

ORDER EXECUTION POLICY

1. Introduction

As required by the Markets in Financial Instruments Directive (MiFID, as may be repealed and replaced from time to time) and the rules of our regulator, the Financial Conduct Authority (FCA), this document sets out Stonehedge Partners Order Execution Policy (the “Policy”) and arrangements for complying with the obligation to take all reasonable steps to obtain the best possible result for our clients when executing or receiving and transmitting client orders (“best execution”).

2. Scope

Stonehedge Partners (SHP) is required to put in place an Order Execution Policy, and to take all reasonable steps to obtain the best possible result for clients when executing client orders in “financial instruments” as defined in Annex 1 Section C of MiFID (as amended or replaced from time to time). The best execution obligation applies to professional clients only.

The Policy applies only to clients who have submitted an order in financial instruments to SHP (i) for execution on the client’s behalf or (ii) for transmission to a third party for execution, (where we pass an order on at our discretion to another broker or dealer for execution).

SHP executing orders “on a client’s behalf” where the client legitimately relies on us to protect its interests in relation to the pricing or other aspects of the transaction that may be affected by how SHP executes the order. For example when we executing an order by dealing as agent or agreeing to “work” an order on a client’s behalf.

All SHP employees who either execute orders on behalf of professional clients or pass orders for execution to other entities for execution must ensure that any such activities are conducted in accordance with this Policy.

3. Policy

3.1 Achieving Best Results for Clients.

When executing or receiving and transmitting orders in financial instruments SHP shall take all reasonable steps to obtain best execution for its clients, subject to and taking into account any specific instructions received, the characteristics of the order, the financial instruments that are subject to that order and of the execution venues.

This duty of best execution only applies when executing orders “on a client’s behalf”. We will not be executing orders on a client’s behalf (and so will not owe “best execution”) where we publish a quote or provide a “request for quote” service and the client transacts with us on the basis of that quote.

3.2 Execution Processes

When executing or receiving and transmitting orders in financial instruments SHP will seek to achieve the best possible results for the client taking into account:

- a) our regulatory obligations;
- b) any specific terms that the client may impose and
- c) the sequence that we receive orders. Where there is only one execution venue available for a financial instrument and therefore the only pricing consideration is execution time, comparable prices are precluded.

3.3 Execution Factors

When the obligation applies, SHP is required to take sufficient steps to ensure the best possible results for its clients by taking the following Execution Factors into account:

- a) price;
- b) likelihood of execution and settlement;
- c) costs;
- d) speed;
- e) order size;
- f) nature of the order; and
- g) any other consideration relevant to the efficient execution of the order for example the nature of the market, prevailing market conditions and minimisation of market impact.

For cash equities and equity like instruments the priority of execution factors will typically be as follows:

- 1) price;
- 2) likelihood of execution and settlement;
- 3) order size;
- 4) costs;
- 5) speed;
- 6) nature of the order and any other considerations.

For Fixed Income the priority of execution factors will typically be as follows:

Liquid Market

- 1) price;
- 2) speed;
- 3) order size;
- 4) likelihood of execution and settlement;
- 5) costs;
- 6) nature of the order and any other considerations.

Illiquid Market

- 1) size;
- 2) price;
- 3) likelihood of execution and settlement;
- 4) speed;
- 5) costs;
- 6) nature of the order and any other considerations.

SHP may vary the above prioritisations from time to time. In determining the relative importance of Execution Factors, SHP will apply its commercial experience and judgement. For certain client orders variations in the priority of Execution Factors may be subject to agreement between SHP and the client.

3.4 Execution Criteria

When executing a client order, SHP will take into account the following criteria for determining the relative importance of the execution factors above:

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

SHP may transmit client orders to another broker or dealer. In such cases we may:

- i. Determine the ultimate execution venue ourselves by assessing specific execution venues through such third parties; or
- ii. Instruct such other broker or dealer accordingly having already satisfied ourselves that they have arrangements in place to enable us to comply with our execution obligations to you.

3.5 Execution Venues

SHP will take sufficient steps in order to obtain the best possible results on a consistent basis. Where the firm chooses an execution venue on behalf of the client it will not discriminate between execution venue(s). The choice of execution venue(s) will be made by considering the above factors and criteria (per Sections 9, 12 and 13).

Any charges passed down to the client are consistent with the cost to the firm of dealing with each execution venue so as not to discriminate between execution venues.

SHP may use one or more of the following venue types when executing clients order(s):

- a) Regulated markets (“RMs”)
- b) Systematic Internalisers (“SIs”)
- c) Multilateral Trading Facility (“MTF”)
- d) Organised Trading Facility (“OTF”)

Where SHP are not responsible for the actual execution but instead transmits the order to a third party for execution, we will ensure that the third party is contracted to enable the firm to comply with our execution obligations to our clients. Third party brokers are chosen according to a review of set criteria, including creditworthiness, service (as regards to execution, including their best execution policy, and settlement) and cost. Third party brokers are reviewed and assessed periodically.

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

We will regularly assess the execution venues/clearers available in respect to any product that we trade in order to ensure they continue to be the most appropriate for our clients.

On an annual basis SHP will publish on its website details of its top execution venues on which orders are placed to obtain the best results for the client, in respect of each class of instruments.

A non-exhaustive list of execution venues is provided in Appendix 1 to this policy.

3.6 Entering into transactions outside of a Trading Venue

There may be occasions where SHP assesses that achieving the best possible results in executing a client's order requires us to execute the order outside of RMs, MTFs or OTFs. In order to transact with you, SHP require your express consent to this policy. Your consent to this Order Execution Policy by one of the methods set out below includes your express consent to us to execute your order outside a RM, MTF or OTF.

3.7 Method of Execution

Subject to any specific instructions that may be given to SHP by you, SHP will select an Execution Venue that is most appropriate giving regard to the Execution Criteria and relative importance of the Execution Factors specific to that order.

Subject to any specific instructions SHP will execute an order by one of the following methods or combination of methods:

- a) Directly to a RM, MTF or OTF, or where SHP are not a direct member of the relevant RM, MTF or OTF with a third party broker;
- b) Outside a RM, MTF or OTF by executing the order with a matching order of a Systematic Internaliser or another client or counterparty of SHP.

In accepting your orders, SHP does not represent or warrant that it will be possible to execute such order or that execution will be possible according to your instructions. We shall carry out an order on your behalf only when the relevant market is open for dealings, and we shall deal with any instructions received outside market hours as soon as possible when that relevant Market is next open for business.

3.8 Specific Client Instructions

Where you give us a specific instruction as to the execution of an order (for example, Direct Market Access orders submitted via an electronic system), we will execute the order in accordance with those specific instructions.

Where your instructions relate to only part of the order, we will continue to apply this Policy to those aspects of the Order not covered by your specific instructions.

You should be aware that providing specific instructions to us in relation to the execution of a particular Order may prevent us from taking the steps set out in this Policy to obtain the best possible results in respect of the elements covered by those instructions.

3.9 Reception and Transmission of Orders

Subject to any specific instructions that may be given by you (see above), SHP may transmit an order that we receive from you to an external entity, such as a third party broker, for execution. In doing so, we will act in your best interests and consider the Execution Factors and Execution Criteria above.

3.10 Client Limit Orders

The FCA rules require unexecuted client limit orders to be made public immediately unless the client expressly instructs otherwise. By consenting to this policy you are expressly instructing SHP not to make such orders public.

4. Monitoring and Review

SHP will take all sufficient measures to implement the Policy and will regularly monitor its effectiveness. Such reviews will enable us to identify and implement enhancements to our execution policy and execution arrangements as required. Any failures to act within the Policy will be escalated in line with our escalation procedures. You should note that for some financial instruments it may not always be possible to make an effective comparison of execution performance because reliable market data is not always available. Clients will be advised of any material changes to our policy as necessary, we may do this by publishing our Policy on our website www.stonehedge-partners.com

5. Fees, Commissions and Mark-Ups

In order driven markets such as cash equities SHP will charge an agreed commission (levied in accordance with our rates in effect at the time or as otherwise notified to you verbally or in writing prior to dealing) on a trade which is built into the execution price. In quote driven markets such as fixed income SHP does not charge an explicit commission (unless otherwise agreed verbally or in writing prior to dealing) but imposes a mark-up or spread between where it may buy a financial instrument and where it may sell that financial instrument. SHP will ensure that the mark-ups and spreads charged on transactions are reasonable and not excessive for the product type, tenor and size of trade.

SHP may, where admissible under the MiFID II rules on inducements, share certain fees with, or receive remuneration from, intermediaries introducing business to SHP, associated companies, or other third parties and will provide details to you on request. SHP may also receive remuneration from certain counterparties where we provide you and that counterparty with an arranging service as described below.

6. Arranging Services

Where SHP provides you with an arranging service, where we bring together you and another counterparty and you subsequently enter into a transaction with that counterparty on terms which both parties individually agree, it is distinct and separate from the execution services SHP provide to you. In particular, where SHP provides an arranging service, SHP may not be acting solely on your behalf. You should not rely on SHP to protect your interests in relation to the pricing and/or other elements of the transaction. In order to protect your own interests, you should consider other offers, if any, before accepting the terms of any such transaction with that counterparty. SHP may receive separate remuneration from counterparties for providing them with an arranging service for the same transaction.

7. Consent and Instruction

SHP requires your prior consent to this execution policy. When, having been provided with a copy of this document, you give us instructions to deal on your behalf, you will be deemed to have provided such consent for your orders to be carried out in accordance with this policy. You also consent that SHP:

- a) May execute an order outside of a RM, MTF or OTF as detailed above;
- b) Unexecuted limit order will not be made public immediately;
- c) SHP may provide the Policy and any amendments to it on our website.

You may confirm consent by signing and returning the form in Appendix 2 by email or mail. Your consent will be deemed to have been given if you ask SHP to act on your behalf.

Appendix 1

Non-exhaustive list of execution venues by asset class:

Cash Equities.

Execution Venue	RM	MTF	SI
Aquis			
BlockMatch			
Borsa Italiana			
Bolsa de Madrid			
Cboe LIT			
Cboe Dark			
Cboe Periodic			
Cboe LIS			
Euronext			
Euronext Block			
ISE			
Liquidnet			
LSE			
Nasdaq OMX			
Posit			
SIX Swiss			
Swiss at Mid			
SG AlphaY SI			
Turquoise Lit			
Turquoise Lit Auctions			
Turquoise Dark			
Turquoise Plato Block Discovery (BDS) including Uncross			
UBS			
Warsaw Stock Exchange			
Wienerborse			
Xetra			

Cash Bonds.

Bloomberg MTF

Structured Products.

SHP sources Structured Products on a bespoke basis, reflecting the clients' requirements and our assessment of the products suitability. When selecting Manufacturers to design a product SHP will place a higher emphasis on the likelihood of execution, in line with these requirements.

Appendix 2

Order Execution Policy Consent Form

Please complete and sign this Form of Consent and return it to compliance@stonehedge-partners.com

By signing and returning this form, you consent to the terms of the Policy;

Agreed and acknowledged.

Signature(s):

Name(s):

Position(s):

For and on behalf of:

Date