BEST EXECUTION – External Policy

This Policy summarises the general basis on which ALT 21 Limited (ALT 21) will provide you as a registered customer of ALT21 with "Best Execution" and by the rules, guidance, principles and codes in the Handbook of Rules and Guidance issued by the UK Financial Conduct Authority (FCA).

The purpose of this document is to provide clients of ALT 21 Limited (ALT 21) with information about our order execution arrangements.

This document outlines all the sufficient steps that ALT 21 must take to ensure that we obtain the best possible results when carrying out transactions on your behalf.

This is referred to as "Best Execution" of orders.

The Policy is divided into the following sections:

- Scope and Purpose
- Achieving Best Execution
- Compliance with Client Instructions
- Choosing an Execution Venue
- Updating the Policy
- Consenting to the Policy

I. SCOPE AND PURPOSE

What is the purpose of the Policy?

We recognise the importance of achieving the best possible result when executing trades for you and are required to take all sufficient steps to do so. This is important for maintaining and developing our relationship with you. We strive at all times to act fairly and reasonably in dealing with you. In certain cases where we are providing order execution services to our clients, we are required to establish and comply with a policy on best execution. The purpose of this Policy is to set out this obligation to you in a clear and concise manner.

When does the Policy apply?

The Policy applies where we act on your behalf in the execution of orders in relation to any regulated financial instrument and we agree to provide the best price or other terms for you in the market.

The Policy will not apply when we are not executing an order on your behalf, for example where or to the extent:

- we transact with you as principal on the basis of a published quote;
- we transact with you as counterparty for our own account;
- we are following your specific instructions to execute your order in a particular manner or at a particular price; and
- we are following your specific instructions to execute a specific part or aspect of an order.

Regulated financial instruments include most types of financial instruments, but do not include spot foreign currency exchange transactions; and spot commodity derivative transactions.

The Policy applies to all transactions we arrange or execute on your behalf, whether arranged or executed through affiliated companies or otherwise.

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II. ACHIEVING BEST EXECUTION

What does "best execution" mean?

"Best execution" means:

- That we have established this Policy that is designed to achieve the best possible result (taking into account all relevant factors described below) across all orders on a consistent basis for regulated financial instruments when placing the orders for execution with execution venues identified in this Policy.
- That we are committed to comply with the Policy.
- That we will take steps to monitor, review and update the Policy to ensure that it continues to achieve such results.
- Complying with our best execution obligations does not involve a transaction by transaction analysis. Instead, we are required to take all sufficient steps to obtain the best result overall when executing orders on your behalf having regard to certain execution factors.

What certain execution factors do we take into account to achieve best execution?

In achieving best execution, we take into account a number of factors (unless otherwise instructed by you, as discussed in Section III below). These include:

- price;
- costs;
- speed;
- likelihood of execution and settlement (liquidity);
- size;
- nature;
- type and characteristics of financial instrument;
- characteristics of the possible execution venues; and
- any other consideration relevant to the execution of the order.

While total consideration (price and costs) are generally key factors, the overall value to you of a particular transaction may be affected by the other factors listed above. We may conclude that factors other than price and costs are more important in achieving the best possible result for you. The relative importance of each of the factors will differ depending on:

- your categorisation as a Retail or Professional client; any special objectives you may have in relation to the execution of the order;
- the characteristics of your order;
- the characteristics of the financial instruments to which your order relates; and
- the characteristics of the venues (if there is more than one) to which your order may be directed.

We are required to provide an account of the relative importance of the execution factors, with reference to the relevant criteria (see above) and the process by which the firm determines the relative importance of those factors.

What is our responsibility when your order is executed for us by a third party?

We will generally pass your order on to a third party (which may be a broker and an affiliated company) to execute your order.

We may pass an order to a non-affiliated third party broker or dealer to execute your order. In respect of such cases, we will have internal processes and procedures in place to review periodically our choice of third party brokers and dealers to determine that, taking into account all the factors specified above, the third party broker or dealer is providing the best results for your orders on a consistent basis. In making this determination we will have regard to:

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- prices offered for the particular type of instrument over time;
- average costs per trade charged for the type of trade over time;
- the best execution policy of, and any other guidance issued by, the relevant broker or dealer from time to time.

III. COMPLIANCE WITH CLIENT INSTRUCTIONS

What happens if you give us specific instructions as to how to execute your order?

Where we have accepted your instructions with respect to the execution of your order, whether or not we have given you advice on any aspect of it, we will follow those instruction to the extent it is possible for us to do so.

The Policy will not apply where we accept and follow your specific instructions when executing an order or a specific part of an order, although the Policy may apply to other aspects of the order to the extent that they are not covered by your instructions. For example:

Where you instruct us to execute an order for you at a particular price (for example, a subscription to subscribe for units in a fund, structured product or other securities at a specific price we will execute the order at a specific price we have quoted to you; Where you instruct us to execute your order on a particular venue, we will not be responsible for selecting the venue. Where you instruct us to execute your order at a particular time or over a particular period, regardless of the price available, we will endeavour to execute your order at that time or over that period in the best possible manner but will not be responsible for the timing or any of the consequences for price or other factors that results from the timing of execution.

IV. CHOOSING AN EXECUTION VENUE

Which trading venues will we use?

A “venue” includes an exchange, a multilateral trading facility and a broker. Unless we agree with you otherwise, we will use a selection of venues that will be reviewed periodically.

A list of the venues we currently use can be found on our website or by contacting us on compliance@alt21.com.

We are required to provide a list of the execution venues for each class of financial instrument on which the firm places significant reliance. Specifically, our Option products are executed through Sucden Financial Limited.

Although regulated financial instruments do not include spot foreign currency exchange transactions; and spot commodity derivative transactions, this policy outlines the trading venues used relating to FX forwards and spot transactions:

- Currency Cloud
- Sucden
- ADM
- NatWest
- Macquarie

Where your order is executed through third-party brokers, we will review periodically the brokers that we use, taking into account the factors we describe below for determining the entities with which the orders are placed or to which we transmit orders for execution in order to ensure that the broker or brokers that we use are providing best execution taking into account all orders executed during the review period.

Where it appears in a particular case that better execution is available from a broker that we do not ordinarily use, we may use such other broker on a case-by-case basis.

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What factors are taken into account in determining the execution venues?

Factors that we consider in selecting the entities with which your orders are placed or to which we transmit your orders for execution in respect of a particular financial instrument include:

- general prices available;
- depth of liquidity;
- relative volatility in the market;
- speed of execution;
- cost of execution;
- creditworthiness of the counterparties on the venue or the central counterparty; and
- quality and cost of clearing and settlement.

How might factors vary between choices of venue?

In some markets price volatility may mean that timeliness of execution is a priority. In other markets that have low liquidity, the fact of execution may itself constitute best execution.

In other cases, our choice of venue may be limited because of the nature of your order or your requirements. For example, when investment products are more illiquid, there may be little (or no) choice of venue.

How often do we review our venues?

Generally, we will review annually the venues we use to execute your orders.

Where we have a choice of venues in respect of a particular order, how do we choose?

We take into account factors such as cost and benefits of accessing multiple venues and accessibility in deciding which venues we use. In some circumstances, we may have access to more than one venue for executing an order in a particular financial instrument. In such cases, we will endeavour to choose the best venue for the order taking into account the factors applicable to choosing venues.

V. UPDATING THIS DOCUMENT

How often will we update this document?

We will update this document periodically to take into account changes as and when appropriate.

VI. CONSENT

You will have accepted our terms and conditions of business as part of the approval process to become a client, and have acknowledged and agreed that you have read and understood the Best Execution Policy.

For more information please contact Compliance on compliance@alt21.com.

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