

Triodos Bank. UK Best Execution Policy.

Introduction

- This document sets out Triodos Bank UK's Best Execution Policy for processing orders in the Triodos Investment products on offer as required by the Markets in Financial Instruments Directive II (MIFID II)
- This document is not a complete and comprehensive guide to the Triodos Investment Products on offer, and should be read in conjunction with the information provided on our website, in the Prospectus or the Offer Document and in other product specific literature such as the Supplementary Investor Document or the Important Information about applying for Depository Receipts document
- If you are unsure if investing is right for you, please seek independent financial advice. If you don't have an independent financial adviser, you can get details of local financial advisers by visiting: www.unbiased.co.uk
- By placing an order, you agree to us acting in accordance with this Best Execution Policy. You must declare that you have read and agreed to this Policy prior to placing an order with us
- This document is divided into three parts; the best execution of funds managed by Triodos Investment Management and Triodos Bank Depository Receipts, the best execution of investments available via the Triodos Crowdfunding Platform and monitoring. Monitoring applies to all investment products on offer
- The mission of Triodos Bank is to make money work for positive social, environmental and cultural change and to help create a society that promotes quality of life and has human dignity at its core. We are committed to acting with honesty, integrity and transparency and treating all customers fairly

Meaning of words

- In this document a number of words have a special meaning, which is explained here:
- **Business Day** is any day on which banks are open for business in Luxembourg and the UK i.e. any day other than Saturdays, Sundays or other public holidays for the Triodos Impact Investment funds and the Triodos Microfinance fund. For Depository Receipts **Business Day** is any day on which banks are open for business in the Netherlands and the UK
- **Dealing Cut-off** means the time by which cleared funds need to be available to place a deal or trade instruction that day
- **Dealing Day/Date** is the day on which the deal or trade is placed
- **FX Rate Source** is the exchange rate used to convert orders between sterling- euros and back again
- **Net Asset Value** is the value per share of all of the assets owned by the fund minus any liabilities, such as fees to investment managers
- **Valuation Date** is the Business Day on which the Net Asset Value of a Sub-fund is calculated, as specified in the fund Prospectus
- **We, us** and **our** refer to Triodos Bank UK Ltd.

Section 1: Triodos Investment Management and Depository Receipts

Order and settlement process

- The Triodos investment products on offer can be split into three categories:

- The Triodos Impact Investment Funds. Both the Triodos Global Equities Impact Fund and Triodos Pioneer Impact Funds fall within this category
- The Triodos Microfinance fund
- Triodos Bank Depository Receipts.
- All orders in the Triodos investment products on offer are done so outside of MIFID II 'trading venues'. This is because MIFID II defines a trading venue as a regulated market, multilateral trading facility or organised trading facility and all orders are either processed by Triodos or our third-party providers who do not fall into these categories
- Orders are processed and settled as per the table below:

	Impact funds	Microfinance	DR
Order processed by	T Bailey Asset Management	T Bailey Asset Management	Triodos Bank UK
Dealing frequency	Daily	Monthly (last Business Day)	Weekly (Tuesdays)
Valuation frequency	Daily	Monthly (five Business Days after the Dealing Date)	Euro price set weekly (Tuesday 08:00), sterling price calculated daily
Dealing Cut-Off	10:00 (each business day)	10:00 (one business day before the valuation day)	08:00 (Tuesdays)
Share class Currency	Sterling	Sterling	N/a
Investment base currency	Euro	Euro	Euro
FX Rate Source	Prevailing WM/Reuters* spot rate	Published WM/Reuters* 16:00 GMT rate	Prevailing exchange rate published on www.XE.com
Settlement	Dealing Date plus three Business Days	Dealing Date plus seven Business Days	Dealing Date plus two Business Days
Redemptions	Dealing Date plus three Business Days	Dealing Date plus seven Business Days (if received by 10:00, 15 Business Days before the relevant valuation date)	Orders are confirmed every Wednesday (if instruction received by 08:00 Tuesday) we aim to have your proceeds with you as quickly as possible, however it can take up to a few weeks before these reach your account
Important information	N/a	Investments made by the Triodos Microfinance Fund may be illiquid and there is no assurance that the liquidity of such investments will always be sufficient to meet redemption requests as and when they are made, please refer to the Prospectus for further information	Depository Receipts are traded on an internal match bargain basis, and Triodos Bank N.V. maintain an internal platform for trading, although trading may only be available on a limited basis. Investors may have to wait for a buyer to become available before they can sell, please refer to the Prospectus for further information

- The WM/Reuters exchange rates are provided by State Street subsidiary the WM Company and Thomson Reuters – charges apply, see Charges below
- The base currency for the above Triodos investment products is euros. This means that when you purchase or sell, your sterling is converted into euros or back from euros into sterling. Dividends are also converted from euros into sterling. The rate of exchange used to convert your sterling into euros or back again is available upon request.

Charges

	Triodos Global Equities Impact Fund	Triodos Pioneer Impact Fund	Microfinance	DR
Initial charge (taken from the initial and any subsequent investments)	0.5%	0.5%	3%	0.5% with a minimum charge of £5
Exit charge (taken from your sales proceeds)	N/a	N/a	An exit charge of up to 0.5% can be applied to those redeeming their shares in the fund. For more information please refer to the SICAV II Prospectus	0.5% with a minimum charge of £5
Annual Service Charge (collected by selling shares in your holding)	0.4% per annum, charged on a monthly basis	0.4% per annum, charged on a monthly basis	N/a	N/a
Ongoing Charges Figure (factored into the share price)	0.96%	1.23%	2.15%	N/a
Total ongoing charge per annum	1.36%	1.63%	2.15%	N/a

- **Initial Charge** – Is a one-off fee charged when you make any investment. It is expressed as a percentage of the investment and is deducted from the investment subscription before your investment is purchased
- **Annual Service Charge** – Please be aware that the sale of shares to cover the Annual Service Charge is classified as a disposal for Capital Gains Tax purposes and may need to be declared to HMRC. For further information please consult a tax specialist or HMRC
- **Ongoing Charges Figure (OCF)** – (also known as the Total Expense Ratio or TER) - is the ongoing costs of running the funds. The OCF includes the fund managers Annual Management Charge and other expenses of running the fund, such as the board of directors and audit fees. The Annual Management Charge is the charge taken by Triodos Investment Management to select investments based on their sustainable and financial performance.

The OCF is expressed as an annual percentage and is calculated and deducted from the fund daily. The charge is reflected in the value of the fund, you will not see this on your statement and do not need to pay for it separately.

Please note there may be a difference in the OCF for the distribution and capitalisation share classes, where this is the case, we will always show the highest figure. The OCF's are correct as of 31 December 2018 and may vary.

Share prices are converted between sterling and euros when buying and selling, and a fee of 0.2% of the exchange rate used is charged. This fee is not applied directly to individual investments, it is shared by all euro and sterling investors in the fund and is already accounted for in the published share prices.

Best execution

- We will execute all orders in a fair and consistent manner as outlined in the Order and Settlement process
- As the Triodos Investment products on offer all value at fixed valuation points, the price that you receive for your order will depend on when we receive your application, cleared funds, and the dealing

frequency and Dealing Cut-Off for the product that you are trading

- We will attempt to place your order regardless of the size, and will contact you if there are any liquidity issues
- Due to the nature of the Triodos investment products on offer, no other considerations are relevant to the best execution of your order.

Third parties

- We make remuneration payments to third parties who process orders on our behalf which are calculated based on the costs of providing these services. These payments are not related to and do not impact the best execution of your orders
- Orders in the Triodos Impact and Microfinance funds will be transmitted to the Administrative Agent in accordance with the relevant Prospectus. The Administrative Agent will execute your deal in line the dealing terms set out in the Prospectus
- Orders in Depository Receipts will be transmitted to Triodos Bank N.V. who will execute your deal in line with the dealing terms set out in the Prospectus
- Copies of each Prospectus can be found on our website, or please call us for a hard copy using the contact details below.

Section 2: Triodos Crowdfunding

- Investments available on the Triodos Crowdfunding Platform are offers of new bonds or new shares to be issued by companies once the minimum or target subscription amount has been raised for the offer and the offer is closed. Investors make applications for the bonds or shares and applications are processed on a first come, first served basis. At offer close, the investments are issued directly by the companies to investors who have applied to buy these new bonds or new shares. There is no intermediary, no third party and no execution venue. Investors do not pay a fee to purchase the bonds or shares.

Section 3: Monitoring

- We shall monitor our Best Execution Policy to ensure we deliver the best outcomes for our customers, and we will review this Policy at least annually and/or whenever a material change occurs that affects our ability to continue to obtain the best possible result for the execution of our orders. We will let you know of any material changes to this Policy.

Telephone: 0330 355 0355

contact@triodos.co.uk

www.triodos.co.uk

Calls to and from Triodos Bank may be recorded for training and monitoring purposes.

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