ORDER EXECUTION POLICY

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Introduction

Under the rules set down by the Financial Conduct Authority ("FCA") Vantage Capital Markets LLP ("VCM", "We") is 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

VCM acknowledges the adoption of the Markets in Financial Instruments Directive 2014/65/EU (also referred to as MiFID II), especially Article 27, as well as further guidance set out in subsequent question and answer documents published by ESMA.

We further acknowledge the FCA has prescribed a higher level of expectations from investment firms, has amended and in some cases re-written the sourcebooks applicable to this area. We pay attention to FCA Principle 5, 6, 7 and 8, to Conduct of Business ("COBS") Chapter 2 and 11 and Senior Management Arrangements, Systems and Controls 10 ("SYSC 10").

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.

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 will not treat clients that have "opted up" from Retail Client status as an Eligible Counterparty.

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 of those for whom we have dealt.

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 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. Where VCM provides 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")

A part of VCM's business is in Financial Instruments traded away from a venue pre January 2018. The Regulator has prescribed that this section of the market may not remain off venue. The FCA has introduced the concept of an OTF to facilitate this.

VCM intend to operate an OTF. An OTF is specifically designed as a venue for non-equity family products that were previously traded on an over the counter basis or OTC. The FCA has prescribed that this type of business must be transacted over a venue and can no longer, unless on a completely bilateral basis, be transacted in "the dark" or away from a venue.

An OTF is a multilateral trading facility which is not a Regulated Market ("RM") or an MTF and in which multiple third party buying and selling interests in bonds, structured finance products and derivatives (not exhaustive) can take place. Unlike RMs and MTFs, operators of an OTF have discretion as to how to execute orders – subject to pre, and post trade transparency and best execution obligations. VCM will further be subject to the regulatory obligations set out in **MAR** 5A. The OTF will be;

1. Technology neutral.
2. Bring multiple clients together.
3. Allow clients to engage with other parties in a "lit" market.
4. VCM will have discretion on placing, withdrawing and matching orders.

VCM engages its clients, whether or not on the OTF, as a voice broker. We may arrange trades on a 'name passing' basis. However, there are two other brokerage business models, 'matched principal' and 'exchange give-up', we may use (see below and Annex 3).]

Brokerage Models

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.

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 can transact trades on your behalf on any of the execution venues detailed in Appendix 2. The list is not exhaustive, but consists of those on which we place most reliance. 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 client's 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. The first report will be published by 30 June 2018.

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.

Commission, Payment for Order Flow (PFOF)

VCM provides brokerage services in return for commissions or fees. The level of commission or fee is agreed with each client. We are entitled to charge commissions or fees but recognise the FCA's restrictions on PFOF. Below is a table that represents scenarios detailing where VCM will normally charge and not charge commissions to comply with our regulatory obligations.

Originator	Transacted with	Best Execution Obligations	Conflicts of Interest Obligations	VCM will charge commission to
Professional	RM or MTF or OTF	Originator	Originator	Originator
Professional	Professional	Both Sides	Both Sides	Originator
Professional	ECP	Originator	Both Sides	Originator
ECP	RM or MTF	None	Originator	Both Sides
ECP	ECP	None	Both Sides	Both Sides
ECP	Professional	Professional	Both Sides	Both Sides
ECP passing one of its own client's orders originated by a professional or Retail client	ECP or Professional	Professional	Both Sides	Originator

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 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 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 Client B BROKER Client C	• 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.
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

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.