

Patronus Partners Limited

Best Execution Policy and Order Execution Policy for Retail & Professional Clients

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1 Purpose of this document

This document is designed to inform our clients of our policies when seeking to achieve the best possible result and “*take all sufficient steps to obtain, when executing orders, the best possible result for their clients*”, when we execute trades in financial instruments (including spot foreign exchange which technically is not a financial instrument) on your behalf either in the case where you give us instructions to execute trades or where we have discretionary authority over your portfolio.

2 Client’s categorisation Retail or Professional

Client orders will not be handled or executed in a different manner whether the client is Retail or Professional. The execution and handling of any orders or transactions will be determined by the characteristics of the given order and not by the client’s categorisation. Execution priorities will apply to the order/trade and no advantage or disadvantage will be experienced due to a client’s categorisation in relation to another client’s categorisation.

3 What is best execution/what are the execution factors?

The overarching objective is that we take all sufficient steps to obtain the best possible result for our clients. In order to achieve this we take into account a number of execution factors. The factors we may take into account are:

Our primary factor is the total consideration (net price) of the transaction after all fees and commissions have been taken into account. This can be influenced by the following;

- i. price;
- ii. costs;
- iii. speed of execution and settlement;
- iv. likelihood of settlement; and
- v. any other factor we consider is relevant to the transaction.

In determining the applicability of the factors we may also consider:

- i. Market information
- ii. Liquidity; and
- iii. The details we hold about you, our client

The application of these factors is a matter of judgement. In most cases the factors other than total consideration to the client will not be applicable and thus this execution factor will be the determining factor. The factors may be interlinked such that for example, in fast moving markets, particularly for large orders, the way we would seek to achieve best total cost may involve giving the order to a broker who we believe can execute the entire order in a timely manner even if part of the order could be filled at a more advantageous price from another broker.

4 What are our obligations?

Under the second Markets in Financial Instruments Directive (“MiFID II”), we, as a firm that is subject to MiFID II and must take all sufficient steps to obtain, when executing orders, the best possible result for our clients.

5 Execution Venues (Competing Markets)

For some financial instruments there are a range of execution venues where the trade could be executed. We regularly assess execution venues and liquidity providers. We may add or delete venues/liquidity providers in accordance with the overall objective. But if you have instructed us to use a particular venue and we accept that instruction the transaction will be executed on the venue of your choice. We will issue instructions to executing brokers where we deem such instructions to be appropriate, in other cases we will leave the decision as to the most appropriate venue to the executing broker. Unless you instruct us otherwise, whilst adhering to this policy, we shall have complete discretion as to the choice of venues/liquidity providers including trading outside a trading venue if we believe that trading in that way is likely to achieve the overall objective. Some financial instruments may only be traded on one venue, (notably if we purchase units/shares of a collective investment scheme (CIS), the venue will be the fund manager/CIS operator itself).

A list of the top 5 execution venues/liquidity providers we use will be available on our website or in hard copy on request.

6 Execution outside of regulated markets, multi-lateral trading facilities and organised trading facilities (each a trading venue)

Unless you instruct us otherwise, where we consider it to be in your best interest we will allow the brokers to whom we pass execution instructions to trade outside of regulated markets, multi-lateral trading facilities and organised trading facilities. The broker will still be bound by their own best execution policies which we will review.

7 How do we execute

We are not a member of any exchange.

We seek to ensure we have strong relationships with high quality counterparties with the aim of maximising execution quality in terms of total consideration.

In cases when we transmit your order to another broker or dealer the same criteria for selection apply as when we execute your trades ourselves. When passing a trade to a third party for execution we may:

- Determine the ultimate execution venue ourselves by accessing specific execution venues through such third parties; or
- Instruct the other broker or dealer accordingly (having already satisfied ourselves that they have arrangements in place to enable us to comply with our Best Execution Policy).

For financial instrument that are traded on an exchange e.g. shares in companies, we pass the order relating to your account to a broker for execution. In the case of a broker in the EU, European Economic Area or Switzerland that broker will have their own best execution policy and will be under the same requirement as we are under MiFID II to seek to achieve best execution for our clients. In the case of brokers outside the EU, EEA and Switzerland those brokers may or may not be subject to local best execution rules. In all cases the selection of a broker is based upon the execution factors.

For quote driven markets e.g. most bonds, foreign exchange and OTC derivatives the firm that we pass your order to may not be under a best execution obligation as historically in those markets firms operate as principal (that is taking the position onto their own book) rather than as agent.

In all cases we will always try to act in the client's best interests when passing orders to other entities for execution.

8 Specific client instructions

If you provide us with a specific dealing instruction it may prevent us from following our Best Execution Policy as we would usually do but, under FCA rules we will be deemed to have complied with the best execution requirement to the extent of that instruction.

9 Execution using the broker where you hold your assets

Where we have a mandate over an account at a regulated custodian, with whom you have a direct contractual relationship, the terms of your relationship with that firm may prevent us from passing on your order to any firm other than the firm where you hold your account or firms approved by them. The firm where you hold your account has their own best execution policy which they will have separately advised you. As our mandate with you only permits us to use that firm for custody of your assets, we will treat any limitation in our selection of executing brokers as a specific client instruction from you.

10 Order Execution Timing

Usually orders will be executed in a prompt, fair and expeditious manner. If an order is of large size or we wish to try to achieve an average price over a time period the order may be split into sub-orders before being passed for execution.

Unless we have combined an order in accordance with paragraph 11 below, client orders will be carried out sequentially unless the characteristics of the order or prevailing market conditions require otherwise. Clients will be informed of any difficulty in the prompt execution of orders.

11 Order Aggregation

We may combine (or 'aggregate') an order for our clients with orders of other clients. Patronus would only aggregate a client order if it was unlikely to work to the overall disadvantage of the client. However, the effect of aggregation may on some occasions

work to the client's disadvantage and may on occasions result in our clients obtaining a worse price than if their order was executed separately.

12 Allocation of aggregated orders

Any orders that are aggregated will be allocated pro rata as in adherence to the allocation policy. All participating clients will be allocated the same price. Any deviation from this must be discussed and agreed by the Compliance Officer.

13 Monitoring

We will monitor both our Best Execution Policy, and the quality of execution of third parties to whom we have passed orders.

14 Limit orders

If you give us an investment instruction at a specified price limit and for a specified size (a "limit order"), then it may not be possible to execute that order under the prevailing market conditions. We would be required to make your order public (i.e. show the order to the market) unless you agree that we need not do so. If we believe it is in your best interests if we exercise our discretion as to whether or not we make your order public. By agreeing to this Best Execution Policy you agree to us not making your orders public when we consider it is in your best interests for us to do so.

15 Information about best execution will we report to you and how will we report it?

As required by MiFID II we will report to you:

- i. The top five brokers we have used for each asset class in terms of volumes;
- ii. Information on the quality of our execution

These will be reported on our website www.patronuspartners.com

16 Further Information

If you would like any further information about our best execution policy please contact your usual account executive.

17 Governance Committee

The Best Execution Governance Committee will meet half yearly to review the firm's best execution policy, venues/brokers and strategies half yearly.

18 Amendments to this policy

We will review this policy annually. This may result in any changes to the policy. When we make a material change to the policy, we will notify you of the changes. This policy was first applied on 3 January 2018 (the date that *MiFID II* comes into force) and was last reviewed in March 2020.

19 Glossary

MiFID II

MiFID II comprises Markets in Financial Instruments (MiFID II) - Directive 2014/65/EU and Markets in Financial Instruments (MiFIR) - Regulation (EU) No 600/2014 together with the relevant regulatory technical standards (RTS)

Multilateral trading Facility

A multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments.

Organised Trading Facility

An OTF is a multilateral 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.

Trading Venue (TV)

EU trading venue = Regulated Market, Multilateral Trading Facility or Organised Trading Facility.

Recognised non-EU trading venue = Non-EU trading venues that are recognised by ESMA as third-country venues for the purpose of transparency under MiFID II / MiFIR.

Authorised and regulated by the FCA

Financial Conduct Authority under firm number: 653541