or
- c. By transmitting the order to another broker for execution by that broker.



ORDERING HANDLING

We will execute client orders promptly and execute comparable client orders on a net basis by crossing sale and purchase orders unless:

- the orders are received by means other than our SMA Platform;
- the characteristics of the order or prevailing market conditions make this impossible or impracticable;
- the interests of the client require otherwise

Client orders are generally aggregated with other orders. We will aggregate orders where we reasonably believe that this will not operate to the client's disadvantage. However, on occasions the effect of aggregation may work to the client's disadvantage in relation to a particular order. We will allocate all orders fairly and will not give preference to one client over another.

CLIENT CONSENT

By using our services after receiving this summary, clients will be deemed to have consented to having their orders handled by us in accordance with the arrangements summaries in this document.

SMARTfund Administration Limited

PO Box 60294 Floor 6, London, EC2P 2DL

Tel: 0844 801 0700 Fax: 020 7562 2451

www.smartfund.co.uk

Authorised and regulated by the Financial Services Authority
whose address is 25 The North Colonnade, Canary Wharf, London E14 5HS.