

Order Execution Policy September 2016

This policy is applicable to the below LCM entities:

LCM Group	<input checked="" type="checkbox"/>	Louis Capital Markets UK LLP, London
	<input type="checkbox"/>	Louis Capital Markets UK LLP, Paris
	<input type="checkbox"/>	Louis Capital Markets HK Limited, Hong Kong
	<input type="checkbox"/>	Louis Capital Markets LP, NY
	<input type="checkbox"/>	Spectra FX LLC, NY
	<input type="checkbox"/>	Spectra FX LLP, London
	<input type="checkbox"/>	LCM Commodities LLC, NY
	<input type="checkbox"/>	LCM Commodities UK LLP, London
	<input type="checkbox"/>	LCM Metals UK LLP, London
	<input type="checkbox"/>	Avalon Capital Markets Limited, London
	<input type="checkbox"/>	Midcap Partners, Paris
	<input type="checkbox"/>	Kalstone, Paris
	LCM products	<input checked="" type="checkbox"/>
<input type="checkbox"/>		Cash Equities
<input type="checkbox"/>		Options on cash/Index
<input type="checkbox"/>		Option/Future on Fixed income
<input type="checkbox"/>		Bonds
<input type="checkbox"/>		FX
<input type="checkbox"/>		Commodities
<input type="checkbox"/>		Structured products
Last Update	Sept. 2016	
Responsible Department	Compliance, Louis Capital Markets UK LLP	

Introduction

Under the EU Markets in Financial Instruments Directive (MiFID) and the rules of our regulator, the Financial Conduct Authority (FCA), Louis Capital Markets UK, LLP (“LCM”) are required to have an order execution policy and to take all reasonable steps to obtain the best possible results for our clients when executing or receiving and transmitting client orders.

This Policy only applies to clients that are classified as Professional Clients, in accordance with the MiFID definition.

Scope

Our execution policy is applicable to clients and where we have received an order:

- a) To execute on their behalf in respect of financial instruments covered by the Markets in Financial Instruments Directive; or
- b) Which we pass on (i.e. transmit) at our discretion to another broker or dealer (“third party”)



for execution.

This duty of best execution only applies when executing orders “on a client’s behalf”.

We will be executing orders “on a client’s behalf” where the client legitimately relies on us to protect his or her interests in relation to the pricing or other aspects of the transaction that may be affected by how we execute the order. For example, this will be the case when we:-

- execute an order by dealing as agent;
- execute an order by dealing as riskless principal on behalf of a client; and
- “work” an order on a client’s behalf.

We will not be executing orders on a client’s behalf (and so will not owe “best execution”) where we publish a quote or provide a “request for quote” service and the client transacts with us on the basis of that quote.

Execution Processes

When executing a client order we will seek to obtain the most favorable terms taking into account our regulatory obligations, any specific terms that the client may impose and the sequence that we receive orders. Where there is only one venue and therefore the only pricing consideration is execution time, comparable prices are precluded.

Execution Factors

In considering how we might achieve the best possible result for an underlying client order, we will take a number of factors into account, including price, costs, speed, likelihood of execution and settlement, size, nature of the order or any other considerations relevant to the execution of that order.

In determining the relative importance of these factors, we will use our own commercial experience and judgement, together with the size and nature of the order, the characteristics of the financial instruments to which the order relates, as well as the possible execution venues to which that order can be directed.

Price will ordinarily merit a high relative importance in obtaining the best possible result. However, in some circumstances, for some clients, orders, financial instruments or markets, we may appropriately determine that other Execution Factors are more important than price in obtaining the best possible execution result.



Execution Criteria

When executing a client order, we will take into account the following criteria for determining the relative importance of the execution factors above:

- 1) the characteristics of the client
- 2) the characteristics of the client order
- 3) the characteristics of the financial instruments that are the subject of that order
- 4) the characteristics of the execution venues to which that order can be directed

We may transmit client orders to another broker or dealer. In such cases we may:

- a) Determine the ultimate execution venue ourselves by assessing specific execution venues through such third parties; or
- b) Instruct such other broker or dealer accordingly (having already satisfied ourselves that they have arrangements in place to enable us to comply with our executions obligations to you).

Execution Venues

LCM can access regulated markets through its own memberships and through third party brokers. LCM also accesses Multilateral Trading Facilities (MTFs) through third party brokers, as well as dark pools. (See the list below.)

When executing a client order, we will choose the execution venue that we consider the most appropriate.

The list below shows which execution venues we use. The list is not exhaustive but represents those execution venues and third parties that we place significant reliance upon:

Vienna Stock Exchange	Austria
Euronext (Brussels)	Belgium
Sarajevo Stock Exchange	Bosnia
Bulgarian Stock Exchange	Bulgaria
Prague Stock Exchange	Czech Republic
Copenhagen Stock Exchange	Denmark
Nasdaq OMX Baltic (Tallinn, Riga, Vilnius)	Estonia, Latvia, Lithuania
Helsinki Stock Exchange	Finland
Euronext (Paris)	France
Frankfurt Stock Exchange	Germany
Athens Stock Exchange	Greece
Budapest Stock Exchange	Hungary
Irish Stock Exchange	Ireland
Tel-Aviv Stock Exchange (TASE)	Israel
Milan Stock Exchange	Italy
Bourse de Luxembourg	Luxemburg
Euronext (Amsterdam)	Netherlands
Oslo Stock Exchange	Norway
Warsaw Stock Exchange	Poland
Euronext (Lisbon)	Portugal
Bucharest Stock Exchange	Romania
Johannesburg Stock Exchange	South Africa
Madrid Stock Exchange	Spain
Stockholm Stock Exchange	Sweden



SIX Swiss Exchange	Switzerland
Istanbul Stock Exchange	Turkey
London Stock Exchange	United Kingdom

MTFs

BM&F BOVESPA	Brazil
NASDAQ Stock Market	Canada
Bolsa de Comercio de Santiago	Chile
Bolsa Mexicana de Valores, BMV	Mexico
Bourse de Casablanca	Morocco
NYSE Arca Europe -	Netherlands
Nasdaq OMX exchanges	Nordic and Baltic countries
Moscow Exchange	Russia
Ljubijanska Stock Exchange	Slovenia
Bourse de Tunis	Tunisia
BATS CHI-X Europe	United Kingdom
Turquoise	United Kingdom
New York Stock Exchange	United States

We believe that the execution venues above are appropriate to providing best execution to you as these venues enable us to obtain, on a consistent basis, the best possible result for the execution of client orders. The charges passed down to the client are consistent with the cost to the firm of dealing with each execution venue so as not to unfairly discriminate against any one execution venue.

Where we are not responsible for the actual execution but instead transmit the order to a third party for execution, we will ensure that the third party is contracted to providing us best execution.

In certain financial instruments, there may only be one execution venue, and in executing a trade in such circumstances we shall presume that we have provided the best possible result in respect of these types of financial instruments.

Third party brokers are chosen according to a review of set criteria, including creditworthiness, service (as regards to execution, including their best execution policy, and settlement) and cost. Third party brokers are reviewed and assessed periodically.

Trading outside a Regulated Market or a Multilateral Trading Facility (as defined in the FCA rules) (“MTF”)

There may be occasions where we assess that achieving the best possible result in executing a client’s order requires us to execute the order outside a Regulated Market or MTF for example with a Systematic Internaliser.

Under the FCA rules where an instrument is admitted to trading on a Regulated Market or MTF, we are required to obtain your prior express consent before we execute an order in such instrument outside of a Regulated Market or MTF (save where no Regulated Market or MTF is included in the list of Execution Venues for that particular asset class). Your consent to this Order Execution Policy by one of the methods set out below includes express consent to us to execute your order outside a Regulated Market or MTF.

Method of Execution

Subject to any specific instructions that may be given by you in order to select an Execution Venue for an order, we will select the venue that is most appropriate when considering the Execution Criteria and relative importance of the Execution Factors specific to that order to achieve consistently the best overall result on behalf of our client.

Subject to any specific instructions that may be given by you, we will execute an order by one of the following methods or combination of methods:

- Outside a Regulated Market or MTF by executing the order with a matching order from another firm in the LCM Group (e.g. New York, Paris, Hong Kong); or
- Directly on a Regulated Market or MTF or, where we are not a direct member of the relevant Regulated Market or MTF, with a third party participant with whom we have entered into an agreement for handling orders for that Regulated Market or MTF.

Specific Client Instructions

Where you give us a specific instruction as to the execution of an order (for example, Direct Market Access orders submitted via an electronic system), we will execute the order in accordance with those specific instructions. Where your instructions relate to only part of the order, we will continue to apply our MiFID order execution policy to those aspects of the Order not covered by your specific instructions.

You should be aware that providing specific instructions to us in relation to the execution of a particular Order may prevent us from taking the steps set out in our MiFID order execution policy to obtain the best possible result in respect of the elements covered by those instructions.

Reception and Transmission of Orders

Subject to any specific instructions that may be given by you (see above), we may transmit an order that we receive from you to another entity within the Louis Capital Markets UK LLP group of companies (of which we are a member) or to an external entity, such as a third party broker, for execution. In doing so, we must act in your best interests and consider the Execution Factors and Execution Criteria above.

Client Limit Orders

The FCA rules require unexecuted client limit orders to be made public immediately unless the client expressly instructs otherwise. By consenting to this policy you are expressly instructing Louis Capital Markets UK LLP not to make such orders public.

Monitoring and Review

We will regularly monitor our order execution arrangements, as well as the quality of both our execution and that of third parties to whom we have passed orders. Such reviews will enable us to identify and implement changes to our execution policy and execution arrangements as necessary. We maintain an audit trail for all telephone and electronically executed orders which will assist us in ascertaining whether the best possible results has been achieved. You should note that it may not always be possible to make an effective comparison of execution performance because reliable data is not always available for some markets.

Clients will be advised of any material changes to our policy as necessary.

Consent and Instruction

Regulations require that we must obtain clients' prior consent to this execution policy. When, having been provided with a copy of this document, you give us instructions to deal on your behalf, you will be deemed to have provided such consent for your orders to be carried out in accordance with this policy.



Your consent has already also been obtained, through your acceptance of our Terms of Business, to this Order Execution policy including inter alia to

- a) Louis Capital Markets UK LLP executing orders outside a Regulated Market or MTF; and
- b) Unexecuted limit orders not being made public immediately