ORDER EXECUTION POLICY

June 2024

Introduction

Under the rules set down by the Financial Conduct Authority ("FCA") Vantage Capital Markets LLP ("VCM", "We") are required to put in place an Order Execution Policy ("this Policy"). The aim of this document is to set out in sufficient detail and in an easy to understand way how we will handle the execution of our clients' orders. This Policy should be considered alongside our Client Agreement/Terms of Business which are available on our website (www.vcmllp.com) or on request (compliance@vcmllp.com).

Scope

This policy is applicable to all orders in Financial Instruments (see Annex 1) received from, and executed on behalf of, our Professional Clients.

For an instruction from a client to buy or sell a Financial Instrument to constitute a client order, the following must be in place:

1. An up to date Client Agreement.
2. The client's acknowledgement and agreement to this "Order Execution Policy".
3. The instruction must be transmitted in a proper manner, as set out in the Client Agreement, in a recordable medium accepted by us.
4. The instruction must be transmitted to an authorised member of VCM's broking staff by a person authorised by the client.
5. The instruction must be acknowledged and accepted by VCM.

Regulatory Context

We do not execute client business against our own capital. We only trade on 'own account' when transacting business as a matched principal. We understand 'matched principal' as;

"a transaction where the facilitator interposes itself between the buyer and the seller to the transaction in such a way that it is never itself exposed to market risk throughout the execution of the transaction, with both sides executed simultaneously, and where the transaction is concluded at a price where the facilitator makes no profit or loss, other than previously disclosed commission, fee or charge for the transaction" (FCA Glossary)

This Policy

The content of this document, prepared in accordance with the requirements of Article 27 of MiFID II and FCA Conduct of Business rules, affirms our existing approach to execution and reflects our everyday practice when dealing with you. The Policy should be read in conjunction with the Vantage Capital Markets LLP (VCM) Terms of Business.

VCM’s intention is, so far as possible, to apply consistent standards and operate the same processes across all markets in which we operate. We also intend to provide you and other market participants with access to (where possible) tradable prices on a non-discriminatory basis. However, the diversity in those markets and instruments, what we know of your own trading intentions, and the kind of orders that you may place, mean that different factors will have to be considered in relation to any transaction we may undertake with or for you.

Client Category

VCM is required by the FCA to categorise each of its clients. This will be reflected in our Client Agreement. We do not transact business with Retail Clients and therefore only transact business with those clients that fulfil the criteria of a Professional Client or an Eligible Counterparty (“ECP”).

We recognise that the obligation with respect to best execution differs between the categories of clients, which is reflected in this Policy.

Once a client is classified as an ECP for the purposes of a particular instrument, that client may not then elect to be re-classified for the purposes of one transaction of a type it customarily undertakes. Exceptional circumstances may be considered at the time, but we may decline to provide a service should a re-classification be requested.

Best Execution

It has always been a fundamental principle of our business that we will take all sufficient steps to obtain, when executing orders, the best possible result for our clients considering:

1. Price.

2. Costs.
3. Speed.
4. Likelihood of execution and settlement.
5. Size.
6. Any other factor relevant to the execution of the order.

We will also consider, when executing orders and when choosing venues, the explicit external costs of a transaction which include:

1. Commissions passed on by intermediaries.
2. Fees.
3. Taxes.
4. Exchange fees.
5. Clearing and settlement cost.

When providing brokerage services to you in relation to Financial Instruments, we will take sufficient steps to achieve the best overall trading result. This means that we will aim to provide best execution subject to and considering the nature of your order, the prices available in the market, the nature of the market in question and a reasonable assessment of the sometimes overlapping and conflicting execution factors. We may conclude in some cases that price may be less important than size in illiquid situations. We will, as a matter of course, check and monitor the fairness of prices proposed as well as gather the market data used in the process of estimation of prices.

We will, where there is a **specific instruction** from the client, execute the order following the specific instruction. This may prevent us from implementing our execution policy and lead to **best execution** not being achieved.

Trade allocation, timely allocation

FCA Principles require firms to conduct their businesses with integrity and treat their customers fairly. In applying these principles to when VCM aggregates and subsequently executes an order for a client (including an Eligible Counterparty) with another client order, we will allocate the investment concerned fairly to the clients concerned. Comparable client orders communicated to VCM in the same form will be carried out sequentially and all client orders handled in a timely fashion, unless the characteristics of the order or prevailing market conditions make this impracticable, or the interest of the client requires otherwise.

Aggregation

As a rule, we will not aggregate orders if it is likely to work to the disadvantage of any of our clients. However, we have specifically disclosed in our terms of business that we may aggregate client orders with other client orders and that such aggregation may, on occasions, work to a client's disadvantage.

Allocation

When allocating an aggregated transaction, we will not give unfair preference to any client.

Execution Factors

VCM will consider several additional factors when seeking to deliver best execution:

1. The characteristics of the client.
2. The characteristics of the client order.
3. The characteristics of the execution venues to which that order can be directed.
4. The characteristics of the financial instruments that are the subject of that order.
5. Price and cost of execution.
6. When executing orders or taking decisions to deal in bespoke products, VCM shall check the fairness of the price proposed to the client by gathering market data used in the estimation of the price.

Exemption from the provision of Best Execution

VCM will within our Client Agreement confirm the client category assigned to the client. We do not deal with clients categorised as Retail Clients. Each client will agree with us in which client category they fall before any business can be transacted. We will always treat our clients fairly, but we will **not** owe clients **best execution** in certain circumstances. We will in these cases always manage any conflicts of interest appropriately and we will take all steps to prevent conflicts from adversely affecting the interests of our clients.

The circumstances in which **best execution** will **not** arise are as follows: -

1. If you are classified by VCM as an Eligible Counterparty.
2. Where we supply or respond to a "request for quote" and unavoidable conflicts of interest arise, for example where we have received a quote from a counterparty on a restricted basis. In these cases, we will take all appropriate steps to identify and manage those conflicts.
3. Where we merely provide prices to a client at which a counterparty is willing to buy or sell or where the client contacts us in an unsolicited way and asks us to provide a quote for a particular Financial Instrument.
4. In the wholesale derivatives and bond markets (and for the avoidance of doubt this would include derivatives in Equities, Energy and Commodities) in which VCM operates on a "request for quote" basis, it is normal market practice for buyers and sellers to "shop around" by approaching several brokers/dealers for a quote. In these circumstances VCM is under no obligation to provide the buyer/seller with a comparison of its prices with those of its competitors (and there is no expectation between the parties that the broker/dealer chosen will owe a best execution obligation). As a sophisticated participant in the wholesale markets, unless you advise us to the contrary, we will assume that this is your normal trading behaviour.
5. Where you provide instructions or where VCM provides either "an indication of interest" or a "request for quote" that you accept by executing a transaction, VCM will not in general be executing your order. In these circumstances, VCM will take your best interests into account but will not be deemed to be acting on your behalf and the best execution responsibilities will not apply.
6. Brokers acting in a name passing capacity (as described in Annex 3) are receivers and transmitters of orders but in carrying out their activities they do not receive and transmit orders for execution. Where orders are not transmitted for execution, the requirement to provide best execution will not apply.
7. Where VCM is required to unwind a client position (for example, where a client is in default under a contractual obligation) VCM will not owe that client a duty of best execution in relation to the trades undertaken to unwind the position.
8. If VCM were to offer Direct Market Access ("DMA") and you self-direct all or part of your order directly to a regulated market or an MTF, we will not be subject to, and therefore will not offer best execution for that order or any part thereof.
9. Where any of the other exemptions mentioned in the Policy apply.

Order Handling

The FCA requires us to set out in our Execution Policy how we will execute client orders and what factors we will consider. We will normally receive orders with some degree of reference to the Financial Instrument, the price, the size of the order or all three. Where the client gives us guidance outside a specific instruction, we will follow that guidance as closely as possible.

VCM also receives orders that react to indications of interest or as a result of a request for quote. We may also receive simple indications of interest that become actionable and become firm orders.

We will tailor our execution strategy according to the:

1. Class of Financial Instrument.
2. Level of instruction the client has given – specific or guidance.
3. The venues that the Financial Instrument may be traded across.
4. The size of the client’s order in relation to the liquidity in the market place.
5. The time scale the client has indicated.
6. The timescale it would be appropriate to use to complete the order.

VCM will habitually use the venues disclosed in this policy but also where appropriate, and where we feel that a better result for the client will be achieved, the “call around” market.

We will use different strategies for different financial instrument classes. Indeed we may adopt different strategies for two financial instruments within the same financial class of instruments. For example, in the equities market there are shares with a high degree of liquidity where it is entirely possible to execute a trade in one hit, and other shares where the same notional amount will take several hours to trade.

In exchange traded instruments, and where technology allows us, we may use a variety of strategies to achieve best execution. The choice of these strategies will differ between exchanges, type of financial instrument, state of the market and sometimes time of the day. The strategies available to us may include the following:

1. Iceberg orders.
2. Percentage of the volume.
3. Limit orders.
4. Market on close.
5. VWAP volume weighted average price.
6. TWAP time weighted average price.
7. Fill or kill.

OTC and Organised Trading Facility (“OTF”)

VCM operates an OTF. An OTF is specifically designed as a venue for non-equity family products that were previously traded on an over the counter (OTC) basis. VCM has an Order Execution Policy which is specific to its OTF.

Brokerage Models

VCM engages with its clients as a voice broker. We may arrange trades on a ‘name passing’ basis, ‘matched principal’ or ‘exchange give-up’ basis. These models are described further below and in Annex 3.

Name Passing

The name passing model is where the broker takes on an arranging role in a transaction between two or more counterparties. The broker, through price dissemination, distributes quotes to other market participants showing both price and volume. For voice brokered products, these prices and volumes are dependent upon market convention, either firm or indicative levels of interest, and must be confirmed prior to the trade being completed. For electronic brokered products through MTFs, these prices and volumes are typically firm and are traded without further communication.

Once the trade price, volume and terms have been agreed, either through further discussion with the broker (or with the direct taking of prices on an MTF), the counterparties’ names are disclosed and the broker steps away from the transaction. Bilateral agreements are then enforced between the counterparties and the broker will invoice parties for the brokerage fees.

Matched Principal

a transaction where the facilitator interposes itself between the buyer and the seller to the transaction in such a way that it is never itself exposed to market risk throughout the execution of the transaction, with both sides executed simultaneously, and where the transaction is concluded at a price where the facilitator makes no profit or loss, other than a previously disclosed commission, fee or charge for the transaction.

Exchange Give-Up

In addition to the name passing and matched principal brokerage models, brokers can facilitate the trading activity of their clients on derivative exchanges (e.g. LiFFE, Eurex, CME, etc). Upon receiving the relevant price information from the broker, the client will instruct the broker to place an order on the appropriate exchange, either in its own name (if a member of the exchange) or through a third party. The broker can provide the client with an indication of the market based on the current price and volume activity on the exchange.

Once the execution has occurred, the executed position is then given-up to the client through the clearing services of the exchange clearing house. This process typically occurs within the trading day and so the broker will have no house position at the end of each day. During the give-up process the broker will maintain a daylight position until the trade is taken-up by the client.

At the end of each month, the broker will invoice the client for the trading activity during that month.

A derivation of this business model is where OTC trades are crossed on the exchange to provide the clients with a settlement process through a central counterparty (CCP settlement)

Execution Venues, Monitoring and Disclosure

VCM may transact trades on your behalf on any of the execution venues detailed in Appendix 2. The list is not exhaustive. We reserve the right to use other execution venues where it is deemed appropriate to comply with the best execution requirements. Where VCM invites you to choose the execution venue or entity, the information given to you will be fair, clear, not misleading and sufficient for you to make an informed choice.

As part of our business model we will always set out to cover as many venues as is practically possible. In general, we will pursue the venues that offer us the best chances of achieving the best possible result for the customer on a consistent and regular basis. These considerations include:

1. Volume.

2. Price spreads.
3. Financial instruments traded.
4. Technology.
5. Location.
6. Trading hours.
7. Explicit external costs including fees.
8. Total consideration of transaction.
9. Visibility.
10. Quality of data.
11. Reliability of fills and clearing.
12. Counterparty risk.
13. Access.

This Policy sets out the venues on which VCM may transact your order and which we have identified as those that offer the best prospects for achieving the best possible results for you. We will monitor the effectiveness of our order execution arrangements and execution policy to identify and, where appropriate, correct any deficiencies.

We will also, on a regular basis, assess on a qualitative and quantitative basis whether the venues chosen are providing the best possible results for our clients. When selecting the venue on which to transact trades VCM will take suitable measures to ensure that the selected venue obtains the best possible trading result for our clients on an overall basis and not a trade by trade basis.

We will summarise and make public annually, the top five venues for each class of financial instrument in terms of:

1. Trading volumes where VCM has executed clients' orders.
2. Information of the quality of execution obtained.

VCM will further disclose for the top five venues:

1. Venue name.
2. Class of Financial Instrument.
3. Number and volume of client orders executed on that venue measured against total executed orders.
4. Percentage of passive and aggressive orders and if they were directed or not.
5. Confirmation of whether VCM has executed an average of less than one trade per business day in the last 12 months.

We will summarise the analysis and conclusions taken from the monitoring of the quality of execution obtained on the execution venues. This will include:

1. The relative importance VCM places on execution factors of price, cost, speed etc.
2. A disclosure of any specific arrangements VCM has with trading venues regarding discounts, payments or rebates.
3. Explanation of how factors outside already stated considerations were instrumental in delivering Best Execution.
4. Explanation of how VCM uses data collected from or monitoring processes.
5. Disclosure of close links, conflicts of interest or common ownership of execution venue.
6. Description of factors leading to the use of or the ceasing of using a specific venue. VCM undertakes to disclose any material change to the firm or execution factors or venues.
7. Where VCM uses the output of a consolidated tape.

Where we execute trades on VCM's OTF, we will publish data on the quality of execution in a report on a quarterly basis.

We further undertake to disclose any material change to the firm or execution factors or venues.

When fees applied by us differ from venue to venue, we will provide clients with information in an easy to understand way so you may understand the advantages and disadvantages of one venue over another. Where VCM invites you to choose the execution venue or entity, the information given to you will be fair, clear, not misleading and sufficient for you to make an informed choice.

Order Routing, Third Party Payments

VCM will habitually route orders to different venues, depending on where the best possible overall result for the client can be achieved. We understand that different venues have different pricing structures, which we will consider when executing orders. VCM will not accept or receive any remuneration, discount or non-monetary benefit from a venue that does not comply with our obligations to the regulator and if such a benefit were to be received it will be disclosed to the client.

On occasions, to act in your best interests, we may execute orders using a Direct Market Access ("DMA") mechanism or route an order through a third party for execution. In these circumstances, whilst the deal will be with a third party, VCM retains execution control and will assess whether the third-party broker is achieving the best results in the relevant markets.

VCM can transact trades on your behalf in any of the execution venues listed. The venues have been selected either on the basis that they are the only venue available for the relevant product or because we consider they enable us to obtain on a consistent basis the best possible result for the execution of each relevant client order.

Where VCM uses automated systems to route and execute client orders, it will be routed to the best execution venue as determined by the criteria above. Certain large orders that require specialist handling (for example to minimise market impact) will be managed by our brokers.

As a general guideline, price will merit a high relative importance in obtaining the best possible result for our clients. However in respect of illiquid and negotiated financial instruments, price is likely to be more closely inter-related with, and dependent on, the size of the order and the available liquidity.

PFOF (Payment For Order Flow)

In May 2012, the FCA banned Payment for Order Flow ('PFOF'). This ban reinforces the FCA's best execution requirement for firms in the UK, ensuring that client outcomes take priority over financial incentives. The FCA has since issued further guidance in the 'Dear CEO Letter: Payment of Order Flow (PFOF)' in December 2017, and the latest guidance in 2019 in the 'Payment for Order Flow (PFOF)' review.

The latest guidance draws a distinction between activity where:

- The broker is sourcing exclusive liquidity (and executing orders) for a specific client; and
- The broker's role is akin to offering a platform where all its clients can interact and trade at prices disseminated widely by the broker.

Within the first type of activity, the client has the right of first refusal (ROFR). Within the second type of activity, clients are treated according to the protocols set out in our Execution Policy.

Where a client has ROFR, the prohibition against charging market makers commission will apply. PFOF does not apply to the broad dissemination of non-exclusive liquidity.

Currently, other than for one business area (where PFOF does not arise), we do not act for clients on an exclusive basis. Nor do we have arrangements with individual market makers where we give preference in return for enhanced commissions. However, brokers should be alert to any circumstances where, as a result of pressure from a client or the desire to enhance the relationship with a client, a broker either expressly or impliedly gives a specific client a ROFR. Further, brokers should be alert to any circumstances where a market maker seeks to be a broker's market maker of choice. Where such circumstances arise, the relevant broker must report the matter to the Compliance department at the earliest opportunity.

Compliance routinely monitors broking communications in order to ensure that our brokers are acting honestly, fairly, and professionally.

No Fiduciary Duty

The commitment of VCM to provide our clients with **best execution** does not mean that we owe any fiduciary responsibility over and above regulatory obligations placed upon us or as may be otherwise contracted between us.

Where we transmit orders on behalf of our clients to other authorised firms for execution, we are not required to duplicate efforts and shall rely on that firm to provide best execution. Furthermore, VCM is not responsible for the investment decisions of our clients and will not be responsible for any losses suffered as a result of those decisions.

ANNEX 1

Financial Instruments which may be executed by VCM as defined by MiFID

1. Transferable securities;
2. Money-market instruments;
3. 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;
4. 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 because of a default or other termination event);
5. Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled if they are traded on a regulated market and/or an MTF;
6. Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in 5 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;
7. Derivative instruments for the transfer of credit risk;
8. Financial contracts for differences;
9. 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 OTF or MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.

ANNEX 2

Equities

American Stock Exchange, Athens Stock Exchange, Australian Stock Exchange, Blockcross MTF, Bolsas y Mercados Espanoles (BME) Madrid, Borsa Italiana (Milan Stock Exchange), Budapest Stock Exchange, Bulgarian Stock Exchange, Chi-X, Deutsche Borse, Euronext (Paris, Amsterdam, Brussels, Lisbon), Hong King Stock Exchange, Jasdaq Securities Exchange, Johannesbourg Stock Exchange, London Stock Exchange, OMX (Copenhagen Stock Exchange, Helsinki Stock Exchange, Stockholm Stock Exchange, Osaka Exchange, Oslo Stock Exchange, National Association of Securities Dealers Automated Quotations, New York Stock Exchange, Singapore Stock Exchange, Swiss Stock Exchange, SWX Exchange, Tokyo Stock Exchange, Toronto Stock Exchange, Turquoise, Warsaw Stock Exchange, Weiner Börse (Vienna Stock Exchange)

Futures

Chicago Mercantile Exchange Group (CME/CBOT), EDX London, EUREX AG (EUREX), European Energy Exchange (EEX), Hong Kong Futures Exchange (HKFE), ICE Futures Europe (ICE), International Maritime Exchange (IMAREX),Italian Derivatives Exchange Market, London Metal Exchange, New York Board of Trade (NYBOT), New York Mercantile Exchange (NYMEX), NYSE Euronext (LIFFE, Amsterdam, Paris), Singapore International Monetary Exchange (SAX) Spanish Financial Futures Market (MEFF), South African Futures Exchange (SAFEX), Sydney Futures Exchange (SFE), Tokyo International Financial Futures Exchange (TIFFE), Tokyo Stock Exchange (TSE).

ANNEX 3

Examples

Name Passing

Step 1	Client A	• BROKER provides access to the market place for trading by way of gathering indications of interest. • BROKER facilitates quotes from clients and publishes them on an anonymous basis as an indication of the current market price and interest.

	Client B BROKER Client C	
Step 2	Client A Client B BROKER	• Once BROKER has two or more interested clients, the price and trade terms are verified.
Step 3	Client A Client B BROKER	• Once a trade has been confirmed as good, BROKER discloses the clients' names. • A bilateral trade is then formed between the two clients and BROKER steps out of the trade process. • BROKER sends a broker confirmation to each client.
Step 4	Client A Client B BROKER	• At the end of the month, an invoice is sent to each client for the brokerage value for their trading activity. Reporting obligations rest with the counterparts

Matched Principal

Step 1	Client A BROKER	• Client A informs the broker that they want to sell $1 million face value of a bond.
Step 2	Client B	• The broker finds Client B who is willing to buy the bond. • The broker confirms that the bond meets Client B's criteria.

	BROKER	
Step 3	Client A Client B Broker	• The broker agrees to facilitate the transaction between Client A @ 96.75 and Client B @ 96.77. • The broker instructs Client A to deliver the $1 million face value bond. • The broker ensures Client B has the funds to purchase the bond.
Step 4	Client A Client B Broker	• Client A transfers the bond to Client B via the appointed clearer • Client B pays Client A via the appointed clearer • The difference in the spread is within the agreed parameters of commission charged, in this scenario 2cents .

Exchange Give-Up

Step 1	Client A Exchange BROKER	• BROKER provides an indication of the current trading level on the exchange to their clients, if required. • BROKER, on the back of a client order, hits/lifts the price and quantity on the exchange.

Step 2	Client A Client Custodian BROKER Exchange BROKER Custodian	• Once BROKER has executed the trade on the exchange, it is delivered directly into BROKER's house account at their custodian for that exchange. • BROKER then instructs for the onward delivery of the trade to their client's custody account. • The client acknowledges the trade and takes the position into their accounts. • BROKER is now in a flat trading position.
Step 3	Client A BROKER	• BROKER sends a broker confirmation to the client.
Step 4	Client A BROKER	• At the end of the month, an invoice is sent to the client for the brokerage total for their trading activity.

Execution and Order Handling Policy

This Execution and Order Handling Policy (the "Policy") is applicable to execution services provided to you by Vantage Capital Markets LLP the UK or any member state of the European Union/European Economic Area ("EU/EEA"):

The Policy should be read in conjunction with the VCM Terms of Business.

Execution Services

In providing execution services to you in relation to financial instruments (as set out in Annex), VCM may (subject always to applicable law):

1. arrange a transaction in the over-the-counter financial or commodities markets, which may be inside or outside of the EU/EEA;

2. arrange for the submission of trading interests to a trading venue for execution, which may be inside or outside of the EU/EEA;

3. arrange a transaction which is submitted to a trading venue for registration, which may be inside or outside of the EU/EEA;

4. within the VCM operated organised trading facility ("OTF"), arrange and execute orders placed on that VCM OTF.

Organised Trading Facilities

The European regulatory package known as MiFID II introduced OTFs as a new type of multilateral trading venue alongside regulated markets ("RMs") and multilateral trading facilities ("MTFs"). Details of the OTF operated by VCM are contained in the official rulebooks, which should be consulted for information on the financial instruments, other products and transaction types that are tradable within them. The operator of an OTF is required to exercise discretion in relation to the execution of orders, either when deciding to place or retract an order on the OTF and/or when deciding not to match potential orders available in the system. The exercise of discretion within VCM's OTFs is separate from the requirement to provide best execution, which is discussed in more detail in Annex 2.

Business Models

VCM's execution services are provided through:

• voice broking, where brokers, supported by proprietary screens displaying historical data, analytics, and real-time prices, discover price and liquidity for their clients; and

• electronic platforms.

These arrangements can be combined in hybrid broking models, which allow for the interaction of trading interests through both voice and electronic systems.

The business brokers products using three major execution methods:

• Name Passing (where all counterparties to a transaction settle directly with each other or through a settlement agent);

• Matched Principal (where VCM is a counterparty to both sides of a matching trade); or

• Exchange Give-Up (where a broker places an order for a client on a trading venue and then "gives up" the resulting trade to the relevant client or its clearer).

A derivation of this business model includes trades which are privately negotiated and registered on an exchange or MTF or provides the clients with a settlement process through a central counterparty (CCP settlement).

When Best Execution Is Owed

VCM will take sufficient steps to achieve the best overall trading result when acting as broker in the execution or reception and transmission of orders in financial instruments and, when acting as the operator of an OTF, in concluding transactions in financial instruments on that OTF. This means that VCM will aim to provide "best execution" subject to and taking into account the nature of your orders,

the prices available to VCM in the market, the nature of the market in question and a reasonable assessment of the relevant execution factors (which are detailed below).

VCM's intention is, so far as possible, to exercise consistent standards and operate the same processes across all markets, clients and financial instruments in which it operates. VCM also intends to provide you and other market participants with access to (where possible) tradable prices on a non-discriminatory basis. However, the diversity in those markets and instruments, what VCM knows of your own trading intentions, and the kind of orders that you may place, mean that different factors will have to be taken into account in relation to any particular transaction.

VCM will assess the following factors when determining where best execution is owed to the client:

<u>1. Which party initiates the transaction.</u>

Where a transaction is initiated by the client it is less likely that the client is placing reliance on VCM to provide best execution

2. Market Practice

Professional counterparties are sophisticated participants in the wholesale markets. It is normal market practice for buyers and sellers to “shop around” by approaching several brokers/dealers for a quote. In these circumstances, it is less likely there is any expectation between the parties that the broker/dealer chosen will owe best execution.

3. Market Transparency

In liquid markets where there is access to multiple providers of pricing information, it is less likely that the client is placing reliance on VCM to provide Best execution.

4. Terms of Business

Where our agreements with the client, including this policy and our Terms of Business, state that VCM will provide Best Execution, then it is more likely that the client will be placing reliance upon VCM.

When Best Execution Is Not Owed

Notwithstanding the intentions expressed above, VCM does not undertake to provide “best execution” in the following circumstances:

Eligible Counterparties

• If you are classified as an Eligible Counterparty, you will not be entitled to best execution under the UK Financial Conduct Authority (“FCA”) or equivalent EU/EEA rules (pursuant to Article 30 of MiFID II, which disapplies the best execution obligation under Article 27 of MiFID II for Eligible Counterparties).

Legitimate reliance

• In the wholesale OTC derivatives and bond markets (and for the avoidance of doubt this would include derivatives in Equities, Energy and Commodities) in which VCM operates (and as recognised by the European Commission) it is normal market practice for buyers and sellers to “shop around” by approaching several brokers/dealers for a quote. In these circumstances, there is no expectation between the parties that the broker/dealer chosen will owe best execution. As a sophisticated participant in the wholesale markets, unless you advise us to the contrary, we will assume that this is your normal trading behaviour.

Client Instructions

• Where the client provides VCM with a specific instruction in relation to an entire order, or any particular aspect of an order, including an instruction for the trade to be executed on a particular venue, VCM will execute the order in accordance with the client instructions. In following the instructions, VCM will be deemed to have taken all sufficient steps to provide the best possible result in respect of the order, or aspect of the order, covered by the specific instructions.

Request for Quote (RFQ)

• The scope of Best Execution is limited to where VCM is acting on behalf of clients. Where VCM provides a Request for Quote service" RFQ" VCM will not be acting on behalf of clients and will not owe Best Execution

Note that when you aggress a resting order or place an order on an MTF, the best execution provisions of MiFID II will not apply to the operator of the MTF.

Clients

VCM clients are classified as either Eligible Counterparties or Professional Clients as defined in MiFID II and by the FCA. The classification of a client is notified to the client in a separate notice (the Client Classification Notice).

MiFID II entitles clients to request a different client classification from that notified in the Client Classification Notice in respect of one or more investment services or transactions, or one or more types of transaction or product. Any such request must be made to VCM in writing. However, because VCM always intends to handle orders and indications of interest in an equitable and consistent manner, once a client is classified as an Eligible Counterparty for the purposes of a particular instrument, it is VCM's policy that it will decline to provide services should an Eligible Counterparty request to be re-classified for the purposes of one transaction of a type it customarily undertakes.

There may be exceptional circumstances and VCM will consider each written request on a case-by-case basis.

Execution Venues

This Policy sets out the venues on which VCM may execute your order. It has identified those venues on which VCM most regularly seeks to execute your orders and which VCM believes offer the best prospects for achieving the best possible results for you, taking into account the execution factors detailed below. VCM is able to execute trades on your behalf on any of the following execution venues:

• any OTF operated by VCM;

• regulated markets, MTFs and OTFs not operated by VCM;

• (in a quasi-venue or non-venue capacity), systematic internalisers, market makers or other liquidity providers; and

• execution venues in non-EU/EEA countries that perform a similar function to any of the foregoing to which VCM has access and which are listed in Annexes 3 – 9 according to the relevant classes of financial instrument. Please note that this list is not intended to be exhaustive and VCM reserves the right to utilise alternative execution venues.

When selecting the venue on which to transact, VCM will take sufficient measures to ensure that the selected venue obtains the best possible trading result for its clients, subject to the following general factors:

• In the OTC markets in which VCM operates, it can only give clients visibility to prices that have been communicated to VCM by other clients that operate in the same market; accordingly, any "best outcome" will solely be within these limits. However, when executing orders or taking a decision to deal in OTC products, including bespoke products, VCM will check the fairness of the price proposed to the client by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products;

• VCM will provide details of all tradable bids and offers (subject to the other matters referred to below);

• Time availability of prices – in many markets, there are lulls and spikes in trading as negotiations align trading interests at different times and different parts of the curve; accordingly, the "last traded" price may not always be available or act as a reliable indicator of current price;

• VCM cannot allow clients to trade in a market unless it is reasonably satisfied that the client (via an agent or otherwise) is operationally capable of settling the relevant trade;

• VCM cannot control either the cost of credit (credit premium) or credit acceptance between its clients; and

• where VCM invites you to choose one execution venue rather than another, we will provide fair, clear, and not misleading information to prevent you from choosing one execution venue rather than another on the sole basis of the price policy applied by VCM.

In cases where VCM applies different fees depending on the execution venue, we will explain these differences to you in sufficient detail to allow you to understand the advantages and disadvantages of the choice of a particular execution venue. Similarly, VCM will inform you of any inducements (if any) it receives from an execution venue and of the value of any monetary or non-monetary benefits it receives in circumstances where VCM charges more than one participant in a transaction.

The execution venues on which VCM places particular reliance in meeting its best execution obligations, and the relevant factors for selecting a particular execution venue, also vary depending on the class of financial instruments to which your order relates. Please see Annexes 3 – 9 for more detail on the variation that applies across the various classes of financial instruments. These Annexes also specify in which circumstances VCM may execute an order outside a trading venue.

Execution Factors

In the absence of express instructions from you, VCM will exercise its own discretion in determining the factors that VCM needs to take into account for the purpose of providing you with the best possible result.

These execution factors in the wholesale markets in which VCM operate will include, but are not restricted to, the:

• characteristics of the client;

• size, nature and characteristics of the order;

• characteristics of the execution venue on which that order can be directed;

• likelihood and speed of execution; and

• price and costs of execution.

The importance of each of the execution factors may be weighted differently depending on the class of financial instruments and the type of service provided. Please see Annexes 3 – 9 for more detail on the variation that applies across the various classes of financial instruments.6

Order Handling

When handling orders, our objective is to:

• ensure that executed client orders are promptly and accurately recorded and allocated; and

• carry out otherwise comparable client orders sequentially and promptly unless: (i) otherwise instructed by the client; (ii) the characteristics of the order or prevailing market conditions make this impracticable; or (iii) the interests of the client require otherwise.

In the case of client limit orders (as defined by MiFID II) in respect of shares admitted to trading on a regulated market or traded on a trading venue which are not immediately executed under prevailing market conditions, VCM will take measures to facilitate the earliest possible execution of that order-by making public immediately that client limit order in a manner which is easily accessible to other market participants (by submitting the order for execution to a regulated market or a MTF or ensuring the order is published by a data reporting services provider located in an EU member state and can be easily executed as soon as market conditions allow) unless:

• express instructions are given by the client not to publish; or

• the order is large in scale compared to normal market size (as defined by MiFID II).

When VCM accepts an order from you to effect a single transaction or a series of transactions for the purpose of acquiring or disposing of all or part of a portfolio or a large basket of securities, it may undertake other client orders with respect to the constituent securities or any related security which could have an impact on the price of the constituent security.

If you are a non-exempted US client under Section 15a-6 of the Securities Exchange Act of 1934, an appointed US Broker Dealer will act in the capacity of US intermediary broker- dealer for securities transactions. The appointed US Broker Dealer used in each instance will be dependent on VCM has undertaking the transaction with you and will notify to you as necessary.

Settlement of Orders

Where it is responsible for overseeing or arranging the settlement of an executed order, VCM will take all reasonable steps to ensure that any client financial instruments or client funds received in settlement of that executed order are promptly and correctly delivered to the account of the appropriate client.

Aggregation and Allocation

VCM may aggregate your orders with its own orders, that of its affiliates and those of other clients, in order to improve the quality of execution.

Whilst VCM will only aggregate client orders if it is unlikely the aggregation will work overall to the disadvantage of those clients whose orders are aggregated, it is possible that the effect of such aggregation may work to the disadvantage of a client in respect of particular orders. In the unlikely event that VCM aggregates your order with that of another client, the subsequent execution will be promptly recorded and allocated fairly. VCM will not give preference to one client over another.

No Fiduciary Relationship

VCM's commitment to provide you with "best execution" does not mean that it owes you any fiduciary responsibilities over and above the specific regulatory obligations placed upon it or as may be otherwise contracted between VCM and yourself. You remain responsible for your own investment decisions and VCM will not be responsible for any market trading loss you suffer as a result of those decisions.

ANNEX 1: FINANCIAL INSTRUMENTS AS DEFINED BY MIFID II

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, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;

5. Options, futures, swaps, forwards 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 other than by reason of 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, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;

7. Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in 6 and not being for commercial purposes, which have the characteristics of other derivative financial instruments;

8. Derivative instruments for the transfer of credit risk;

9. Financial contracts for differences;

10. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates 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 other 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, OTF, or an MTF; and

11. Emission allowances consisting of any units recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme.

ANNEX 2- USE OF DISCRETION BY VCM IN RELATION TO OTF BUSINESS

Pursuant to Article 20(6) of MiFID II, execution of orders in an OTF will be carried out on a discretionary basis by the operator of the OTF. When carrying on OTF business, VCM uses a combination of order level and execution level discretion; namely:

(a) when deciding to place an order into or retract an order from the OTF (**Order Level Discretion**); and/or
(b) when deciding not to match a specific client order with other opposite orders available on the systems at a given time (**Execution Level Discretion**).

The discretion exercised in respect of OTF business will be conducted in accordance with the best execution requirements under MiFID II, when they apply, and as set out in this Policy.

The OTF supports various trading systems8 through which orders or indications of interest (**Trading Interests**) can be submitted by venue users or brokers on behalf of venue users and where they can interact with other Trading Interests (as part of the matching and execution process).

The nature of the discretion exercised will depend on the combination of trading systems used for a particular market segment (or sub-segment). In particular, each of the specific trading systems will enable the relevant broker to exercise discretion in different ways.

Order Level Discretion

Order Level Discretion may be exercised by brokers that sit within the OTF (Executing Brokers). The operator of the OTF will have exercised Order Level Discretion in respect of Trading Interests whenever they have been placed in the OTF by an Executing Broker or removed from the OTF by an Executing Broker.

The operator of the OTF may establish parameters for trading by users of the OTF, which take account of the characteristics of the users and the market segment, which may be applied by the systems of the OTF to accept or reject Trading Interests. Trading Interests that are rejected will be reviewed by an Executing Broker or a person acting under their supervision.

If an Executing Broker determines at any time that a Trading Interest that has already been placed in the OTF (through any of the trading systems) should be removed, having regard to any applicable best execution requirements under MiFID II and as set out in this Policy, the Executing Broker will have discretion to reject that Trading Interest entirely or to remove the Trading Interest and, where applicable, to send it to another execution venue. The availability of other execution venues will vary according to the product being traded and the extent of external liquidity, as well as any applicable best execution requirements under MiFID II and as set out in this Policy.

An Executing Broker may remove a Trading Interest from the OTF if, for example, the Executing Broker is aware that the venue user does not wish to be exposed to particular positions under certain market conditions. If such market conditions occur, the Executing Broker may remove that venue user’s Trading Interests from the OTF.

As another example, if the speed of execution is a priority for a Trading Interest and there is greater liquidity at another venue available to the Executing Broker, the Executing Broker may remove a venue user's Trading Interest from the OTF and submit it to that other execution venue, improving the likelihood of execution.

As another example, if the speed of execution is a priority for a Trading Interest and there is greater liquidity at another venue available to the Executing Broker, the Executing Broker may remove a venue user's Trading Interest from the OTF and submit it to that other execution venue, improving the likelihood of execution.

Execution Level Discretion

Execution Level Discretion may be exercised by Executing Brokers by determining that an order submitted to the OTF and matched with an opposing order in the OTF should not be executed against that other order. The Executing Broker will have regard to any applicable best execution requirements under MiFID II and as set out in this Policy. The factors that are relevant are those derived from any applicable best execution requirements under MiFID II and as set out in this Policy.

An example of the exercise of Execution Level Discretion in the OTF may include the determination that an order could be executed at a better price if it were to be broken into child orders.

ANNEX 3 – CREDIT PRODUCTS

Credit products include (i) credit derivatives and (ii) corporate bonds and securitised debt instruments.

1. Execution Venues

VCM trades credit products on the following execution venue**:**

VCM OTF

2. Weighting of Execution Factors

For Credit products, the following Execution Factors are given greater weight in descending importance as follows:

• Price;

• Time priority;

• Size;

• Speed;

• Likelihood of execution; and

• Counterparty credit limit.

In illiquid markets, likelihood of execution and order size will have a stronger weighting.

Costs of execution is not an important Execution Factor for Corporate Bonds & Securitised Debt products.

3. Factors used to select Execution Venues

For credit products, the sole factor used to select an execution venue will be client instruction. Orders in Credit products will either be received directly into the VCM OTF (and consequently arranged and executed by the OTF operator.

4. Execution outside a trading venue

VCM will not execute Credit products outside of a trading venue (acting as an execution venue or trade registration venue).

ANNEX 4 - EQUITIES

Equities products include (i) cash equities and (ii) equity derivatives.

1. Execution Venues

VCM has access to and places significant reliance on the following execution venues:

VCM Execution Venues:

VCM OTF

Third Party Execution Venues

• Athens Stock Exchange • Australian Stock Exchange • Belgian Stock Exchange • Budapest Stock Exchange • Copenhagen Stock Exchange • Deutsche Borse - Xetra • Eurex – Futures and Options • EuroNext Amsterdam • EuroNext Paris – Futures and Options • Hong Kong Stock Exchange • ICE Europe – Futures and Options • Irish Stock Exchange (Xetra) • Istanbul Stock Exchange • Johannesburg Stock Exchange • Lisbon Stock Exchange • LSE & LIO • Madrid Stock Exchange • Milan Stock Exchange Main Market (MTA) • NYSE • Oslo Stock Exchange • Prague Stock Exchange • Singapore Stock Exchange • Stockholm Stock Exchange • Swiss Exchange • Tel Aviv Stock Exchange • Tokyo Stock Exchange • Toronto Stock Exchange • Vienna Exchange (Xetra) • Warsaw Stock Exchange

2. Weighting of Execution Factors

The asset classes within Equities will determine the relative importance of the Execution Factors, as follows:

• For cash equities, the following Execution Factors are given greater weight in descending importance as follows:

- Price;
- Liquidity;
- Size; and
- Costs of execution.

For equity derivatives, the type of trading capacity will determine the relative importance of the Execution Factors. These can be split into trade registration and name give up (NGU) business.

For registered trades, the Execution Factors will likely be weighted in the following descending order of importance:

o Price;

o Time priority;

o Speed;

o Size; and

o Likelihood of execution.

For orders which are large in size, likelihood of execution will be given more weight as it is more difficult to get larger orders executed in the market.

Costs of execution is not a major Execution Factor for these products.

3. Factors used to select Execution Venues

• DMA algorithm rules (EMSX)

Where orders are placed in a DMA algorithm, the algorithm will determine on which execution venue to execute the order, based on the rules of the algorithm.

The trading venue where a product is listed.

Where an order is placed directly onto a third-party trading venue, the venue where the product is listed will determine the place of execution.

Settlement type

For some products, the settlement type (e.g. cleared/non-cleared) will determine the execution venue which can be used.

Client Instruction

For equity derivatives, the factors used to select an execution venue will be:

For equity derivatives, the factors used to select an execution venue will be:

VCM
Vantage Capital Markets