



Order Execution Policy

Date: December 2017

Order Execution Policy

1.0 Introduction

The purpose of this document is to provide clients of Impax with information about the Impax's best execution policy and to seek their consent to that policy.

Impax Asset Management Limited and Impax Asset Management (AIFM) Ltd ("**the Firm**") manage undertakings for collective investment in transferable securities ("UCITS"), segregated accounts and alternative investment funds ("AIFs"). In this policy the UCITS, segregated accounts and AIFs are referred to as "**Clients**". The Firm is a specialist asset manager and as such liquidity seeking is often the priority.

The Firm is required to act in accordance with the best interests of its clients when transmitting or placing orders with other entities for execution that result from decisions to deal, and to take all sufficient steps to obtain the best possible result for the client taking into account the execution factors ("**Indirect Execution**").

The Firm's senior management is responsible for ensuring that robust business practices are operating in all its trading activities to deliver Best Execution on a consistent basis and for promoting a culture that proactively identifies and manages conflicts of interest. The Firm's senior management are also responsible for the on-going review and monitoring of this Policy, to ensure that it remains robust and fit for purpose, taking into account, amongst other things, changes to market structures and execution practices and development of new products.

2.0 Order Execution

The Firm only executes orders indirectly via brokers' infrastructure, circuit breakers and controls. The Firm doesn't connect directly to an exchange. All orders are placed with a broker for execution. The vast majority of orders are traded electronically via a broker algorithm ("algo"), however in certain circumstances, orders may be traded "high touch" such as directly with a sales trader over the telephone. In these case, Impax relies on the best execution obligation of the broker.

3.0 Execution Factors

When executing orders, the Firm will take all sufficient steps to achieve Best Execution, subject to and taking into account, any specific instructions from the client, the nature of such orders, the priorities its clients' place upon it in filling those orders and the nature of the markets and products in question.

In order to deliver Best Execution, the Firm uses its knowledge, experience and judgement to execute trades on behalf of its clients taking into consideration a number of execution factors including:

- The price that the order can be executed at;
- The costs of execution of the transaction to the client;
- The speed of execution of the transaction;
- The likelihood of achieving execution and settlement;
- The size and nature of the order; and

- Any other consideration relevant to the execution of the specific order (the “**Execution Factors**”).

4.0 Execution Criteria

The Firm is required to determine the relative importance of the Execution Factors for its clients by taking into account the following criteria:

- The characteristics of the client, including the categorisation of the client;
- The characteristics and nature of the client order;
- The characteristics of the financial instruments that are the subject of that order; and
- The characteristics of the execution venues/brokers to which that order can be directed (the “**Execution Criteria**”).

In considering the Execution Criteria and the importance of the Execution Factors, the Firm also takes into account the client’s understanding and experience of the market in question, the client’s dealing profile, the nature of the dealing service the client requires and the specific and general instructions given to the Firm by the client which may prioritise how the Firm fills client orders.

5.0 Brokers

The Firm will primarily select the execution broker that in the Firm’s judgment is the most appropriate, taking into account the Execution Factors and Execution Criteria. The Firm will also consider the market coverage and market intelligence that the broker can provide and other relevant qualitative factors.

The Firm has identified in Appendix A those brokers on which it most regularly seeks to execute and which the Firm believes offer the best prospects for affording its clients Best Execution.

In selecting the most appropriate brokers for the purpose of executing client orders, the Firm will take into full account the Execution Factors and Execution Criteria relevant to the order, and the following:

- (a) what the Firm reasonably assesses to be its clients’ best interests in terms of executing the orders; and
- (b) such other factors as may be appropriate, including the ability of the venue to manage complex orders, the speed of execution, the creditworthiness of the broker and the quality of any related clearing and settlement facilities.

The diversity in the markets and instruments in which the Firm trades and the kind of orders that the Firm’s client’s may place mean that different factors will have to be taken into account when the Firm assesses the nature of its Policy in the context of different instruments and different markets. In some markets, price volatility may mean that the timeliness of execution is a priority, whereas, in other markets that have low liquidity, the fact of execution may itself constitute Best Execution. In other cases, the Firm’s choice of venue may be limited (even to the fact that there may only be one platform/market upon which the Firm can execute client orders) because of the nature of the client order or of specific client requirements.

5.1 Selection of Brokers

The Firm has a thorough selection process with respect to the brokers that it transacts with, which is designed to identify those brokers which consistently provide a high-

quality execution service, taking account of the relevant Execution Factors and Execution Criteria. Orders may only be placed with brokers who have been approved by the Firm following its selection process.

5.2 Cross Trades

Crossing between funds may provide a mutually beneficial opportunity for clients. Therefore, unless prohibited by law or by a client, cross trades are allowed if the following conditions are satisfied:

- The cross is opportune for both portfolios concerned;
- The reasons for the cross and why it is opportune for both portfolios are documented;
- The execution benchmark (if relevant) is unbiased between buying and selling party;
- The cross is in line with the Best Execution procedures described in this Policy.
- The stocks will typically be crossed in the market at a mid-market price within VWAP/TWAP range

Prior to any cross-trade transaction, the Portfolio team will supply all relevant information relating to the trade to the Compliance Department for review. The Compliance team will consider the above factors before approving or rejecting any request.

Other factors considered include evidencing that the trade is not a means of providing improper liquidity support between funds. Such activity represents a conflict of interests between funds and is disallowed. Impax will also take into account any delays to trade and whether at any point up to actual execution it is beneficial for one fund to trade independently ahead of another.

6.0 OTC Products

When executing trades with a system internaliser (SI), these trades may be flagged as OTC. However, SI's provide pre-trade transparency which meets Impax's obligation to undertake systematic checks to ensure the price quoted is "fair".

7.0 Detailed Requirements for each Financial Instrument Class Traded

7.1 Introduction

For each class of financial instruments that the Firm trades, the Firm has defined the key Execution Factors that will be taken into account when placing orders for execution, in order to choose the counterparty that best suits its requirements.

In case of extreme circumstances, such as disruption of the execution system, the Firm may not be able to execute an order in accordance with this Policy. In such exceptional circumstances, the Firm will endeavour to execute client orders in the most advantageous way for its clients under the prevailing circumstances.

If only one place of execution exists, Best Execution is realised when executing the order in that execution venue. The Firm will be able to demonstrate that only one place of execution exists.

Currently Impax only trade equities. As such, any limitations or conflicts on the selection of execution venues when also trading Securities Financing Transactions (SFT's) do not apply.

7.2 Equity Trading

Understanding the rationale behind the investment decision helps with the matching of broker capabilities and the selection of trading tools. A method of order evaluation has been established to place orders into types, based on their characteristics such as urgency, conviction, timescale, size or price constraint. This will establish the relevant importance of price, the cost to the client or the speed. From there the appropriate broker capabilities, such as algo's can then be selected bearing in mind the base level of operational requirements.

Criteria	Liquidity	Price	Cost to the client	Speed	Likelihood of achieving execution & settlement	Size of Order	Order type	Other criteria
Relative importance for Equities	1	1	1	2	2	1	2	3

Where 1=most important and 3=least important

See Annex A for list of authorised counterparties and brokers that enable Impax to obtain on a consistent basis the best possible result for the execution of client orders

8.0 Specific Instructions

To the extent that the Firm follows specific instructions from a client when placing an order with, or transmitting an order to, another entity for execution, such instructions supersede this Policy and the Firm will be deemed to have complied with its Best Execution obligations by following the clients' specific instructions. Specific client instructions may prevent the Firm from taking the steps it has implemented in this Policy to obtain Best Execution. It is likely to be only in rare circumstances that the Firm would receive such specific instructions. In general the Firm will make all dealing decisions itself in its capacity as discretionary portfolio manager.

9.0 Monitoring and Review

The Firm actively monitors the effectiveness of its best execution arrangements and policy. The Firm's processes are designed to ensure that monitoring assists the Firm in delivering Best Execution for its clients on a consistent basis.

The Firm's senior management is responsible for ensuring that robust business practices are operating in all its trading activities to deliver Best Execution on a consistent basis and for promoting a culture that proactively identifies and manages conflicts of interest.

The Firm will regularly, and at a minimum annually, review its best execution policy and execution procedures and will notify its clients of any material changes to them.

10.0 Client Consent

Under the FCA regulations, Impax requires your prior consent to this Order Execution Policy, and for Impax to deal in un-regulated or non-EU markets or MTFs. By appointing Impax as your discretionary portfolio manager, you are deemed to have provided such prior express consent.

A.1 Annex A – List of Authorised Counterparties and Brokers for Equities

- Arden Partners
- Berenberg Bank
- Bloomberg
- CLSA Asia-Pacific Markets
- Credit Suisse Group
- Goodbody Stockbrokers
- Instinet Europe Ltd
- ITG
- Liberum Capital
- Liquidnet
- Merrill Lynch & Co Inc
- Morgan Stanley
- Numis
- Panmure Gordon UK Ltd
- Robert W. Baird & Co
- KBC Peel Hunt
- SEB Group
- UBS