

MATRIX CORPORATE CAPITAL LLP ORDER EXECUTION POLICY

1. Introduction and scope

In accordance with the FSA's implementation of the EU Markets in Financial Instrument Directive (**MiFID**) (which came into force on 1 November 2007), Matrix Corporate Capital ("MCC") is required to put in place an Order Execution Policy ("Policy") and to take all reasonable steps to obtain the best possible result (or "best execution") on a consistent basis, on behalf of its clients either when executing orders or receiving and transmitting orders for execution. MCC will execute orders for clients in accordance with this Order Execution Policy. The Policy is required under FSA's Conduct of Business Sourcebook (COBS); the objective of the COBS rules is to ensure that all clients of MCC are given sufficient information on a firm's execution arrangements to enable them to decide if they wish to deal with MCC and also to enable MCC to obtain any required client consents.

The Policy does not apply to non-financial spread-bets or when a firm is acting as a CIS operator purchasing or selling our own units. However, it should be noted that whatever type of client and financial instrument we are dealing with; we conduct all of our business activities with integrity, observe proper standards of market conduct and ensure that we treat all of our clients fairly.

The purpose of this document is to provide clients with information on the Policy to enable them to decide if they wish to deal with MCC and how and where MCC will seek to achieve best execution. This Policy is augmented by the MCC Division's process for approving and reviewing Brokers/Counterparties.

2. Best Execution Policy

The overarching best execution principle means that when we execute a client order or place / transmit it to another entity to execute **we will take all reasonable steps to obtain the best possible result for our client.**

3. Execution factors

There are five main factors (Price, Liquidity, Cost, Broker selection, Settlement) that MCC may take into consideration with each transaction or group of transactions. There are also various sub-factors within each which will lead to each of the five criteria having a lesser or greater influence over the decisions to achieve the best execution.

The five **criteria** are listed below with their corresponding influencing **factors**.

1. **Price** – This will generally be the leading factor for most orders. Other factors to consider include:
 - Size of the order
 - Nature
 - Type and characteristics of the instrument
 - Likelihood of execution
 - Information available (news, results, etc.)

2. **Liquidity** – This can at times lead over price when there is a need to utilise the availability of natural liquidity in the market to achieve a meaningful position change within portfolios.
 - Other factors to consider include:
 - Use of risk capital by a broker
 - Use of Alternative Trading Systems (ATS) or Multilateral Trading Facilities (MTFs)
3. **Cost** - Awareness of lower cost trading venues for each transaction (i.e. price inclusive of additional charges, such as commission)
4. **Broker selection** – This is to take into account the quality of the broker (or other party acting as the liquidity provider) and its service.
 - Factors for consideration include:
 - Expertise
 - Access to suitable trading venues
 - Provision of capital by a broker
 - Regulatory status
 - Whether it is subject to comparable best execution requirements
 - Whether it has contracted to comply with relevant best execution requirements
5. **Settlement** – Mindful of any potential issues regarding the execution venue or the executing broker

Although price and costs are usually the most important factors for our clients, there may be circumstances where other considerations such as speed or likelihood of execution are more important and are therefore given greater weight. For example, if a client wants prompt execution it may be impossible to satisfy their price aspirations whereas if they are prepared to wait, it may be easier to obtain the desired price.

In certain circumstances a client may want an order to be executed on a staggered basis in order to limit the market impact of a “large order” but in other cases the client may want the order to be executed in a single bargain in order to have certainty.

The specific execution factors and their relative importance for individual transactions will need to be considered by Matrix on a case by case basis. We will determine the relative importance of the execution factors using our commercial judgement and experience and in light of available market information. If we cannot determine the relative importance of execution factors for a specific client transaction we will discuss any specific preferences with that client prior to undertaking any transactions on their behalf.

Please note that if you give us **specific instructions** in relation to an order and we execute or place / transmit that order in compliance with your instructions, we will have satisfied our best execution obligations to yourself. However, please note that this may prevent Matrix from taking the steps that it has designed and implemented in its execution policy to obtain the best possible result for the execution of that order.

4. Execution Criteria

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

- The characteristics of the client including the categorisation of the client;
- The characteristics of the client order;
- The characteristics of the financial instruments that are the subject of that order; and
- The characteristics of the execution venues to which that order can be directed.

5. Execution venues

An 'execution venue' means a regulated market, a Multilateral Trading Facility, a systematic internaliser, market maker or liquidity provider (or a comparable third country entity). This will include the use of third party brokers to execute on MCC's behalf.

Our choice of venue(s) is based on its potential to enable us to obtain (on a consistent basis) the best possible result for the execution of our client orders. The venue chosen will therefore depend on the specific nature of the client order.

The following list of execution venues is not exhaustive but comprises those venues on which we place significant reliance. This list will be reviewed where there are material changes to existing venues or where new venues have been set up in order to ensure that we are able to obtain the best possible results for our clients. In relation to some financial instruments, there may only be one possible execution venue. If this is the case we will assume that executing an order for you through that venue will achieve best execution. A full list of venues is available on the MCC website.

London Stock Exchange (LSE)
Singapore Exchange (SGX)
Toronto Stock Exchange (TSX)

6. Order execution policy

In order to be able to comply with our obligation to take all reasonable steps to obtain the best possible result for our clients, we have established an order execution policy which provides for the **prompt, fair and expeditious execution** of client orders, relative to other orders or our own trading interests.

In summary, when carrying out client orders we:

- ensure that orders executed on behalf of clients are promptly and accurately recorded and allocated;
- carry out comparable orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or client interests require otherwise;
- inform a retail client about any material difficulty in carrying out an order promptly upon becoming aware of the difficulty.

If we are responsible for arranging settlement we also ensure that any client financial instruments or client funds received are promptly and correctly delivered to the account of the appropriate client.

7. Aggregation and allocation of orders

If we carry out a client order or a transaction in aggregation with another client order or our own account, we will:

- ensure that, overall it is unlikely that it will disadvantage the client;
- disclose the effect of aggregation, if there is a potential disadvantage;
- monitor our order allocation policy on an ongoing basis to ensure that any weaknesses are mitigated.

If we have aggregated transactions for own account with one or more client orders we will allocate the related trades in a way which is not detrimental to a client by allocating them to the client in priority to our own trades.

8. Obligation to make unexecuted client limit orders public

Unless you have given us a specific instruction otherwise, we must execute your order as soon as possible.

If your order is not immediately executed it must be made easily accessible to other market participants (i.e. made "public") to enable it to be executed as soon as possible, however, the obligation to make public a limit order will not apply to an order that is large in scale compared with normal market size.

9. Disclosure requirements and client consents

We have disclosed the general terms of our best execution policy within this document but we also need to obtain your consent to it before we are able to execute or transmit / place orders on your behalf. By asking us to execute or transmit / place orders on your behalf we will assume that you have consented to our policy. If you would like further information or clarification please contact Matrix Group's Compliance department.

If there is a possibility that your order may be executed outside a regulated market or an MTF, we will ensure that we inform you so you can decide whether you are happy with this arrangement. We will obtain your prior express consent before proceeding to execute any orders outside a regulated market or an MTF - this will be done in the form of a general agreement or in respect of individual transactions but will be contained within the relevant client agreement.

10. Reviews

MCC will, on a regular basis and at least annually, review whether the execution venues it uses continue to provide results that are in accordance with the Order Execution Policy and whether any changes are required. We will notify you of any material changes to our execution arrangements or Order Execution Policy.

At your request, we will also provide further information as to how we have executed your orders in accordance with the execution policy and how we have achieved "the best possible result" for you.

11. Recording telephone conversations and electronic communications

Please note that when we execute or arrange execution in relation to qualifying investments we take reasonable steps to record relevant telephone conversations and keep a copy of relevant electronic communications.

Orders will only be executed on recorded landlines, order execution systems (supplied by brokers, exchanges, etc.) or Group communications systems (e.g. e-mail, Bloomberg, etc.). Orders will not be executed on or over mobile phones.

Disclaimer

This document summarises our best execution policy at the time of writing and we encourage all of our clients to review it periodically to ensure it remains in line with your expectations - if you would like further information please contact the Matrix Group's Compliance department.

The copying, reproduction or distribution (by whatever means) of this document, either in whole or in part, is prohibited without the prior written consent of Matrix Group Limited which accepts no liability whatsoever for any reliance placed upon this document by third parties. This document does not constitute legal, tax or financial advice and individuals are advised to seek independent advice on any matter that concerns them.