

SHARD CAPITAL PARTNERS LLP

(“SHARD”)

ORDER EXECUTION POLICY

JANUARY 2018



INTRODUCTION

The purpose of this document is to provide clients of Shard with information about our Order Execution and to seek your consent for this policy. Please note that consent is deemed on agreement to our Terms and Conditions and declaration in the Account Opening Form.

We also want to draw your attention to the changes that have been brought about by the implementation of new regulations under the Markets in Financial Instruments Directive II ("MiFID II"), details of which follow below.

The Order Execution Policy outlines all sufficient steps that Shard must take to ensure that we achieve 'best execution' – that is obtaining the best possible results for you when carrying out transactions on your behalf. This is also sometimes referred to as executing your orders.

Should you wish to view our Order Execution Policy online at a later date, please visit our website at: <https://www.shardcapital.com/about-us-reports-and-documentation/>

CLIENT CLASSIFICATION

Shard Clients will be classified as either Retail or Professional, but for the purposes of achieving Best Execution or obtaining the best possible result for you when carrying out trades we will treat all clients as Retail. To this end our aim is always to achieve Best Execution on a consistent basis as set out in this Order Execution Policy.

CHANGES TO BEST EXECUTION FOLLOWING MIFID II

A number of important changes take effect on 3 January 2018 and below is a summary of these changes and what this means for Shard and our clients:

- Currently Shard is expected to meet best execution standards by taking "reasonable steps" to obtain best possible results for its clients. Under MiFID II, Shard will be expected to take all "sufficient steps", which infers a higher standard. As a result Shard has to increase controls to ensure we can identify potential shortcomings that may prevent us from achieving on a consistent basis, Best Execution for our clients.
- MiFID II also requires Shard to provide its clients with additional information explaining the consequences when Shard executes your order outside a Regulated Market ("RM") or Multilateral Trading Facilities ("MTF"). Therefore we have to make clear to you that using market counterparties will result in counterparty risks.
 - Counterparty risk is the risk to each party of a contract that the counterparty will not honour its contractual obligations, i.e. the counterparty has insufficient resources to satisfy its settlement obligations.

Please note that under our Terms and Conditions, in the event that the counterparty defaults in its obligations or it becomes insolvent, we will not be responsible to you for any loss suffered by you by reason of any cause beyond our control.

- MiFID II also requires Shard to publish annual data for each class of financial instrument of its top five execution venues in terms of trading volumes where Shard executed client orders in the preceding year, as well as publish information on the quality of the execution obtained which will include detailed monitoring of the quality of execution obtained on the execution venues. This is to ensure transparency for its client to clearly understand where the orders have been executed as well as the overall quality of the execution. The first annual reports will be published by April 2018 and will be displayed on the Shard Capital Partners website and can be found at: <https://www.shardcapital.com/about-us-reports-and-documentation/>

ORDER EXECUTION FACTORS

When executing orders on client's behalf Shard will take into consideration:

- The client characteristics;
- The Financial Instruments that form the order; and
- The execution venues where the order is directed.

In addition, once the above has been assessed the following execution factors will then be considered:

- Price;
- Costs;
- Speed of execution;
- Likelihood of execution and settlement;
- Size and nature; and
- Any other factors relevant to the order.

The priority of the execution factors may vary depending on the client's classification and will be judged on an order by order basis.

For the majority of liquid instruments, the market price will be the main factor in delivering best execution. This will be the case for the majority of orders for Retail clients, where size of order does not restrict Shard's choice of trading venue. Certain instruments such as Unit Trusts will only have one price and one venue. In some circumstances the remaining factors would be given precedence over the price, but only when they are instrumental in delivering the best possible result in terms of total consideration.

EXECUTION VENUES

Shard selects a set of execution venues which include market counterparties on which it places significant reliance in enabling us to obtain, on a consistent basis, the best possible result for the execution of client orders. The types of venues we use are as follows:

- Markets having regulated market ("RM") status under MiFID such the London Stock Exchange

- Multilateral Trading Facilities (“MTF”)

There will be instances when Shard passes an order to a counterparty (i.e. a broker) for execution. In these circumstances, Shard remains under an obligation to monitor the counterparty’s performance and this does not remove Shard’s obligation to obtain the best possible result for its client.

Our selection criteria take into account the following:

- The historic performance, including the quality of executions obtained over a period of time;
- The extent of services that may be provided to enable us to meet our obligations to our clients; and
- Market reputation and any matters arising from our due diligence process.

We consider a number of factors to determine the appropriate venue or market counterparty for each asset class and instrument type. The factors include the asset coverage and liquidity provided by these venues/ market counterparties in addition to the various costs, exchange fees and any other ancillary charges.

We regularly assess the execution venues available and may add or delete venues in accordance with our obligation to provide you with the best possible execution result on a consistent basis. We will notify you of material changes, which would impact our Order Execution Policy. An up to date list of execution venues and the coverage/ type of financial instruments executed on these execution venues/ market counterparties can be requested by contacting compliance@shardcapital.com

As noted above, we may deem it appropriate or advantageous to execute your order outside a RM or MTF even where the investment (“financial instrument”) concerned is trading on a RM or MTF.

Shard is required to obtain your consent before executing orders outside an RM or an MTF. By agreeing to the Order Execution Policy and our Terms and Conditions, you are giving your express consent to this requirement.

Having assessed the relevant criteria and any specific instructions provided by you, we will select the most appropriate venue(s) from those available and execute your order accordingly.

If you provide us with a specific instruction to deal for you, it may prevent us from following some or all of the steps outlined in the Order Execution Policy which is designed to obtain the best possible results for you on a consistent basis. When you give us a specific instruction we will take all sufficient steps to get the best results for you, but there is a risk we cannot achieve best execution, in respect of that aspect covered by your specific instruction.

PUBLISHING LIMIT ORDERS

If you give us an investment instruction at a specified price limit or better and for a specified size (a limit order), then it may not always be possible to execute that order under the prevailing market conditions. We would be required to make your order public (i.e. show the order to the market) in such a case unless you agree that we need not do so. We believe it is in your best interests if we exercise our discretion as to whether or not we make your order public. By agreeing to the Order Execution Policy, you agree that we will not make your order public unless we consider this to be in your best interest to do so.

DEALING ARRANGEMENTS

Type of Investment	Dealing Procedures
UK Equities and warrants, ICAP Securities & Derivatives Exchange (ISDX) and AIM and UK Exchange Traded Funds and UK Warrants.	Deals in these investments are usually passed through our electronic order routing system. This system automatically obtains quotes and then places your deal with the venue providing the best price. Orders that cannot be transacted through the electronic order routing system will be dealt manually through the market by our dealers.
UK Government Bonds; Corporate Bonds and Eurobonds.	Orders that cannot be transacted through our electronic routing system will be dealt manually through the market by our dealers. This may involve dealing outside of a RM where trades may not be reported to the LSE, Should this be necessary, we will gain your express consent before executing the order.
Unit Trusts / OEICs / Unlisted Collective Investment Funds.	We place all deals directly with the fund managers of the unit trust / OEICs.
Overseas equities, Overseas listed exchange traded funds, foreign binds.	Deals in overseas shares covered by Shard are usually passed through our electronic order routing system, orders that cannot be transacted through the electronic order routing system will be dealt manually through the market by our dealers.

ORDER AGGREGATION

We may combine (or 'aggregate') an order for our clients with orders of other clients. Shard would only aggregate a client order if it was unlikely to work to the overall disadvantage of the client. However, the effect of aggregation may on some occasions work to the client's disadvantage and may on occasions result in our clients obtaining a worse price than if their order was executed separately.

MONITORING AND REVIEWING

The Compliance department will monitor order execution to ensure ongoing compliance and our order execution arrangements and policy will be reviewed on a regular basis. We will also monitor any material change that may impact our ability to continue to obtain the best possible result for our clients.

Any material changes will be posted on our website: www.shardcapital.com

Shard is required to demonstrate, at the request of a client, that it has executed the client's orders in accordance with this Order Execution Policy. Upon request, Shard will produce the necessary analysis detailing the executions for a client for the requested period, to satisfy the client's request and our regulatory obligations.

CLIENT DECLARATION

Shard operates on the basis that all Customers would be relying on Shard to deliver best execution for all transactions, regardless of how they arise.

By agreeing to our Terms and Conditions and the declaration in the account opening form, you (or your authorised intermediary) consent to our Order Execution Policy including those sections that require your prior express consent.

Please note that if you do not provide your consent to our Order Execution Policy you may be limiting our ability to execute your orders on the most advantageous terms for you. Accordingly, if you do not consent to this Order Execution Policy we may be unable to open an account for you.

Should you require further information or assistance in relation to the Order Execution Policy, or would like Shard to demonstrate how best execution has been achieved on any order executed for you, please contact your Investment Manager, who will be able to assist you with your queries in a reasonable time.