

Best Execution Policy

VERSION 1.03 – JANUARY 2017



Calamatta Cuschieri
YOUR PARTNER IN FINANCIAL SERVICES

Calamatta Cuschieri Investment Services Ltd is part of the Calamatta Cuschieri Group. Registered Office: Ewropa Business Centre, Triq Dun Karm, Birkirkara, Malta. Calamatta Cuschieri Investment Services Ltd is licensed to conduct investment services by the Malta Financial Services Authority (MFSA) and is a founding member of the Malta Stock Exchange. Company No: 13729, Vat No 13219224.

ORDER EXECUTION POLICY FOR FINANCIAL INSTRUMENTS

1. Purpose

This policy document sets out information on arrangements for order execution based on the interpretation of key provisions of the Markets in Financial Instruments Directive (MiFID), the rules and guidelines issued by the Malta Financial Services Authority and any other applicable laws and regulations, by Calamatta Cuschieri Investment Services Ltd (hereinafter referred to as “Calamatta Cuschieri”, “CC”, “we”, “our” or “us”).

2. Scope

Best execution under MiFID applies to retail and professional clients and to all financial instruments dealt in the course of carrying out investment services business in the European Union. It requires Calamatta Cuschieri to take all reasonable steps to consistently obtain the best possible result for clients through the Order Execution Policy.

3. Best Execution Factors

Calamatta Cuschieri will take all reasonable steps to obtain, when executing Client Orders, the best possible result for Clients taking into account certain execution factors which include: a) price;

- b) costs;
- c) speed of execution;
- d) size;
- e) likelihood of execution and settlement;
- f) nature; or
- g) any other considerations relevant to the execution of a particular Order.

In general, and particularly for Retail Client Orders, Calamatta Cuschieri will endeavor to achieve the best economic value when executing orders, that is, price of the financial instrument and the expense incurred by the Client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to agents involved in the execution of the order.

In the case of order executions on behalf of Professional Clients, price and costs may not necessarily be the determining factors for achieving best execution. Other factors, such as speed, likelihood of execution and settlement size, and market impact, may determine the achievement of best execution.

4. Specific client instructions

In spite of the foregoing, where a Client gives a specific instruction with respect to the execution of an Order, the Order will be executed in accordance with those instructions. Clients should be aware that providing specific instructions may preclude us from taking the steps we have established to enable us to obtain the best possible result for the execution of such Order.

5. Best Execution Criteria

We will determine the relative importance of the above-mentioned factors based on our commercial experience and judgment in the light of available market information at the relevant time and taking into account the best execution criteria which, amongst others, include:

- a) The classification of the Client as a Retail or a Professional Client;
- b) The type of Client Order;
- c) The Financial Instruments that are the subject of that Client Order; and
- d) The Execution Venues to which that Client Order can be directed.

6. Execution Venues

A list of the Execution Venues used by CC in respect of each class of Financial Instruments can be found on the CC's website at www.cc.com.mt. This list of Execution Venues is provided for indicative purposes only and includes those Execution Venues on which CC relies most. Hence, CC reserves the right to use other Execution Venues, where it considers appropriate, in accordance with our Best Execution Policy. CC may add or remove any Execution Venues from this list.

CC will regularly assess the Execution Venues available in respect of any Financial Instruments that CC trades to identify those Execution Venues that will enable it, on a consistent basis, to obtain the best possible result when executing Orders. Following such assessment, the list of Execution Venues will be updated, if and where necessary. Clients are advised that they will not be notified separately of any changes to the Execution Venues. Therefore, it is important that clients refer to the list of Execution Venues on CC's website at www.cc.com.mt from time to time for the current list of Execution Venues.

7. Choosing an Execution Venue

In order to choose an Execution Venue for a Client Order, CC shall use the following methodology:

- I. When placing Client Orders, CC is required to choose an Execution Venue that CC considers the most appropriate. In doing so, CC must assess the Execution Venues available to identify those that will enable it, on a consistent basis, to obtain the best possible result for executing Client Orders.
- II. When placing a sale Order for Financial Instruments traded on Foreign Stock Exchanges, CC is required to use, as Execution Venue, the services of the correspondent broker holding custody of that Financial Instrument.
- III. CC will not structure or charge its commission in such a way as to discriminate unfairly between Execution Venues.
- IV. CC can also act as the Execution Venue for orders. In such circumstances, we will execute the deal for you by entering into the deal on our own account (as principal) and entering into another deal with you, either matching or improving upon the execution price available from an alternative Execution Venue.

8. Execution Methodology

CC will execute a Client Order by one of the following methods or combination of methods:

- I. *On Exchange* Directly with a Regulated Market or Multilateral Trading Facility or, where CC does not have a direct market access to the relevant Regulated Market or Multilateral Trading Facility, with a correspondent broker with whom CC has entered into an agreement for the execution of Client Orders.
- II. *Outside of a Regulated Market or Multilateral Trading Facility (“Off-Exchange”)* Trading a Client Order directly with a Systematic Internaliser or Market-Maker with whom CC has established trading arrangements, or by placing Client Orders with a correspondent broker with whom CC has an agreement for handling Client Orders. CC will obtain the Client’s prior express consent before proceeding to execute such Client Order’s outside a Regulated Market or Multilateral Trading Facility.
- III. When acting as intermediary in respect of the purchase and/or redemption of units in a collective investment scheme, the procedures indicated in the relative fund’s prospectus will apply for Best Execution purposes.

9. Reception and Transmission of Orders

Subject to any specific instructions that clients may give CC, pursuant to the above clauses, CC may transmit an Order received from a Client to a correspondent broker, for the execution of that Client Order. In so doing, CC will act in your best interest in accordance with the terms of this Policy.

10. General terms of Order Handling

CC is required to execute Client Orders in a prompt, fair and expeditious manner. CC will execute comparable Client Orders sequentially in accordance with the time of their reception unless:

- I. Otherwise instructed by the Client;
- II. The characteristics of the Client Order or prevailing market conditions make this impracticable; or
- III. The interests of the Client require otherwise. CC may combine a Client Order with its own and/or orders of other Clients. We will do so only if we believe that the aggregation works overall to the advantage of the clients concerned. However, the effect of aggregation may on some occasions work to your disadvantage. When we aggregate a Client Order, we will promptly allocate the order and will not give an unfair preference to any of those for whom we have dealt.

CC maintains an order allocation policy to provide for the fair allocation of aggregated orders and transactions.

Under no circumstances shall any obligation to you under our best execution policy amount to a condition of any transaction and failure to comply with this best execution policy which is not attributable to fraud, willful default or gross negligence on behalf of CC shall not entitle you to cancel, terminate or rescind any transaction.

11. Review

CC will review its Order Execution Arrangements regularly and it will review its Order Execution Policy at least annually, and whenever a material change occurs that affects CC's ability to continue to obtain the best possible result for its clients. CC will only inform its clients of any material change to its Order Execution Arrangements and/or to this Policy. Alternatively, clients are invited to contact their usual Investment Advisor to obtain the latest copy of CC's Order Execution Policy.

12. Consent

MiFID requires us to obtain your consent to our Order Execution Policy. If you place an order or transact business with us after 1st May 2008 you will be deemed to have consented to our policy.