

William Blair: Client Order Execution Policy

December 2017

Purpose of the Policy

The Client Order Execution Policy sets forth information relating to how William Blair International Limited ('WBIL' or 'the Firm') seeks to provide best execution as required under the Markets in Financial Instruments Directive (2014/65/EU) ('MiFID II') and the Financial Conduct Authority's ('FCA') Conduct of Business Sourcebook ('COBS'), when executing orders on behalf of clients.

The requirement to provide our clients with this Disclosure Statement forms an essential part of the structural changes being made to the marketplace by the implementation of MiFID I and II. It is also a key component in WBIL's ongoing effort to provide transparency to our clients on our business practices. WBIL operates in the context of an ever changing financial services industry with fast evolving market places. Our primary objective in handling your orders will be to ensure the highest quality executions reasonably available under the circumstances and within the context of applicable markets, seeking to balance often conflicting considerations with a view to providing clients with the best possible result on a consistent basis. We have established and implemented arrangements, including an order execution policy, which are designed to allow us to obtain the best possible result for your orders.

Scope of the Policy

This Policy is provided to you as a Professional Client (the 'Client') of WBIL regardless of whether you are an Elective Professional Client or Per Se Professional Client and it is not applicable to business conducted with eligible counterparties. This policy is not directed at or intended for Retail Clients.

In accordance with MiFID II and COBS and where the best execution obligation applies, when executing orders William Blair will take all sufficient steps to obtain the best possible result for the client, taking into account the execution factors ('Execution Factors') and execution criteria ('Execution Criteria').

The requirements relating to obtaining the best possible result ('best execution') for clients will be applied to any relevant transaction, in a MiFID financial instrument, that would be so defined where any part of the origination or execution of the client transaction involves an employee of William Blair located in the EEA. For these purposes, a financial instrument has been admitted to trading on an EU regulated market whether or not the transaction is carried out on a regulated market.

Best Execution Obligation

Best Execution is the requirement to take all sufficient steps to obtain the best possible result when either executing transaction on your behalf or using other affiliates or brokers to execute transactions on your behalf, taking into account the relevant factors and criteria.

Execution Factors

In the absence of specific client instructions, when managing client orders through to execution or upon facilitating the receipt and transmission of an order, WBIL will take all sufficient steps to achieve the best possible result for clients in a comprehensive and consistent way. The Firm will take into consideration, a combination of the following execution factors:

- a) Price (the price a financial instrument is executed at);
- b) Costs (including implicit costs such as possible market impact and explicit external costs such as venue, clearing and settlement fees);
- c) Speed;

- d) Likelihood of execution and settlement;
- e) Size (the size of the transaction executed for a client, accounting for the market impact);
- f) Nature of the transaction and market for the financial instrument; and
- g) Any other consideration relevant to the execution of the transaction.

Subject to any specific instructions, taking into account the criteria above, we will generally give the highest priority to net price. Net price is the total price paid by the client, net of client commissions and fees, and takes into account our own commissions and fees. The remaining Execution Factors are generally given equal ranking. The asset class specific policies contained as appendices to this Policy contain further information on how execution factors are considered in importance in relation to specific asset classes.

Where there is insufficient immediately available liquidity on the relevant execution venues to execute the Relevant Order in full, where you instruct us to work a Relevant Order over a period of time or by reference to a benchmark calculated over a period of time (such as VWAP) or where we determine that there are other circumstances such that obtaining the best immediately available price may not be the best possible result for you, we may prioritise one or more of the other Execution Factors listed above. In these cases, we will determine the relative priority of each Execution Factor on an order-by-order basis, where the order is executed manually, and by order type (e.g. iceberg, VWAP), where the order is executed using an algorithm.

Execution Criteria

The Execution Factors indicate the importance of being able to exercise appropriate judgement on the best interests of the client given the differing needs and requirements of each client transaction and the broader market. The Firm will exercise commercial judgement and market expertise in considering the relative importance of the execution factors measured against the following order criteria:

- a) the characteristics of the client;
- b) the characteristics of the transaction;
- c) the characteristics of the financial instruments that are the subject of the transaction; and
- d) the characteristics of the executions venues to which the order can be directed.

Selection of Execution Venue

For each product in which we transmit orders for execution on behalf of clients we have included in our order execution policy those venues or sources of liquidity that provide on a consistent basis the best possible result for the execution of client orders. Because we deliver all orders to William Blair & Company, LLC for execution in U.S. markets, those venues are exclusively U.S. based. As such, in meeting our obligation to take all reasonable steps to obtain on a consistent basis the best possible result for the execution of your orders, one or more of the following venues types may be used when executing an order on your behalf:

- a) U.S. based market centres, including but not limited to Stock Exchanges and Electronic Communications Networks (“ECN’s”);
- b) Over the Counter (“OTC”) Markets;
- c) Third party investment firms and/or affiliates acting as a Market Maker.

In certain financial instruments, there may only be one execution venue, and in such circumstances we will presume that we have provided the best possible result in respect of these types of financial instruments.

Demonstrating Best Execution

WBIL endeavours to provide best execution in relation to all relevant MiFID business activity. However, where the client believes that it has reasonable grounds to assert that best execution was not obtained, the client can make a written request, for the Firm to provide the following:

- a) An analysis of the procedures used to select that particular execution venue; and
- b) Data reconstituting the trade information available to the Firm at the time.

Specific Client Instructions

When executing an order following a specific client instruction, WBIL will execute the order in line with those instructions and will treat as satisfied its best execution obligations in respect of the part (or aspect) of the order to which those instructions relate. The remaining part (or aspect) of the order will be executed in line with this Policy. **Clients should be aware that providing WBIL with specific order instructions may hinder the ability of Firm to obtain the best overall result.** The Firm will not solicit specific instructions (or expressly or implicitly suggest the content of such instructions) if the Firm knows that to do so might prevent it from obtaining the best possible result for the client. However, this should not prevent the Firm inviting a client to choose between two or more specified trading venues, provided that those venues are consistent with this Policy.

Receipt and Transmission of Orders

As we have disclosed in our Terms of Business, we will transmit orders received from you to our U.S. based affiliate, William Blair & Company, LLC, for execution. In doing so, WBIL will act at all times in the best interests of the client. WBIL will regularly monitor the quality of this service from receipt and transmission of the order to final execution.

Consent to Execute Away from a Regulated Market (RM) or Multilateral Trading Facility (MTF)

WBIL may execute all or part of your order outside of a RM or MTF. In accordance with FCA rules WBIL will request your consent to do so before trading.

Client Order Handling

All client orders will be executed promptly and expeditiously being aggregated fairly and executed in due turn. Where comparable orders are received, they will be processed sequentially, unless a specific client seeks to be treated otherwise, or in circumstances where orders have been received through different media. In every instance, WBIL will ensure that client orders take precedence over Firm or personal orders and that the client order will be handled equitably and to the client's best advantage.

Monitoring

Execution venues will be monitored by front office personnel on a periodic basis to ensure that the best result is achieved on a consistent basis for clients. WBIL will regularly monitor the quality of the execution process provided to assess whether:

- a) Trades are being handled in compliance with this Policy; and
- b) Best execution is being achieved at the selected execution venue(s).

Order Management

This policy applies to all client orders, with specific reference to the following services or investment activities:

- a) client order management and execution arrangements
- b) client order aggregation with other client orders
- c) client order aggregation, with WBIL 'own-book' orders
- d) asset allocation process for pro-rated allocations and partial executions
- e) limit order release process and venue publication

WBIL will ensure that, at all times, client orders are handled equitably and to client's best advantage. Client orders will be treated as preferential to Firm orders and will be executed in a prompt and equitable manner, taking into account the nature of the order and its treatment in relation to the Firm's own trading interests.

Order Aggregation

To carry out a client order (i) in aggregation with either another client order, or (ii) in aggregation with a transaction for the Firm's own account, WBIL will ensure the following requirements are met:

- a) The client has been made aware that aggregation may, in some cases; result in obtaining a less favourable price than if the order were executed separately.
- b) The Firm, in its sole discretion and under prevailing market conditions, does reasonably believe that such action is likely to be within the client's best interests and the Firm is able to demonstrate this.
- c) In the case of (i), the decision to aggregate and, if necessary, reallocate will be made in accordance with any client instructions, having regard to price and volume and allocated accordingly.
- d) In the case of (ii) and where the Firm is given a proportionate or pro-rated allocation, WBIL will be able to demonstrate that it could not otherwise have executed the order on such favourable terms or at all, without its own participation.

Policy Review

WBIL undertakes to review this Policy, in addition to the order execution arrangements to which it relates on an annual basis. In the event of a change that has a material impact upon the Firm's ability to obtain the best possible result for client orders, a review will be readily undertaken to assess the arrangements the Firm has in place to achieve best execution on a consistent basis. What is material will depend on the nature and scope of any change.

Schedule 1

Instruments to which the WBIL Client Order Execution Policy applies.

The Policy applies to the following MIFID Financial Instruments:

- 1) Transferable securities;
- 2) Money-market instruments;
- 3) Units in collective investment undertakings;
- 4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
- 5) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event);
- 6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled, provided that they are traded on a regulated market and/or a MTF;
- 7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in 6 above and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls;
- 8) Derivative instruments for the transfer of credit risk;
- 9) Financial contracts for differences; and
- 10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.

Schedule 2

Execution Venues on which WBIL and affiliates places significant reliance

The list below includes the venues on which WBIL places significant reliance to comply with our Policy. It is made up of the Regulated Markets and MTFs to which WBIL and affiliates have direct access. Each separate appendix which provides supplementary information in relation to each specific asset class also summarises execution venues used to execute transactions. These are in addition to the information provided below and may include, but are not limited to, exchanges accessed through the WBIL affiliates, external brokers and dark pools.

Exchanges on which William Blair International Limited places significant reliance

NASDAQ

NYSE

Appendix A: Cash Equities

1. Introduction

This asset class specific policy provides further details with regards to the application of best execution in relation to cash equity instruments, which include; common stock, rights, warrants, preference shares, American depository receipts (ADRs) and global depository receipts (GDRs) (collectively referred to as Cash Equities). This policy is an appendix to the overarching WBIL Client Order Execution Policy and should be read in conjunction with that document.

2. Application of Best Execution for In-Scope Products

WBIL owes a duty of best execution when executing client orders on your behalf. We consider ourselves to be in receipt of an order where an execution instruction is given to us that gives rise to contractual or agency obligations to you. Specifically, this will be the case where you commit to a trade that is not immediately executable, leaving discretion with us as to the manner of execution and exact terms of the resulting transaction; and the execution can be booked to your account, without the need to re-confirm the price, size or any other factor(s) with you; or where we execute an order as agent or riskless principal on your behalf. Examples of these include market orders, resting orders, limit orders, market on open/close and fill or kill orders.

3. Prioritisation of Execution Factors

When executing transactions where best execution applies, WBIL will take into account the execution factors listed in the WBIL Client Order Execution Policy.

Whilst we have provided these in order of relative priority below, a variety of criteria will be taken into account in assessing the prioritisation of execution factors. Criteria for consideration include the characteristics of each individual order such as client preferences, market conditions, when the order is received and the size of order. It is important to note that in certain circumstances, for example high volatility or an illiquid market, likelihood of execution may become the primary execution factor. Client Specific Instructions determine how each order is split into components and also dictate how these are executed. Consequently, the prioritisation of execution factors varies on a per-order basis.

Outside of any specific instructions provided by the client, the most important execution factor when handling orders will be the price of the relevant financial instrument. Subject to any specific instruction, the following provides an example of the execution factors prioritisation that may be applied:

1. Price
2. Likelihood of Execution
3. Size
4. Costs
5. Speed
6. Other Considerations