

Execution and Order Policy

Introduction

This document summarises the Execution and Order Policy (the “**Policy**”) for Edgewater Markets Limited (“**EML**”).

EML has established and implemented policies and procedures, including this Policy to outline its commitment to the obligations set out under the Conduct of Business Sourcebook, Chapter 11 and the requirements set out in the Markets in Financial Instruments Directive 2014 (2014/65/EU) and its UK onshored equivalent (collectively “**MiFID**”).

Application & Financial Instruments

This policy only applies with respect to financial instruments within the scope of MiFID and, where applicable, the UK Financial Conduct Authority’s Conduct of Business rules on Best Execution (collectively “**Financial Instruments**”).

For the avoidance of doubt, the definition of Financial Instruments **does not include spot FX and physical commodities** unless they are ancillary to Financial Instruments, transacted with EML.

Best Execution

When EML executes an **In Scope Order**¹ in a Financial Instrument EML must take all reasonable steps to obtain the best possible result for Clients taking into consideration the Execution Factors set out below. EML is not under an obligation to obtain the best possible result for each In Scope Order or each In Scope Order transmission.

EML liquidity managers evaluate and monitor compliance, on a risk-based approach, transactions in, In Scope Orders, through both real-time and post-execution monitoring. EML also undertakes exception-based monitoring reviewed by senior management to closely examine execution conditions and spreads applied.

Capacity

EML acts as an execution-matched principal broker, dealing in investments as agent and as principal with a matched principal limitation. EML does not operate its own proprietary trading book.

¹ **In Scope Orders** are any instructions from a direct EML Client to execute a transaction in a Financial Instrument on the Client’s behalf that gives rise to contractual or agency obligations owed by us to the client. Such contractual or agency obligations will arise where we are required to exercise discretion in relation to the execution of a Client’s instruction or order and/or you legitimately rely on us in relation to the exercise of that discretion. Please see Annex 1 for instrument-specific limitations.

Application

EML does not deal with Retail Clients. EML's Clients only include Professional Clients, including Eligible Counterparties. EML's best execution obligations do not extend to Eligible Counterparties as outlined in Article 30(1) of MiFID II, although the duty to identify and manage any conflicts of interest will nevertheless apply.

Legitimate Reliance

EML will apply the following criteria to determine whether a Client is legitimately relying on EML in relation to any potentially In Scope Order

- a) Which party initiates the transaction. Where EML approaches the Client, and suggest that the Client should enter into a transaction, it is more likely that the client will be placing reliance on EML. Where Clients initiate the transaction, it is less likely that the Client will be placing reliance on EML;
- b) Questions of market practice and the existence of the convention to 'shop around'. Where the practice in the market in which a business area operates suggests the Client take responsibility for the pricing and other elements of the transaction (e.g. there is a market convention to "shop around" for a quote), it is less likely that the Client will be placing reliance on EML;
- c) The relative levels of price transparency within a market. If EML has ready access to prices in the market in which EML operates, whereas the Client does not, it is more likely that the Client will be placing reliance on EML. This is different to where EML's access to pricing transparency is equal or similar to the Client and in these circumstances, it is less likely that the Client will be placing reliance on EML; and;
- d) The information provided by EML and any agreement reached. Where EML's arrangements and agreements with a Client do not indicate or suggest a relationship of reliance, it is less likely that the Client will be placing reliance on EML.

Specific instrument-related considerations are available in **Annex 1**.

Execution Factors:

EML considers the relevant Execution Factors to be: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an In Scope Order ("**Execution Factors**"). Specifically, EML will take into account the following Execution Factors:

- the execution price (without any costs charged to the Client including EML's spread or commissions);
- speed and/or likelihood of execution and settlement;

- the impact on market prices of displaying and/or executing an order or part of an order;
- the use of algorithms or pricing engines to take liquidity; and;
- any other consideration relevant to the efficient execution of the order.

When executing an In Scope Order EML must take into account the following criteria for determining the relative importance of the Execution Factors in the circumstances:

- the characteristics of the Client including the regulatory categorization of the Client;
- the characteristics of the In Scope Order;
- the characteristics of Financial Instruments that are the subject of that In Scope Order; and;
- the characteristics of the Execution Venues² to which that Relevant Order can be directed, where relevant.

Total Consideration

EML takes into account all factors that will allow it to achieve the best possible result for its Clients. While price is given a strong weight in the total consideration, it will not always be the primary marker of the best possible result. Speed, likelihood of execution, impacts on liquidity, market impact and implicit execution costs are relevant considerations and may be given precedence over immediate price/cost.

To see an **indicative** breakdown of the Execution Factors by priority, see **Annex 2**.

Specific Instructions

If EML receives an In Scope Order from a Client that includes specific instruction(s) in relation to the handling and execution of the In Scope Order (in whole or in part) then EML will consider its obligations (in relation to obtaining the best possible result for a Client) satisfied in relation to those specified elements of the In Scope Order.

Aggregation

EML maintains the right to aggregate In Scope Orders where necessary. EML will only aggregate In Scope Orders where it believes that it is unlikely that the aggregation will work to the overall disadvantage of the relevant Clients. However, such aggregation may on some occasions operate to a Client's advantage and on others to its disadvantage. EML does not aggregate Client In Scope Orders with orders on its own account.

² Execution Venues include Regulated Markets, Multilateral Trading Facilities, Organised Trading Facilities, Edgewater Markets LLC where orders are executed on a matched principal basis, market makers, liquidity providers and any non-UK and non-EEA legal entities performing a similar function to the aforementioned.

Where an aggregated In Scope Order is only partially fulfilled, either due to operational or market conditions, allocation to Clients will take place on a proportional basis.

Derivative and Mandatory Trading Obligations

Clients should note that EML, EML's Clients and EML's liquidity providers may be subject to the trading obligation under UK and EU Markets in Financial Instruments Regulation and this can impact obligations under the Policy.

Trading on a Trading Venue

EML may execute In Scope Orders outside a Trading Venue where it has obtained the Client's prior express consent. EML's position on orders executed outside of a UK-regulated Trading Venue or EU-regulated Trading Venue, as applicable is set out in the Terms of Business.

Execution Venues

EML does not structure its fees or commissions to discriminate unfairly between Execution Venues. For certain products, we may conclude that we can comply with our obligations under this Policy by using a single Execution Venue, including using EML or Edgewater Markets LLC as the sole Execution Venue.

EML will select an execution venue based primarily on the availability of the best pricing for a particular financial instrument and the amount of accessible liquidity offered by the execution venue. As additional execution venue selection criteria, EML will consider the overall technical and operational offering of a venue – including connectivity, speed of execution, reliability, rules, membership and clearing requirements, as well as the costs of accessing the venue.

Group Affiliated Entities

EML may execute through Group Affiliated Entities ("**Affiliates**") wherever possible unless the Client explicitly specifies otherwise in writing to EML, and is agreed by EML. EML acts on a matched-principal basis as both agent and principal.

RTS 27 and RTS 28 Reporting

Following the implementation of The Markets in Financial Instruments (Capital Markets) (Amendment) Regulations 2021, EML is not under the obligation to make public information on execution quality or Execution Venues.

Misuse of Information

EML will not misuse information relating to or between pending In Scope Client orders. EML shall take all reasonable steps to prevent the misuse of such information by any relevant persons or employees. Any use by EML of information relating to a pending In Scope Client



Order, in order to deal on own account in the financial instruments to which the In Scope Client Order relates, or in any related financial instruments, will be considered a misuse of that information.

Review of this Policy

This Policy will be reviewed at least annually by the Board of Directors and the Head of Compliance. Any changes to this policy will be made on our website www.edgewatermarkets.com/uk

Annex 1 – Instrument Specific Considerations

FX Spot

FX Spot is out of scope for best execution when executing with EML.

FX Derivatives

FX Derivatives are typically traded with EML where Clients respond to prices streamed either directly or via certain electronic platforms where it acts in a matched principal capacity (as both agent and principal). Clients ultimately determine whether to proceed with the transaction based upon the price provided by EML and often, prices provided by other counterparties in comparison.

If a Client is classified as an Eligible Counterparty then our Best Execution obligations will not apply to its transactions unless we have agreed otherwise with it.

If a Client is a Professional Client, when we transact with it on the basis of a live price stream or an RFQ from it, we expect that the majority of transactions will be out of scope for best execution as a result of the following practices in the FX markets where EML operates:

- There is a market convention of ‘shopping around’ and generally a high level of price transparency.
- EML’s Clients are generally highly sophisticated and able to assess the pricing offered by it.
- EML’s Clients generally initiate transactions with it.

Spot Commodity

Spot Commodity is out of scope for best execution when executing with EML.

Commodity Derivatives

Commodity Derivatives are typically traded with EML where Clients respond to prices streamed either directly or via certain electronic platforms where it acts in a matched principal capacity (as both agent and principal). Clients ultimately determine whether to proceed with the transaction based upon the price provided by EML and often, prices provided by other counterparties in comparison.

If the Client is classified as an Eligible Counterparty then our Best Execution obligations will not apply to its transactions unless we have agreed otherwise with it.

If the Client is a Professional Client, when we transact with it on the basis of a live price stream or an RFQ from the Client, we expect that the majority of transactions will be out of scope for



best execution as a result of the following practices in the commodity markets where EML operates:

- There is a market convention of 'shopping around' and generally a high level of price transparency.
- EML's Clients are generally highly sophisticated in the product market and are able to assess the pricing offered by EML.
- EML's Clients generally initiate transactions with EML.

Annex 2 - Execution Factors, Priority List

Priority Order	Execution Factor
1	<i>Price</i>
2	<i>Liquidity</i>
3	<i>Impact on Market</i>
4	<i>Likelihood of Settlement</i>
5	<i>Speed</i>
6	<i>Others</i>

Annex 3 - Execution venues used by EML

Number	Execution Venue Name & LEI
1	Edgewater Markets LLC – 549300BIYGKDTGKM6P8384
2	Standard Chartered Bank - RILFO74KP1CM8P6PCT96
3	Bank of America Merrill Lynch - B4TYDEB6GKMZO031MB27
4	UBS AG - 254900R882POXXVAK772
5	N/A