



BEST EXECUTION POLICY

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As required by the Markets in Financial Instruments Directive II ('MiFID II'), this document (the "Policy") sets out CFS Management Limited's ("CFSM") Order Execution Policy and arrangements for complying with the obligation to take all sufficient steps to obtain the best possible outcome for our clients' orders (so called "best execution")

SCOPE

CFSM is required to put in place an Order Execution Policy, and to take all sufficient steps to obtain the best possible outcome for clients who are 'legitimately relying' on CFSM for the execution or receipt and transmitting of client orders in "financial instruments" (as defined in Annex 1 Section C of MiFID II). An order is an instruction to buy or sell a financial instrument which is accepted by us for execution or onward transmission to a third party and which gives rise to contractual or agency obligations to the client

WHAT TYPE OF CLIENTS DOES BEST EXECUTION APPLY TO

A client's regulatory classification, as detailed below, impacts the determination of whether a client is 'legitimately relying' on CFSM to protect their interests, and as such whether best execution is owed.

Retail Clients: Retail clients are always deemed to legitimately rely on CFSM to protect their interests, and as such the best execution obligation is deemed to apply whenever CFSM transact with retail clients, except where specific instruction has been provided.

Professional Clients: Each specific transaction needs to be assessed in order to make a determination as to whether the client is "legitimately relying" on CFSM to protect their interests:

Four-fold test: In order to determine whether a professional client is "legitimately relying" on CFSM in relation to a particular client order (whereby best execution is therefore owed to the client), the following four factors are considered by CFSM:

Which party initiates the transaction: where it is CFSM that "initiates" a transaction the client is more likely to place "legitimate reliance" on CFSM. In this context, "initiate" means where CFSM approaches a client regarding a potential transaction;

Market practice and the existence of a convention to "shop around": In certain wholesale markets, there is a common practice or convention to 'shop around' and obtain quotes from a number of dealers prior to a client executing any transaction. The existence of such a practice indicates that a client is less likely to place "legitimate reliance" upon CFSM for best execution of the order (for example, wholesale bond markets and OTC markets feature 'shop around' practices);

The relative levels of price transparency within a market: In certain markets, transparent prices may not be readily available to clients, and this indicates that the best execution obligation is more likely to apply; and

The Terms of Business/other information provided to clients should make clear if best execution applies or not. This must reflect the economic reality of the relationship.

Eligible Counterparties: The best execution obligation is deemed not to apply when dealing with Eligible Counterparties. All CFSM employees who, on behalf of professional or retail clients, either execute client orders or pass orders for execution to other entities must ensure such activities are conducted in accordance with this Policy

BEST EXECUTION FOR RETAIL CLIENTS

For retail clients, the best possible outcome will always be determined in terms of the total consideration, represented by the price of the financial instrument

and the costs incurred by the client in relation to execution, which includes all expenses incurred by the client that are directly related to the execution of the order (e.g. execution venue, clearing and settlement fees, and any other fees

paid to third parties involved in the execution of the order). Other factors as noted below under the particular asset classes may only be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible outcome in terms of the total consideration to the retail client.

SPECIFIC INSTRUCTIONS, TAILORED OTC CONTRACTS AND DMA

CFSM may not be able to follow the steps in our Order Execution Policy to obtain the best possible result for you in the following circumstances:

Where we receive specific instructions from you because we are obliged to execute in accordance with your specific instruction, for example if you instruct us to execute on a particular venue;

In tailored OTC contracts where we are structuring a transaction for you where there are no comparable market alternatives, best execution may not be practical to guarantee;

Where a client uses a direct market access ("DMA") or Sponsored Access ("SA") system provided by CFSM (whereby the client selects transaction parameters, including price, client/venue, timing, size etc.), then such clients will be regarded as providing specific instructions to CFSM in relation to the execution of their order. In such situations, CFSM, while acting on the client's behalf in providing

the DMA/SA service, will be deemed to have satisfied its best execution obligations and the client will be deemed to have given a specific instruction for the whole order by means of the DMA/SA system. Such a situation may occur where, for example, a client has been given access to a terminal linking that client to the trading venue which enables the client to enter orders directly on to the particular trading venue through CFSM.

In circumstances where CFSM executes trades with you but does not execute an order on your behalf, CFSM will not owe you a duty to provide best execution. This could include, but may not be limited to, circumstances where CFSM is providing either continual quotes or quotes at your request, upon which you subsequently decide to execute

EXECUTION FACTORS

In order to provide you with the best possible result, CFSM will exercise our own discretion in determining the factors that we need to take into account, unless otherwise instructed by you. Amongst other factors, these will include:

- Price;
- Market conditions;
- Type of instrument and its suitability to you;
- Size of your order;
- The speed with which the order can be executed;
- The expected likeliness of the order to be filled as given;
- Your characteristics and characteristics of your order;
- Characteristics of execution venues where your order can be filled;
- The impact of your order on the market;
- The order in which client orders have been received;
- The costs to execute your order

EXECUTION VENUES

CFS Management is registered in England and Wales with Registered number 02960433 and registered address 55 Riding House Street, London, England, W1W 7EE. CFS Management is authorised and regulated by the Financial Conduct Authority (Register number 171480).
<https://cfsmtrader.com>

CFSM will use venues selected on the basis that they provide the maximum pre- and post-trade transparency for you, our client. We will use a venue for your order which is one or more of the following:

- Regulated Markets;
- Multilateral Trading Facilities (MTF);
- Organised Trading Facilities (OTF);
- Systemic Internalisers; and,
- Third party investment firms and brokers (or non-EU entities performing similar functions) which may also trade proprietary positions; act as market makers or liquidity providers. This includes OTC market contracts.

In the absence of specific instructions from you, CFSM will exercise its own judgement, skill and experience, having regard to market information when determining the Execution Factors that it needs to consider for the purpose of providing best execution. The diverse markets for different financial instruments, and the types of orders that clients place with CFSM, means that different 'Execution Factors' could be applicable each time CFSM considers a particular execution strategy. For example, there is no formalised market for some OTC transactions, in some markets price volatility may mean that timeliness of execution is a priority, whereas in an illiquid market the ability to actually execute the transaction may be the key execution factor.

In general, CFSM regards price as being the most important consideration when seeking to obtain the best possible outcome for clients in accordance with this Policy. In certain circumstances we may decide in our absolute discretion that the other factors noted above may be more important than price. In addition, subject to any specific instructions which are given to CFSM by a client, the financial instrument to which the order relates often dictates to a large extent the determination and ranking of the relative importance of the Execution Factors.

CFSM's commissions and charging structure is designed not to discriminate between venues i.e. client commissions will not vary depending on the venue(s) chosen to execute a client's order. There is no connection /correlation between where orders are routed / executed, and the commission rates charged to clients. CFSM receives no payment for order flow nor inducements from any venue.

If CFSM is not a direct member of an exchange to which your order is to be forwarded, we will forward the order to that exchange through an exchange participating member with whom CFSM has an existing relationship. CFSM may also transmit orders to exchanges via direct market access (DMA) connectivity provided by other brokers.

Our Policy Order Execution Policy provides that we only use venues and counterparties that are able to demonstrate to us that they have in place execution arrangements that enable CFSM to comply with its obligations to act in the best interests of its clients.

A list of execution venues used by CFSM can be found in

Appendix

1. This list is not exhaustive, and we reserve the right to use other execution venues

Below is a list of execution venues used by CFSM when executing orders on behalf of clients. This list is not exhaustive and is subject to change and will be reissued periodically.

All domestic Russian listed securities and derivatives on Moscow Exchange and other Russian exchanges JSC “Investment Company IT Invest”, Moscow (an affiliate of CFS Management Ltd.)

All US and Canadian listed equities

- Lek Securities Limited
- Jefferies International Limited
- KCG Europe Limited

All London Stock Exchange listed equities

- London Stock Exchange*
- Jefferies International Ltd

All other listed securities

- Jefferies International Ltd.

All non-Russian Futures and Options exchanges

- London Stock Exchange Derivatives Market*
- ICE Futures Europe Limited*
- R J O’Brien Inc.
- Macquarie Bank International Limited

*CFSM is an exchange member

Where CFSM’s affiliates or third-party brokers are upcapitalated as execution venues, the quality of their execution will be reviewed in the same way as it would for any other execution venue.

Further information is available to clients upon request.



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