



ITG ORDER EXECUTION POLICY

Introduction

This policy sets out the basis on which Investment Technology Group Limited “ITG” will provide “best execution” to clients we categorise as “Professional Clients” as described and defined in the Markets in Financial Instruments Directive 2004/39/EC (“MiFID”). When executing client orders in respect of equities or any financial instrument, listed in Annex 1, Section C of MiFID, ITG will take all reasonable steps to achieve best execution. ITG’s approach is to employ technology to help achieve best execution and some examples of this approach are referred to in this Policy.

Factors ITG will take into account to achieve best execution

The factors which ITG regards as most important in determining the best way to execute a client order are:

- (a) price – the current price available on execution venues,
- (b) cost - the costs associated with an execution venue, including settlement costs, will be taken into account in making the decision where to execute an order,
- (c) size - the routing of orders to markets that provide the greatest liquidity and potential for execution,
- (d) speed and certainty – the routing of orders to venues which provide speed and certainty of execution and settlement, and
- (e) over-all execution quality.

Other considerations relevant to the execution of the order such as the nature of the order, the characteristics of the client, client priorities and the characteristics of the instrument and market may also be taken into account. We will generally give the highest priority to total consideration, representing the price of the security and related costs, however, we may at our discretion prioritise other factors. For example, in some markets, price volatility may mean that the timeliness of execution is a priority, whereas, in markets that have low liquidity, the fact of execution may itself constitute best execution. When a client order is received ITG will endeavour to choose the venue that it believes, taking account of these factors, is reasonably likely to achieve best execution. Where a client gives ITG a specific instruction (for example aspects of a DMA order or a request for non-standard settlement) ITG will be deemed to have complied with its best execution obligations in following that instruction.

Selection of execution venue

Client orders may be executed in POSIT®, ITG’s multilateral trading facility, if the security is traded in POSIT and the client is a POSIT participant. As POSIT offers price improvement on every transaction by matching orders in the case of:

- POSIT Match and POSIT Now at the midpoint of the spread in the relevant security;

- POSIT Now VWAP at the VWAP of the relevant security;
- POSIT Close at the close price of the relevant security;
- POSIT Bid at the best bid price of the relevant security; or
- POSIT Offer at the best offer price of the relevant security.

ITG may achieve best execution of a client order by executing it in POSIT. In other instances, or if liquidity is not available in POSIT, ITG will route the client order in a manner determined by the above factors.

ITG is a member of the London Stock Exchange, Euronext, Deutsche Borse, BATS MTF, BlockMatch MTF, Chi-X MTF, SmartPool MTF, Turquoise MTF and uses local brokers on other markets.

Market orders and marketable limit orders transmitted electronically by POSIT participating clients to a specified non-ITG execution venue may participate in Market Flow, meaning that they will be routed through POSIT and exposed to (a) liquidity not available on the open market, and (b) an opportunity for price improvement. Unfilled balances route immediately to the specified venue for execution. ITG believes that while the process of scanning and routing orders via POSIT may result in the order being delayed in reaching its original market centre destination, this is outweighed by the opportunity for price improvement to which the order is exposed. Clients may opt out of Market Flow at any time.

ITG execution venues may include regulated markets, other exchanges, multilateral trading facilities, systematic internalisers, market makers and other liquidity sources. ITG may use alternative or additional execution venues if it believes that such venues may reasonably help achieve the best execution of client orders. ITG may aggregate client orders with orders from other clients provided combining orders in this way may generally result in obtaining best execution. ITG has established procedures to ensure that its obligations to clients under this Policy are unaffected by conflicts of interest.

While ITG has taken all reasonable steps to ensure that it has processes in place that can reasonably be expected to lead to the delivery of best execution of client orders, there may be instances where ITG has to execute an order using a method other than a method set out above. In such cases ITG will strive to execute on the best possible terms.

Policy review

ITG will review this Policy, the venues it uses, the quality of its execution and the panel of brokers with whom it deals at least quarterly in order to ensure that best execution is generally achieved on an ongoing basis. ITG may modify this Order Execution Policy at any time. Updates to this policy will be made available on ITG's website at <http://www.itg.com/compliance/regulatory-information-for-europe/>. By placing an order with ITG, clients will be deemed to have accepted this Policy. If an ITG client wishes to execute an order outside of a regulated market or multilateral trading facility, specific client consent is required in advance.

If clients have any questions about this Policy please contact your Account Executive or ITG's Compliance Department at +353 (0)1 6338042 (e-mail: david.nolan@itg.com).