VAN STERLING
CAPITAL LIMITED

BEST EXECUTION POLICY

concerning smarter-investments.com

Smarter Investments

No	Date	Author	Change Description
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1. Introduction

1.1 This Best Execution Policy (the "Policy") sets out information relating to how Van Sterling Capital Ltd. ("VSC", "we", "us", etc) seeks to provide best execution as required by the Markets in Financial Instruments Directive 2014/65/EU ("MiFID II") and the Financial Conduct Authority's Conduct of Business Sourcebook ("COBS"), when executing orders on behalf of clients.

1.2 "Best execution" is the term used to denote the duty we have to take all sufficient steps to obtain the best possible result under the relevant circumstances when executing transactions on clients' behalf. VSC owes its clients a duty to seek best execution when we execute trades on clients' behalf in the types of financial instruments set out in this Policy.

2. Scope of this Policy

2.1 This policy covers trading by VSC in the following financial instruments:

2.1.1 Equities: including shares and depositary receipts;

2.1.2 Debt instruments: including index linked gilts, gilts, money market instruments, corporate bonds and asset- backed securities;

2.1.3 Derivatives: including interest rate derivatives, credit derivatives, currency derivatives, equity derivatives, and commodities derivatives;

2.1.4 Units or shares in collective investment schemes including Securitized instruments;

2.1.5 Exchange traded products (including exchange traded funds and exchange traded notes); and

2.1.6 Contracts for difference.

2.2 Please note, the best execution requirements under MIFID II do not apply to spot foreign exchange (FX). Therefore, we do not have best execution obligations to the extent that you ask us to carry out spot FX transactions for you. However, we do undertake to always treat you fairly and to manage any conflicts of interest that may arise in respect of such transactions.

3. Application of execution factors

3.1 In seeking to achieve best execution with respect to a particular order, VSC will take into account all relevant factors including the following:

3.1.1 price: this is the price a financial instrument is traded at;

3.1.2 costs: this includes all fees and costs related to order execution, including implicit costs such as possible market impact, and explicit costs such as broker fees;

3.1.3 speed: this is the time it takes to execute a transaction;

3.1.4 likelihood of execution and settlement: this is the likelihood that we will be able to complete the transaction and that the transaction will settle;

3.1.5 size: this is the size of the transaction; and

3.1.6 nature of the transaction or any other consideration relevant to the execution of the transaction: this is how the particular characteristics of a transaction can affect best execution.

3.2 VSC will determine the relative importance of each of these execution factors by using our commercial judgment and experience in light of market information reasonably available and taking into account a number of criteria, namely:

3.2.1 The investment intent of the portfolio manager who created the order;

3.2.2 The characteristics of financial instruments that are subject to that order, e.g. equity or debt instrument;

3.2.3 The types of venues through which dealing can be carried out;

3.2.4 The characteristics and nature of the client order, including whether any specific instructions are given;

3.2.5 The categorisation of VSC's clients; and

3.2.6 Market conditions, such as the degree of liquidity and volatility in the market.

3.3 For most transactions, the key execution factors (which shall not be the exclusive factors) on which we will place priority will be as follows:

3.3.1 Likelihood of execution/size – given the size of some of our trades, we may prioritise the likelihood of execution, which will mean that we may favour execution venues which will allow us to fill either the whole order, or at least a material part of it. This may especially be the case where an order is particularly large, or where a particular instrument is not very liquid;

3.3.2 Price – this means the price of the instrument (i.e. not including costs applied by the broker or execution venue); and

3.3.3 Speed – for certain of our transactions, speed may be an essential factor. For example, if the Portfolio Manager believes that the market may move in the short term, he/she may instruct the dealing team to prioritise speed as an execution factor in order to try to ensure that we take advantage of any market movements.

3.4 We do not generally prioritise costs as an execution factor, given that for the majority of our trades, the third party costs that we have agreed with our execution venues will be fairly standardised. This may differ in certain markets, such as emerging markets, where market practices may be less developed. Where this is the case, we will apply more emphasis to costs as an execution factor. Note that VSC does not apply any execution costs of its own, although we do pass on execution costs applied by third parties, such as external brokers.

3.5 In addition, we do not tend to prioritise likelihood of settlement, given that in most developed markets, that does not tend to be a factor. However, in less developed markets, again, the emphasis may shift as we deem necessary to protect your interests.

3.6 When placing an order with a broker for execution, VSC will consider not only these factors and criteria but also the broker's ability to fulfil the obligations to seek best execution (see section 5 below).

3.7 The application of the execution factors will by necessity differ in respect of trading in certain markets, for example markets where pre-trade information is extremely limited and markets where pre-trade information is widely available and highly transparent, or for highly illiquid instruments as compared to trading in instruments where there is a high level of liquidity.

3.8 During the trading process when applying consideration to each execution factor, VSC will use our expertise and experience to achieve the best balance across the full range of factors; including where they may conflict with each other. Overall, this may mean that VSC and the execution venues we select may not always achieve best execution (taking into account the characteristics of each trade) for every transaction, despite our good faith efforts to seek best execution.

4. Order aggregation

4.1 When VSC deems the purchase or sale of the same security to be in the best interest of two or more of its portfolios, it may, but shall be under no obligation to, aggregate to the extent permitted by applicable law and regulations the securities to be purchased or sold in order to seek more favourable prices or more efficient execution, or to take steps to ensure fairness across our clients. In relation to particular orders, the effect of aggregation may work to your disadvantage, although all reasonable steps are taken to protect the interests of all clients. In particular, we only aggregate orders where we consider that such aggregation should work overall to the benefit of all clients whose orders are to be aggregated.

4.2 On rare occasions, VSC may decide it is in the best interests for client accounts under its discretion to transact in a financial instrument with one another, which is also called a "cross transaction." Cross transactions between accounts may be possible depending upon clients' guidelines. Such transactions normally will be executed by an external broker and will, generally, be executed at mid-price between the best bid and offer price, or volume weighted average price (VWAP) for a predetermined period of time. The liquidity of the security and market volatility levels are some of the factors considered when deciding whether to cross and the basis of the price.

4.3 "Programme" trades are often used by VSC to execute orders relating to client cash flows, i.e. to either invest or raise cash in individual accounts by executing a "vertical slice" of the portfolio so model weightings are not affected. These trades are transmitted electronically to the programme trading desks of brokers with whom VSC has established a connection. Traders may also aggregate smaller groups of unrelated trades into programmes to take advantage of the lower commission rates and efficiencies of programme trading.

5. Venue selection

5.1 Orders for all transactions will be executed by the chosen broker.

5.2 When placing your orders with (or transmitting your orders to) brokers to execute, VSC will take all sufficient steps to obtain on a consistent basis the best possible result for its clients. For each transaction, VSC considers the importance of the execution factors (see above) when choosing an execution venue and method of trading. In meeting our obligation to take all sufficient steps to obtain on a consistent basis the best possible result for the execution of clients' orders, VSC may use a wide variety of trading venues.

5.3 Our trading systems permit trading only with trading venues approved by VSC. Trading venues are selected on a global basis, taking into account Transaction Cost Analysis data and the following:

5.3.1 Execution Performance – how well each broker has performed in the execution of trades based on post trade transaction analysis;

5.3.2 The quality of any algorithms – where a broker makes algorithms available for us to use, how useful are they to us, and how easy are they to use?

5.3.3 Ability to Find Liquidity – how successful is this broker at finding available liquidity?

5.3.4 Ease of Use/Breadth of Services – how good is this broker's service offering, and how easy and convenient is it to use?

5.3.5 Overall Communication – quality of communication and responsiveness;

5.3.6 Program Trading – how efficient is this broker in terms of processing program trades efficiently and effectively?

5.3.7 Capital and risk – Scope for efficient access to a broker's balance sheet in order to facilitate risk trades.

5.4 VSC dealers have discretion in selecting any venue on VSC's global Approved Broker List that they believe will provide best execution.

6. Trading obligations in shares and derivatives

6.1 MiFID II obliges us to execute transactions in shares admitted to trading on a Regulated Market or traded on a Trading Venue on a Regulated Market, MTF or Systematic Internaliser, or Equivalent Third-country Trading Venue, as appropriate, unless those shares are out of scope for such obligation pursuant to Article 23 of MiFIR. This requirement may mean that in a very small number of cases, we would have to trade on an EU venue even where a better price or more liquidity may be available on a non-EU venue.

6.2 VSC will also be subject to the mandatory derivative trading obligation as set out in EMIR, which obliges us to execute certain derivative transactions on Regulated Markets, MTFs, OTFs or Equivalent Third-country Trading Venues.

7. Consent to execute away from a Regulated Market, MTF or OTF

7.1 VSC may, subject to your express consent, execute all or part of your order outside of a Regulated Market, MTF or OTF. In the absence of an explicit response from you to the contrary in relation to this information, if you continue to use our services, we will treat you as having provided us with consent to trade outside a Regulated Market, MTF or OTF, as we believe it is in your best interest to do so.

8. Client specific instructions / smarter-investments.com

8.1 If you provide VSC with a Specific Instruction in relation to an order, VSC will follow that instruction so far as is reasonably possible when executing the trade. By following your specific instruction, we will have satisfied the obligation to provide you with best execution in relation to that transaction or in relation to the part or aspect of the order to which your instructions relate.
However, where you have given us a Specific Instruction that covers only one part or element of an order, we will still owe you best execution in relation to the rest of the order (i.e. the part not covered by the Specific Instruction). Examples of such instructions may include but are not limited to requests to execute on a particular venue or type of venue.
You acknowledge that a Specific Instruction from you may prevent VSC from taking the steps that we have designed and implemented in this Policy to obtain the best possible result for the execution of those orders in respect of the portion of the trade covered by your Specific Instruction.

8.2 As part of the service within the platform “smarter-investments.com”, the Client is obliged to specify a Broker to which the respective orders will be transmitted/placed for execution from the VSC. In this respect, VSC will not be obliged to comply with the factors specified in clauses 3-6 above and shall be considered that it has satisfied its obligation to act in the best interest of the Client.
It is understood that the Broker will have its own trading and execution procedures, which may be altered from time to time, for example but not limited to its own costs and fees, its own Contract Specifications (required for each type of CFD Order for example Spread, Swaps, Lot Size, Initial Margin, Necessary Margin, Hedged Margin, the minimum level for placing Stop Loss, Take Profit and Limit Orders, daily financing charges, charges etc.), how Orders are executed its execution venues, Margin Requirements, funding requirements of CFDs, policy on Error Quotes (Spikes), Policy on Pip-Hunting, Policy on Snipers, events for termination etc. VSC does not have any control over the Brokers’ trading and execution procedures which apply when Orders/Instructions are generated from “smarter-investments.com” and thus VSC will

not be liable for any damage, loss or any costs that arise from such trading and execution procedures of their Brokers.

VSC uses all reasonable endeavors to allow the placing of Signals (orders) without undue delay and immediately as close as possible to the Transactions concluded by the Provider. The Client acknowledges that Orders (submitted Signals) allow only imitating or taking the opposite direction of Provider's Transactions, in a time approximate to the Provider's transactions. In addition, despite VSC's reasonable efforts, the Client acknowledges that the placing/execution of Signals/Orders may be delayed for reasons beyond the control of VSC and even perfect electronic devices do not guarantee that the placement/execution of Client's Signals/Orders will take place at the same time or approximate time at which the Provider's relevant Transaction was concluded or that it will be placed or executed at all.

VSC will use reasonable efforts to execute or transmit a Signal/Order (whether to open or close) but it is agreed and understood that execution or transmission may not always be achieved at all for reasons beyond the control of VSC.

9. Fees, costs and inducements

9.1 VSC is prohibited by MiFID II from accepting and retaining fees, commissions or any monetary or non-monetary benefits paid or provided by any third party other than certain minor non-monetary benefits.

9.2 Otherwise than as explicitly agreed with you from time to time, VSC will not apply any additional VSC fees and costs for order execution, beside agreed Management and Performance in connection to asset management activities.

9.3 In terms of agreeing commission rates for the execution of trades with external brokers, VSC remains aware of commission rate levels and ranges in all markets through the use of publications and transaction cost studies. VSC uses those rates as a framework to negotiate commissions with brokers based on the quantity and quality of services received. Rates on program trades reflect the efficiencies of trading "baskets" of securities. Trades on electronic systems whether baskets or individual stocks generally reflect the lower cost of that type of execution. Trades in single securities require more attention and services from the broker that may include capital commitment and use of the sales trading staff in locating or negotiating with the contra side of the trade. These trades are executed at rates that reflect the services provided.

10. Reporting

10.1 In accordance with our regulatory obligations as an investment firm that executes orders and manage clients´ money, VSC will provide a client portal where the client can see the expenses he paid.

11. Monitoring and review

11.1 VSC has adopted a number of procedures to ensure compliance with this Best Execution policy:

11.1.1 VSC has implemented a governance framework and control process through which it monitors the effectiveness of our order execution arrangements (including this Policy), to identify and, where appropriate, correct any deficiencies. Through this governance framework and controls process VSC will assess whether the execution venues included in this Policy and related arrangements provide the best possible result for you or whether we need to make changes to our execution arrangements.

11.1.2 VSC's trading systems only permit trading with venues approved by VSC. Venues are added to the approved list subject to a formal review process (see section 5 above).

11.1.3 Once approved, venues are assessed on an ongoing basis in terms of their ability to deliver the best possible result, their effectiveness in settlement and the relative level of risk presented by the execution venues to ensure that they will consistently offer the best results for clients.

11.1.4 VSC employs the services of a third party to provide independent post-trade analytic services on the transaction costs incurred by VSC for its equity trading activity. Such services enable VSC to effectively compare and monitor the trading costs for the different broker.

11.2 We will review our order execution arrangements and Policy at least annually or whenever a material change occurs that affects our ability to obtain the best result for the execution of your orders on a consistent basis. We will notify you of any material changes
in writing from time to time. A change is to be considered material where its disclosure is necessary to enable the client to make a properly informed decision in relation to this Best Execution Policy as it applies to that client's trades. In these cases, VSC will reissue the policy to clients and seek one-way deemed consent to those changes. A copy of our up to date Best Execution Policy is available on request at any time.

11.3 If you make a reasonable and proportionate request for information this Policy or related procedures, we shall answer clearly and within a reasonable timeframe.

12. Records

12.1 All communications which relate to reception, transmission and execution of orders, and/or which will or may result in orders shall be recorded in accordance with our terms and conditions.

13. Client´s consent

When establishing a business relation with the Client, VSC is required to obtain the Client's prior consent to the Policy. By entering into a relationship with VSC, the client is consenting to the Policy, which is a part of the general Agreement between the Client and the Company.

Further, the Client acknowledges that some transactions entered in to by VSC on its behalf (e.g. transactions related to CFDs) may not be executed by the broker (including the Client's Broker) on a recognized exchange or a Multilateral Trading Facility and as such the Client may be exposed to greater risks.

14. Definitions

"EEA"	means the European Economic Area;
"EMIR"	means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories;
"Execution Venue"	means a Regulated Market, an MTF, and OTF, a Systematic Internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing;
"MTF"	means a multi-lateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments in a way that results in a contract in accordance with the provisions of Title II of MiFID II;
"MiFIR"	means Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;
"MiFID II"	means the European Parliament and Council Directive on Markets and Financial Instruments (No. 2014/65/EU) and any implementing directives;
"OTF"	means a multi-lateral system which is not a Regulated Market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of MiFID II;
"Professional Client"	means a client which we have categorised as being a "Professional Client' in accordance with the applicable rules;
"Regulated Market"	means a multi-lateral system operated and/or managed by a market operator, which facilitates the bringing together of multiple third-party buying and selling interests in financial instruments in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of MiFID II;
"Specific Instruction"	means instructions provided to VSC by a client when placing an order for execution, examples of such instructions may contain, but are not limited to, the selection of a limit price, a period of time the order may remain valid or request to execute the order on a specific venue;
"Trading Venue"	means a Regulated Market, an MTF or an OTF.