

The ECU Group plc - Best Execution Policy

1. Reminder of the legal and regulatory requirement

As provided by the Markets in Financial Instruments Directive (MiFID), in article 21.2., The ECU Group plc (“ECU”) is required to establish and implement an order execution policy and to take all reasonable steps to obtain the best possible result when executing orders on behalf of its clients (“Best Execution “).

ECU is also required to keep all its clients informed of its order execution policy.

2. Scope

This Order Execution Policy applies to financial instruments dealt by ECU on behalf of both our professional and non-professional clients within the European Economic Area.

3. Purpose: Transparency and to obtain the best possible result for clients

Subject to any overriding counterparty requirements or restrictions placed upon ECU or its clients in respect of ECU executing orders on behalf of clients, ECU takes all reasonable steps to obtain, when executing orders in the market, the best possible result for all clients taking into account the execution process, any specific client constraints and counterparty risk limits.

Prior to executing orders, ECU takes into account the price, the execution speed, the likelihood of execution, the size and nature of the order as well as the financial instrument to be dealt. To act in the best interest of their clients, ECU considers the relevance of each execution factor with regards to the market conditions at the time of execution.

Execution price and cost are key drivers when selecting the counterparty, however when spot rates amongst competitive counterparts are in a tight range, ECU can give priority to other criteria such as the quality of the execution and confirmation process.

Care is taken to ensure that to the extent practically possible, orders executed for clients participating in an ECU strategy or programme are allocated evenly.

4. Best Selection Policy: a keystone to achieving Best Execution

The policy implemented by ECU to select the counterparty banks on OTC markets and the brokers on organized markets constitutes an essential element in our approach.

Through its Best Selection policy, subject to any overriding counterparty requirements or restrictions placed upon ECU or its clients in respect of ECU executing orders on behalf of clients, ECU deals with a panel of service providers that suit our needs and meet our quality standards.

This selection process relies on our knowledge of these service providers, acquired over the years, and on formalized regular assessments to clearly identify their strengths and weaknesses.

4.1 Selection Criteria

- **Counterparty Banks**

ECU's Investment Managers evaluate counterparties on the basis of the following main criteria:

1. quality of spot prices for the currency pairs and other financial instruments traded,
2. quality of forward points for the currency pairs or other financial instruments traded,
3. quality of stop loss orders management,
4. quality of the technology offered (access to a dedicated or multilateral electronic trading platform – width and depth of the services rendered, user-friendliness, efficiency and consistency of the application)
5. execution speed,
6. the smoothness of the confirmation process (through agreements with Prime Brokers among others),
7. rating of the counterparty.

From a middle office perspective, particular attention is paid to the following criteria:

1. quality and accuracy of information,
2. confirmation speed,
3. ability to handle significant deal volumes,
4. responsiveness and availability to query resolution,
5. quality and smoothness of the relationship with the Prime Broker (if any)
6. quality of documents and reporting in the confirmation process.

In addition to the aforementioned criteria, ECU will also take into account the order execution policy of each counterparty as well.

- **Brokers/Platform Providers**

The selection of brokers mainly relies on the following criteria:

1. quality of order execution,
2. execution speed,
3. brokerage fee,
4. quality of deal confirmation process (time to process transactions, responsiveness in dealing with errors)

Order execution policy of brokers will be taken into consideration going forward.

Middle office staff refer to the same criteria as those used for counterparty banks.

5. Order Execution Policy

Execution price, as already mentioned above, is a key criterion in counterparty selection whatever financial instruments are dealt by ECU.

Where possible and subject to any overriding counterparty requirements or restrictions placed upon ECU or its clients in respect of ECU executing orders on behalf of clients, ECU will trade via an electronic multilateral trading platform where competing quotes can be sought for each particular trade and the best price can then be selected.

Where it is in the client's best interest, ECU may handle large orders by splitting them between more than one counterparty. By doing so, ECU aims to prevent sudden price moves as well as large bid/ask spreads. Additionally, this makes it easier to obtain more competitive prices, in accordance with our efforts to obtain the best possible result for our clients.

In addition to the above, ECU may aggregate same currency pair trades in order to execute at the same price for all allocated portfolios.

ECU may also elect to trade directly with the a client's custodian in order to alleviate settlement costs and execute trades with tight settlement deadlines where it may not be possible to settle the transaction prior to the cut-off times for that currency.

When dealing an FX OTC option, ECU can request quotes in different ways:

- solicit a counterparty by phone or via the Bloomberg chat
- ask a price quotation through a dedicated electronic trading platform
- ask a price quotation through an multilateral electronic trading platform
- use a broker which in turn solicits price quotations from several counterparties prior to providing ECU with the best price.

6. Review

ECU's order execution policy is kept under constant review, as is the quality of execution and the overall service provided by the banks and brokers with whom we deal.

We will notify all clients, by sending an updated version of this document, of any material changes to our order execution policy.