

Hamilton Court FX – Order Execution Policy

Introduction

Before we undertake any deals in investments for you, it is important that you understand how we will execute such transactions. The following information is a summary of our Best Execution Policy designed to provide you with a general understanding of our typical dealing arrangements for different investment types (Part 3) and the execution venues that we use (Part 4).

Please note that this information should not be seen as a prescriptive statement of how a particular order must be dealt with. Best execution is the requirement to take all reasonable steps to obtain, when executing orders, the best possible result for the client, taking into account various execution factors relevant to the order.

Part 1: When does HCFX apply best execution to client investment transactions?

We will apply our best execution standards to all transactions (Including Payment Orders, Spot FX, Investment services and unregulated forward contracts). This is consistent with the general principle that client classification (whether classified as a retail client, professional client or eligible counterparty), whilst an important factor in the overall context of a client relationship, will not be usually considered in terms of the quality of execution we obtain for you.

If you are a professional client we may agree with you in advance to apply differing standards in accordance with applicable best execution regulations. Best execution is delivered by an appropriate consideration of a number of execution factors.

Part 2: How does HCFX determine the relative importance of the best execution factors?

When executing an order on behalf of a retail client, best execution is primarily determined in terms of Total Consideration. Total consideration is the price of the relevant financial instrument, plus the costs related to execution, including all expenses incurred by you which are directly related to the execution of the order such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

While the same process is applied in practice for transactions for clients who are not categorised as retail clients, we may also bear in mind your investment objective on a case-by-case basis when determining how to achieve the best outcome for your transaction. In such cases, Total Consideration is not considered as an overriding factor.

There are other execution factors to be considered which may be given precedence over the immediate price and cost consideration, only insofar as they are instrumental in delivering the best possible result in terms of Total Consideration.

These additional factors are:

- (i) speed of execution;
- (ii) likelihood of execution and settlement;
- (iii) size and nature of order;
- (iv) market impact; and
- (v) any other implicit transaction costs.

In coming to our determination, HCFX will consider the type of financial instruments that are the subject of the order, the type of order and its specific characteristics, such as the size of the order or the liquidity of the underlying assets, as well as the execution venues to which the order could be directed. Where we receive specific instructions from you in relation to the importance of the execution factors (for example, if you request that transaction costs should be a more significant factor than price, or where you request that your order be executed through a specific venue based on your own knowledge or considerations), we will execute the order in accordance with such instructions.

Part 3: Our standard dealing arrangements for different types of investment

For standard UK market orders, and in normal market conditions, we may poll different execution venues. We will poll a Multilateral Trading Facility (MTF) to identify the best terms available to us at the point of trading for the equity concerned.

This involves a detailed manual search for reference trading prices via market data feeds, or by comparing prices offered by other market participants. When an appropriate counterparty is identified, the price is negotiated manually and executed on the best terms identified for the order in question. This may occur off-exchange.

Over the Counter (OTC) Products

Over the counter products are products that are traded other than on a formal exchange (for example structured products or FX).

OTC products may be sourced via a third party. The order routing process will depend firstly on the execution factors. Further issues that may affect the order process are the following:

- (a) for bespoke, highly negotiated transactions or for those which may be original trading ideas or for which we have a duty of confidentiality to the originating firm, we will route such orders exclusively to the originating firm since there will be no other available market liquidity within a reasonable timeframe;
- (b) for certain more standardised products, we will usually select and price poll from a shortlist of dealing counterparties identified by us to be among the most competitive in the field concerned.

The Foreign Exchange (or 'FX') market is a wholly over the counter and off exchange market across all FX products we offer to you. Under normal market conditions, we will generally execute with Barclays Bank as our primary FX counterparty using electronic trading tools such as BARX FX. In the event that we cannot execute electronically, we will execute manually. In certain circumstances and product types we also use non-Barclays FX counterparties to fulfil our best execution obligations.

Part 4: Selection of Execution venue

The execution venues that we use may include:

Multilateral Trading Facilities

Multilateral Trading Facilities (MTFs) MTFs are privately operated order matching systems which act in a similar way to an order driven market. Similar to regulated markets, these execution venues are subject to regulatory standards determined and governed in jurisdictions subject to the legislative powers of the EU, by the requirements of the EU Markets in Financial Instruments Directive (MiFID).

Off Exchange Trading with Regulated firms

We rely to a significant extent on other authorised firms which trade in derivatives, foreign exchange and over the counter derivatives. Off-exchange trading may be conducted with other regulated firms.

When executing off exchange on behalf of clients we will consider the best interests of our clients when selecting counterparties. This will include a consideration of the type of client and the service that is in their interests, as well as consideration of the type of instrument being executed.

We seek to ensure we have deep relationships with high quality counterparties with an aim of maximising execution quality in terms of price net of any related dealing costs. For example, for derivatives, we operate a counterparty panel which consists of a number of broker dealers and which has been developed to provide sufficient competition across the assets dealt by our clients.

In certain circumstances it may be necessary to transact with counterparties who do not feature on our counterparty panel, for example where market forces allow us to use only a single provider to meet your needs. We will only do so when we reasonably believe it is necessary to transact in this way, in order to achieve best execution.

Hamilton Court Foreign Exchange Limited is registered as a Limited Company in England. Companies House No. OC362684

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Hamilton Court Foreign Exchange Limited is registered with the Financial Conduct Authority under the Payment Services Regulations 2017 (FRN 810625) for the provision of payment services.

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