

STORMHARBOUR SECURITIES LLP

ORDER EXECUTION POLICY

As of October 2014

1. Overarching Principles

StormHarbour Securities LLP (“StormHarbour”), in line with the FCA Handbook and the Market in Financial Instruments Directive 2007 (39/EC) (“MiFID”) maintains policies, procedures and strategies to meet its obligation to take reasonable steps to deliver the best possible result for clients based on defined execution factors. These are covered within this document and are commonly referred to as “Best Execution”.

This obligation ties in with obligations of StormHarbour under the FCA Principles. The Best Execution obligation applies when a client has given StormHarbour an order, that is an instruction to buy or sell a financial instrument where StormHarbour is executing the transaction as an agent or riskless (matched) principal on behalf of the client.

The Best Execution obligation will **not** apply in circumstances where StormHarbour provides a quote for the purchase or sale of a financial instrument in response to a request from a client. StormHarbour’s business model is such that most of our trades will be executed as a result of requests for quotes, and therefore duties of Best Execution will be owed to clients infrequently.

StormHarbour does not undertake to provide Best Execution to Eligible Counterparties, as provided for in COBS 1 Annex 1 of the FCA Handbook and article 24(1) of MiFID.

In cases where StormHarbour provides “best execution” this does not mean that we owe our clients any fiduciary responsibilities over and above the specific regulatory obligations placed upon us or as may be otherwise contracted between us and our clients. Clients remain responsible for their own investment decisions and we will not be responsible for any market trading loss suffered as a result of those decisions.

StormHarbour reviews and records findings on its own internal order execution arrangements, including any applicable third party best execution arrangements periodically and on at least annual basis. Additionally StormHarbour will review the best execution arrangements of any third party venues that it uses to execute client trades and benchmark their efficacy against StormHarbour’s obligations to its clients. StormHarbour does not currently have any specified third-party execution venues that it uses to execute client orders.

2. Order Execution Arrangements

StormHarbour's arrangements for meeting its Best Execution obligations, where applicable, are set out below.

Our main business model is matched principal brokerage. The financial instruments that we trade are usually illiquid, and as such the execution venue will normally be other clients of the Firm on an over-the-counter ("OTC") basis. As part of our facilitation trading we may also trade on our own account in order to facilitate transactions for clients, in cases where our own account trading does not disadvantage our client or inhibit our ability to provide Best Execution as and when appropriate.

We may pass a client order to an affiliated company for execution. When we do so we monitor to ensure that the affiliates meet the Best Execution criteria. The affiliated companies are listed in Schedule 1.

StormHarbour will follow different arrangements when specifically instructed by a client to do so either for a whole order, or for a part of an order. Clients should take note that where StormHarbour follows specific instructions, we will be deemed to have taken all reasonable steps to meet our overarching obligations.

For client orders that are not appropriate to be executed on an OTC basis, we will pass those orders to another broker, liquidity provider or MTF in accordance with the Best Execution criteria set out below.

Notwithstanding the above, StormHarbour is unable to guarantee that Best Execution will occur in respect of every order. As part of our overarching obligation, however, StormHarbour will make all reasonable efforts to ensure that it provides the best possible result on a consistent basis.

3. Selection of Best Execution Factors

The factors that StormHarbour considers when executing a client order, as defined in COBS 11.2.6 are:

- The characteristics of the client;
- The characteristics of the client order;
- The characteristics of the financial instrument to which that order relates including but not limited to size and nature, market impact of the order; and

- The characteristics of the execution venues or entities to which that order can be directed such as but not limited to speed, likelihood of execution and settlement and any other transactional costs whether implicit or explicit.

As indicated, the methodology in selecting an appropriate execution venue may be varied by specific instructions by the client, or, in the alternative, at StormHarbour's discretion using commercial judgment and experience where this would not prejudice acting in the client's best interest.

StormHarbour generally considers the most important of the execution factors to be, in order of importance:

1. Price and related execution costs;
2. Speed of execution;
3. Size of the order; and
4. Settlement efficiency.

Additionally, StormHarbour considers other factors when selecting best execution venues such as expertise, trading insights, value added service (research), and market knowledge.

4. Order Execution Venues

StormHarbour will normally execute trades on an OTC basis with other StormHarbour clients. Schedule 1 lists the execution venues on which StormHarbour places significant reliance either directly or via a third party. Execution venues are selected on their ability to meet the best execution factors listed above. We do not discriminate unfairly between execution venues.

As stated above, for certain illiquid investments there may be no formal venue, or a limited choice of venues. Additionally, certain orders may be executed outside regulated markets or MTFs, or in non-EU markets. When opening an account with StormHarbour and placing an order, a client is deemed to have provided express consent to deal in un-regulated markets or MTFs, or in non-EU markets.

In addition to the factors discussed above, selection of appropriate execution venues is based on commercial judgment and experience. StormHarbour reserves discretion to modify, add or remove execution venues. The attached Schedule to this policy is correct at the time of writing however a current copy of a list of execution venues is available upon request.

5. Monitoring and Review

StormHarbour will review and monitor the effectiveness of this policy at least annually or when there is a material change with a view to identifying and, where appropriate, correcting any deficiencies revealed by the review. We will assess whether the execution venues we select have provided clients with the best possible result over time.

6. Communications with Clients

Client consent to our Order Execution Policy is deemed to be given in our account opening documentation and Terms of Business. A summary of this policy will be posted on the website of the Firm and the website may be consulted from time to time for any updates or revisions.

StormHarbour will provide relevant information at the request of the client to demonstrate conformance with this policy. For all questions relating to this policy please do not hesitate to contact the Compliance Officer.

Schedule 1

List of Execution Venues and Affiliated Companies

Execution Venues:
StormHarbour client base (OTC)
Affiliated Companies to which StormHarbour may pass orders for execution
StormHarbour Securities LP
StormHarbour Securities (Singapore) Pte. Ltd,
StormHarbour Securities (Hong Kong) Ltd
StormHarbour Japan Ltd