



Order Execution Policy

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1. Purpose

The Order Execution Policy (“Policy”) establishes the arrangements relating to order execution and the order handling, including Best Execution, that R.J. O’Brien Limited and R.J. O’Brien (UK) Limited (together “RJO”) will provide in accordance with MiFID requirements and the Financial Conduct Authority (“FCA”) Conduct of Business (“COBS”) rules.

This Policy should be read in conjunction with RJO’s Terms of Business.

2. Scope and Applicability

This Policy covers all of RJO’s UK operations, including:

- R.J. O’Brien Limited; and
- R.J. O’Brien (UK) Limited.

RJO only provides broking services to either Eligible Counterparties or Professional Clients as defined in MiFID and this Policy sets out the minimum standards RJO will apply to take all sufficient steps to obtain the best possible result for its clients, when executing orders in relation to financial instruments (see Annex 1).

The Best Execution requirements only apply to clients that have been categorised by RJO as Professional Clients. The Best Execution requirements do not apply to Eligible Counterparty business as defined by the FCA COBS rules.

The Firm will assess clients and its expertise to determine the relevant MiFID categorisation. A client’s MiFID categorisation will be determined and notified during the account opening process.

3. Order Execution

RJO may execute client orders by:

- (a) Acting in a matched principal capacity;
- (b) Acting as agent;
- (c) Concluding an order or off-order book transaction in the capacity of an Executing Broker (as defined by a Give-Up Agreement) on a MiFID Regulated Market or other such trading venue;
- (d) Receive and transmit orders via instructions to a third party (which may be within the RJO Group affiliate) to execute a transaction on the client’s behalf.

The above execution maybe undertaken via a voice broking, electronic execution or a hybrid method. A client may execute electronically via Direct Electronic Access (“DEA”) and Non-DEA electronic services to a Regulated Market or other such trading venue.

4. What is Best Execution

Best Execution is the requirement to take all sufficient steps to obtain the best possible result for clients in the execution and reception and transmission of orders. When executing a client’s order the firm aim to provide best execution subject to a variety of factors, i.e. the nature of the order, the prices available in the market, the nature of the market and a reasonable assessment of the execution factors (detailed below).

5. Applicability of Best Execution

Clients

RJO only provides broking services to either Eligible Counterparties or Professional Clients. The client classification defines the protections afforded to the client by RJO when providing an investment service. A Professional Clients may rely on the firm to protect their interests and receive a greater level of protection than an Eligible Counterparty who is a sophisticated investor.

Eligible Counterparties

Are not entitled to Best Execution, as defined under the FCA or equivalent MiFID II requirements.

Professional Clients

All clients that are classified as Professional Clients will be provided with best execution where applicable.

Order Handling

Unless a specific instruction is received, RJO will determine the most appropriate method of execution of a client order taking into account the best execution factors applicable to the client.

When receiving an order the firm's principal objective is to:

- Ensure client orders are promptly executed, accurately recorded and allocated;
- Comply with any specific client instructions related to the client order; and
- Undertake comparable client orders sequentially i.e. price and time.

Specific Client Instruction

Where a client order is received with specific instruction's the firm will execute the order in accordance with the specific instruction. RJO will be deemed to have taken all sufficient steps to achieve the best result in respect of complying with the client instruction.

Client Limit Order

A client limit order is deemed a specific client instruction and will not be subject to best execution.

A client limit order received in respect of shares admitted to trading on a Regulated Market or traded on a trading venue (as defined by MiFID) which are not immediately executed must be made public immediately for execution upon a Regulated Market or other trading venue unless the client instructs otherwise. RJO clients consenting to the firm's order execution policy expressly instruct the firm not to make such orders public. Clients will be deemed to have accepted this policy and given consent when they provide RJO with an instruction to execute an order.

Transmitting Client Orders to other Entities for Execution

Where an order is received in an instrument or product in which RJO does not have coverage or the expertise and the order is transmitted to another party for execution, including RJO affiliates, the relevant best execution requirements must be applied.

Aggregation and Allocation

RJO may aggregate your orders with its own, orders of RJO affiliates or its clients to improve the quality of execution. If the firm aggregates an order no preference will be given to one client over another and the relevant best execution requirements must be applied.

Execution Method

RJO has access to global on-exchange futures and options markets and will execute a client order using either of the following execution methods:

- Outside of a Regulated Market or other trading venue, by executing a matching order with another client or counterparty;

- Directly on to a Regulated Market or other trading venue that RJO has access to or, where RJO does not have access, via a third party or affiliated broker.

Client orders executed in the over the counter (“OTC”) market will obtain a minimum of three quotes prior to execution, ensuring the client receives the best price.

Client orders placed directly on to a Regulated Market or other trading venue, via DEA with no RJO involvement, will be deemed outside the firm's best execution obligations as the client will have determined the nature and requirements for execution.

RJO will publish the top five execution venues in terms of trading volumes for all executed clients orders per class of financial instrument as required under MiFID II.

Summary of where Best Execution is Not Owed

- When executing orders for clients classified as Eligible Counterparties.
- When a Professional Client provides a specific order instruction, i.e. price, and therefore the best execution obligation is deemed to have been waived.
- If a Professional Client places an order directly, via DEA, on to a trading venue (without RJO's involvement) the best execution obligation will not apply. The client's order will be determined as a specific instruction for which best execution will not be applicable.

6. Execution Factors

Where a client order is received without a specific instruction, RJO will exercise discretion in determining the factors to be considered in order to provide the best possible result for the client.

The following execution factors are applicable in the markets that RJO operate and include:

- Characteristics of the client;
- Size and nature of the order;
- Nature of the trading venue that the order is directed to;
- Likelihood and speed of execution; and
- Price and costs of execution.

Consideration is not restricted to only the above. The execution factor importance and weighting may change depending on the instrument, market, investment service and nature of the client.

RJO will review the fairness of price proposed to the client via a variety of methods to ensure that the best possible result is achieved.

7. Policy Monitoring and Review

RJO will monitor and assess the effectiveness and adherence to the order execution policy and the order handling and Best Execution arrangements. Any required amendments will be applied as soon as practically possible.

Any Policy breaches will be reported to the Director, Compliance.

This policy will be reviewed on an annual basis or as when material changes occur.

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 options of one of the parties other than by reason of default or other termination event;
6. Options, futures, swaps, and any other derivative contracts 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, 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 instrument;
8. Derivative instruments for the transfer or credit risk;
9. Financial contracts for difference;
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).