Best Execution and Order Handling Policy

Towers Watson Investment Management Limited

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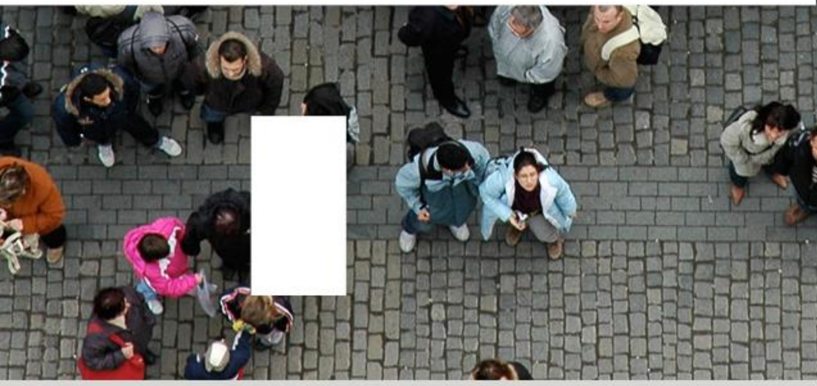

Willis Towers Watson

Best Execution and Order Handling Policy

1. Introduction

This policy sets forth Towers Watson Investment Management Limited's ("TWIM" or "the Firm") methodology for achieving the best possible result when executing orders for the Firm's clients, taking into account the "execution factors" of price, costs, speed, likelihood of execution and settlement, size, nature or any other relevant consideration.

The Firm will always look to deliver the best possible result when executing client orders. This applies in relation to all types of financial instruments. However, given the differences in market structures or the structure of financial instruments, it may be difficult to identify and apply a uniform standard of, and procedure for, best execution that would be valid and effective for all classes of instruments. Best execution obligations should therefore be applied in a manner that takes into account the different circumstances associated with the execution of orders related to particular types of financial instruments.

The Firm will take all sufficient steps to obtain the best possible result for clients when executing orders, subject to any specific client instructions. If a client has provided specific instructions for part of an order then the Firm will execute the remaining part of the order in line with this procedure. The Firm will act in the best interests of its clients when its passes client orders to other entities for execution.

The Firm will provide its clients with appropriate information on its best execution policy, and where relevant, gain their consent.

This policy applies to Professional Clients of the Firm only, unless otherwise agreed in writing by a client who is not a Professional Client. The Firm does not deal directly with or for retail clients.

2. Execution Factors

The Firm must ensure for each instrument type it trades it achieves the best overall outcome for its clients taking into consideration the "best execution factors":

- price;
- costs;
- speed of execution;
- likelihood of execution and settlement;
- size of order;
- nature of order; and
- any other consideration relevant to the execution of the order

3. Instruments Covered in this policy

The policy covers all Financial Instruments traded by the Firm which include but are not limited to:

- Any investment fund or security which is purchased from a recognised market or exchange via a broker;
- Units or shares of non-exchange traded Collective Investment Schemes;
- OTC Derivatives – Forward Foreign Exchange Contracts;
- Exchange traded derivatives; or
- Exchange Traded Funds (ETFs).

4. Execution Methodology

It should be noted that, as TWIM does not primarily deal in underlying securities on behalf of its client but invests through Collective Investment Schemes, or in the case of the Global Equity Focus Fund has appointed sub-advisors to deal in the underlying instruments, the relevance of best execution factors under COBS 11.2A.2 will be applied in a manner proportionate to the activities of the Firm. Therefore where the Firm does trade it will be the factors of price and cost that are of primary consideration when determining the best outcome for clients.

The main types of financial instrument that the Firm deals in are Collective Investment Schemes and Forward Foreign Exchange Contracts.

Collective investment schemes

Orders in collective investment schemes are generally placed with the relevant administrator of the scheme.

Forward foreign exchange

Orders relating to forward foreign exchange may be executed through the relevant fund custodian or a sub-advisor.

Furthermore, in order to obtain the best possible result for its clients the following is relevant:

- The Firm uses a variety of methods to access markets, seeking to use the experience of brokers in so far as they may improve the terms on which the Firm can trade in those markets. The firm's aim is to find the execution venues that best match its trading philosophy and help the Firm add value to each transaction or series of transactions.
- Where the Firm has appointed a sub-advisor the Firm will ensure that the sub-advisor has implemented and maintains an appropriate order execution policy and will periodically review the quality of execution being received.
- The Firm's trading philosophy is to achieve added value by selecting brokers that best enable the Firm to add value to client portfolios by not only providing execution capabilities but also the provision of other value adding services.
- As a minimum the Firm expects its counterparties to be professional, and to achieve high standards, in both execution and settlement. The Firm assesses brokers on their ability to achieve trading objectives in accordance with applicable market standards.
- The Firm expects best execution to be achieved by all appointed brokers in accordance with the requirements of the exchanges in which they operate.
- Any broker used by the Firm must satisfy the minimum standards set by its Broker Approval Committee. The Firm restricts the number of brokers on its list, to ensure that it can appropriately manage the relationships and the service they provide to us.
- The Firm has established a Broker Review Committee and adopted guidelines for the evaluation of its execution venues. The broker evaluation process takes into account the "execution factors": price, costs, speed, likelihood of execution and settlement, size, nature or any other relevant consideration tailored to the requirements of particular clients, order types, financial instruments and markets.

5. Dealing Process

At TWIM investment decisions are controlled by the Investment Committee or the Portfolio management team of each fund.

Investment options are discussed by the Investment Committee or PM teams before a decision is made.

Execution: Investment decisions are made by the Investment Committee, with the portfolio manager taking responsibility to then pass these decisions on to the appropriate venue in accordance with the Firm's policy (see Venue Selection procedures below) and the order implemented within those parameters.

Once the trade has been placed and filled, details of the trade are confirmed by TWIM before being passed to the TWIM Operations team. These details are matched with broker confirmations and marked for accounting by the Operations team.

All dealing records must be held for a minimum period of 5 years from the transaction date.

6. Venue Selection

It is Firm policy to select the broker most likely to provide best execution of the order in question. The Firm will place orders for execution only with approved venues that have been selected and placed on the approved list maintained by the Broker Review Committee.

The Firm has a choice of execution venues including; Brokers, Exchanges and MTF's (Multilateral Trading Facilities). All venues which have been approved are listed in Appendix A.

When selecting which of the approved brokers to use the Firm considers the following factors: price; costs; speed; likelihood of execution and settlement; size of order; nature of order or any other relevant consideration.

The relevant importance of each of the above factors will be determined for each venue by using its experience and knowledge of the market, taking into account the following execution criteria:

a) the characteristics of financial instruments that are the subject of that order;
b) the characteristics of the execution venues to which that order can be directed;
c) the characteristics of the client including the categorisation of the client as professional; and
d) the characteristics of the client order.

In the majority of cases for Professional Clients the Firm would typically expect that the most significant issue to be taken into account will be the total consideration to be paid or received in each case such that there will be greater weight on the price and costs associated with each trade. However, there will be circumstances when other factors may be more important or relevant and, as discretionary managers, the Firm must use its judgement and experience to give greater prominence to them.

Notes on Venue Selection

- For certain Markets/Instruments it is possible for the Firm to choose only one venue where the Firm has reason to believe and can demonstrate that one venue only will provide the best possible result for the customer. This choice will be reviewed on a periodic basis.

- Orders may be executed on exchange or off exchange.

- Not all venues used by the Firm may be listed in the policy at any one time. The Firm may use other venues not listed in the policy, subject to the prior approval of the Broker Review Committee.

7. FCA Transaction Reporting

A Transaction Report to the FCA is required when execution occurs:

- In any financial instrument admitted to trading on a regulated market or a prescribed market (whether or not the transaction was carried out on such a market); or

- In any OTC derivative the value of which is derived from, or which is otherwise dependent upon, an equity or debt-related financial instrument which is admitted to trading on a regulated market or on a prescribed market; or

- In any financial instrument admitted to trading on any market the value of which is derived from, or which is otherwise dependent upon, an equity or debt-related financial instrument which is admitted to trading on a UK regulated market or on a prescribed market.

These requirements apply across the EEA and in any trading that takes place in dual listed securities outside the EEA.

- When performing the function of Portfolio Management, the Firm can place reliance that the transaction reporting will be carried out by a third party, such as the executing broker and duplicate reporting is not required by the Firm;

- All terms of business entered into with brokers must include provision for reporting transactions to the relevant regulatory body; and

- Where orders are executed off exchange with non-EEA/non-regulated counterparties, the Firm is responsible for ensuring the reporting takes place.

8. Disclosure Requirements

The Firm must make appropriate information available to clients on its order execution policy before it can execute any orders for them.

The Firm is required to obtain the prior consent of its clients to its Order Execution Policy.

Since the Firm may also trade outside a regulated market or MTF in respect of instruments admitted to trading by those means, it is also required to obtain clients' prior express consent to this (COBS 11.2.26).

As part of the Firm's regulatory obligations it has a Disclosure Statement in respect of its best execution policy that sets out an overview of the policy in place to ensure that the Firm obtains the best possible results for its clients.

9. Review procedure

The Firm will monitor on a regular basis the effectiveness of the policy and, in particular, the execution quality of the entities identified in that policy. Where the monitoring reveals the need for any changes or enhancements to be made, these will be implemented as appropriate.

The Firm will review the execution policy on an annual basis and also whenever a material change occurs that affects its ability to continue to obtain the best possible result for clients. If the Firm makes material changes to this policy and subsequent changes to information made available to clients, the Firm will notify its clients and employees.

10. Client Order Handling

The Firm will satisfy the following conditions when carrying out client orders:

(1) it will ensure that orders executed on behalf of clients are promptly and accurately recorded and allocated; and

(2) it will carry out otherwise comparable 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.

11. Use of Dealing Commissions

The Firm does not make use of commission sharing arrangements.

12. Aggregation and Allocation

This applies to a trade in a single underlying instrument across multiple TWIMI Funds.

Aggregation

The Firm may aggregate a client order with those of other clients (and clients of affiliates of the Firm) and its own account from time to time for the efficient execution of orders for the benefit of all clients. The Firm will endeavour to not carry out a Client order or a transaction in aggregation with another order if it is likely that the aggregation of orders will work to the disadvantage of any Client whose order is to be aggregated.

In the event that an aggregation would disadvantage a Client, it must be disclosed to each Client whose order may be aggregated, that the effect of aggregation may work to its disadvantage in relation to a particular order.

The Firm will take into account the investment strategy and risk profile of each customer before allocating aggregated orders.

Client orders that are aggregated with an order for the Firm's own account will be allocated with priority to the Client(s) at all times. However, if the Firm would not have been able to carry out the order on such advantageous terms without aggregating the Client order with an order for the Firm's account or at all it may allocate the transaction for its own account proportionally, in accordance with the Allocation Policy below.

Allocation

When allocating orders across funds or client accounts, the following methodologies and factors will be considered:

- Pro rata;
- Pari passu;
- Volume of the order;
- Capacity of the relevant portfolio in line with investment restrictions;
- Time horizons; and
- Price of the order.

Allocations among clients with the same or a similar investment objective should be pro-rata based on the relative market values of the aggregated clients' portfolios.

Where the aggregated orders are executed in differently sized tranches and at different prices the allocation will be made at the weighted average price achieved.

If an order is partially executed, the subsequent related orders required to complete the original aggregated order must be allocated on the same basis as the original order.

Deviations from the general rule may be permitted in the following specific circumstances where allocations may be based on:

- existing positions in the client accounts;
- different risk limits where the use of pro rate based on portfolio assets may mean a client exceeds a risk limit;
- the availability of cash in the particular accounts;
- tax reasons; and
- shares to be allocated to largest account if the securities traded are too small to be reasonably allocated to all clients.

13. Cross Trades

In instances where the Firm transfers securities between customers' portfolios (cross trade) the Firm will ensure such transfers are beneficial to both customers and are executed at a fair price, and the trade not subject to a specific prohibition.

Any such trades should be replete with a detailed rationale and subject to review within the Investment committee.

14. Publishing information on the Firm's top five execution venues

As the Firm executes orders for professional clients, the Firm must publish an annual summary, for each class of financial instruments, of its top five execution venues. This is done according to trading volumes, where the Firm executed client orders in the preceding calendar year, along with information on the quality of execution obtained.

Along with the above information, the Firm must also publish a summary analysis, based on detailed monitoring and conclusions, of the quality of execution obtained on the execution venues. The Firm needs to provide a separate summary for each class of financial instrument although consolidated information can be provided if it is common to several or all of the Firm's classes of financial instruments.

The summary analyses must include:

- an explanation of the relative importance given to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors;
- a description of any close links, conflicts of interests, and common ownerships relating to the execution venues used by the Firm;
- a description of any specific arrangements that the Firm has with 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 the Firm's execution venues;
- an explanation of how the Firm has used any data or tools relating to the quality of execution; and
- If applicable, an explanation of how the Firm has used any information from a consolidated tape provider.

The Firm will publish all the above summary information in a durable medium.

About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 39,000 employees in more than 120 countries. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas — the dynamic formula that drives business performance. Together, we unlock potential. Learn more at willistowerswatson.com.