

MiFID II - Best Execution

General Principles

- In order to enhance investor protection it is appropriate to specify the principles concerning the information given by investment firms to their clients on the execution policy and to require to make public, on an annual basis, for each class of financial instruments, the top five execution venues where they executed client orders in the preceding year and to take account of that information and information published by execution venues on execution quality in their policies on best execution. ESMA has now confirmed that this information should be provided, but it is not required to be listed in the policy
- It is necessary to impose an effective 'best execution' obligation to ensure that investment firms execute client orders on terms that are most favourable to the client. That obligation should apply where a firm owes contractual or agency obligations to the client.
- Requirement to notify clients of material changes to a firm's execution policy expressly applies only in respect of clients with whom a firm has an ongoing client relationship
- Firms must be able to demonstrate best execution not only (as is currently the case) to their clients, but also to their Member State national regulator on request;
- Firm's order execution policies must now be clear, easily comprehensible and sufficiently detailed so that clients can easily understand how firms will execute client orders
- Best Execution policies need to be customised depending on the class of instrument and the service provided, as opposed to being generic.
- ESMA has also removed the requirements on firms charging both participants in a transaction to indicate this in their execution policy and specify the fees charged on each leg (potentially via a range or by specifying a maximum level of such fees);
- For retail clients, a separate sheet that summarises the best execution policy, focusing on the total known costs for execution, is to be provided.
- Additional disclosure obligations on firms namely:
 - (i) to provide clients with additional information about a firm's policy when requested;
 - (ii) to clearly indicate in the policy if the client's order may be executed outside a regulated market, multi-lateral trading facility or an organised trading facility;
 - (iii) to include information in the policies about any third-party payments received by firms in connection with the execution of orders; and
 - (iv) to present the costs of any execution venues alongside other features of those venues so that the focus of the client is not solely on the cheapest venue;
- for the review of policies (annually or where there has been a material change), namely a significant event of internal or external change that could impact the parameters of best execution;

Client Order Execution Policy

Background

This Client Order Execution Policy (“Policy”) sets forth information relating to how Emergo Wealth Limited (“Emergo”) seeks to provide best execution as required by the Markets in Financial Instruments Directive 2004/39/EC (“MiFID”) and the Financial Conduct Authority Conduct of Business Sourcebook (“COBS”) and the Cypriot legislation implementing MiFID (the “Rules”) that applies to Emergo when executing orders or quotes on behalf of clients.

This Policy provides general information in respect to Emergo’s approach to best execution, it is supplemented by appendices which provide further details to our considerations as they relate to differing asset classes. The appendices should be read in conjunction with this Policy and cover the following products:

- Equities;
- Listed Options;
- Futures;
- Futures Options Products (FOPs);
- Single Stock Futures (SSFs);
- ETFs;
- Warrants;
- Structured Products;
- FX;
- CFDs;
- Commodities;
- Indices;
- Bonds;
- Mutual Funds;
- Over-The-Counter (OTC).

Scope

When dealing with clients, Emergo has a general duty to act honestly, fairly, professionally and in the best interest of the client. In relation to order execution, Emergo is required to take all reasonable steps to obtain the best possible result when executing client orders or when placing orders with, or transmitting orders to, other entities to execute.

This Policy provides an overview of how Emergo executes orders on behalf of clients, as to obtain the best possible result (“best execution”), the factors that can affect the execution of the order when buying or selling a MiFID financial instrument. This Policy has been provided to help clients understand how Emergo executes client orders so that they can make an informed choice on whether to use Emergo’s services. You should ensure that you have read and understood its contents.

This Policy applies to Emergo's execution of orders on behalf of retail clients and professional clients according to the market standard best execution principles, as defined below.

Upon acceptance of a client order, Emergo will execute an order in accordance with this Policy.

This Policy is subject to Emergo's MiFID Pre-Contractual Information Package and Terms and Conditions for the Provision of Investment Services and Activities and Ancillary Services and other business terms from time to time governing the relationship between the client and Emergo.

What is Best Execution

Best execution is the requirement to take all reasonable steps to obtain the best possible result when either executing transactions on your behalf or using other affiliates or brokers to execute transactions on your behalf, considering a range of execution factors and determine their relative importance based on the characteristics of its clients, the orders that it receives and the markets in which it operates. These factors are further described in this Policy.

Execution Factors

Emergo has considered several criteria that might be important to clients. These are called the Execution Factors:

- Price – the market price at which the order is executed.
- Costs – any additional charges that may be incurred in executing the order in a distinct way over and above Saxo Bank's normal charges.
- Speed of execution – this can be particularly important in fast moving markets.
- Likelihood of execution and settlement – the best price is of little use if Saxo Bank cannot execute at it or if the transaction fails to complete.
- Size and Nature of the transaction – the way that Saxo Bank executes an unusual order (for example, one that is larger than the normal market size or has unusual features such as an extended or shortened settlement period) may differ from the way it executes a standard order.
- Market Impact – the effect that executing a client's order, or showing it to other market participants, might have upon the market.
- Other factors relevant to distinct order types – as applicable.

When Emergo executes orders on behalf of clients, Best Execution is determined on the basis of the total consideration paid to or by the client, unless the objective of execution of the order dictates otherwise. Total consideration is the price of the financial instrument and the costs related to execution, including all expenses incurred by the client which are directly related to the execution of the order such as venue execution fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order. When assessing whether best execution has been achieved, Emergo does not take account of its standard charges that will be paid by the client irrespective of how the order is executed.

Execution Criteria

The relative importance that Emergo attaches to the Execution Factors in any distinct case may be affected by the circumstances of the order. These are called the Execution Criteria; such as:

- Client Characteristics – professional customers may have different needs to retail customers.
- Transaction Characteristics – such as the potential for it to have an impact on the market.
- Financial instrument Characteristics – such as liquidity and whether there is a recognised centralised market.
- Venue Characteristics – distinct features of the liquidity sources available to Emergo.
- Other relevant circumstances – as applicable.

Execution Venues

Based on its assessment of the Execution Factors and the Execution Criteria, Emergo will select one or more venue(s) for the execution of the client's order.

Venues used might include:

- Regulated Markets
- Multilateral Trading Facilities
- Order Crossing Networks and other electronic platforms
- Other brokers, dealers and market makers

Single Execution Venue

For certain products, we may conclude that we can comply with our Best Execution Obligation by using a single Execution Venue, including using ourselves as the sole Execution Venue.

Third Party Brokers and Affiliates

We will execute through our Affiliates wherever possible unless you specify otherwise.

Where we execute transactions with a third party broker or Affiliate ("Broker") acting as an Execution Venue (i.e. systematic internaliser, market maker or liquidity provider), or where we transmit orders to a Broker for execution, we will satisfy the Best Execution Obligation by undertaking due diligence.

Selection of Brokers, Trading Venues and other Execution Venues

We maintain internal procedures for the selection of Brokers, Trading Venues and other Execution Venues, both at the stage of on-boarding and throughout the relationship, in order to satisfy ourselves that those selections enable us to obtain best execution on a consistent basis. These procedures include undertaking due diligence and making an assessment of execution quality including, where relevant, taking account of available RTS 27 and RTS 28 Reports.

Emergo will take reasonable care not to discriminate between execution venues other than on the basis of the Execution Factors relevant to the order concerned.

A list of the main execution venues including brokers used by Emergo is available as an Appendix to this Policy.

Application of Best Execution

Best execution applies when Emergo executes a transaction on behalf of a client in financial instruments and products as defined by the Rules including:

- Equities;
- Listed Options;
- Futures;
- Futures Options Products (FOPs);
- Single Stock Futures (SSFs);
- ETFs;
- Warrants;
- Structured Products;
- FX;
- CFDs;
- Commodities;
- Indices;
- Bonds;
- Mutual Funds;
- Over-The-Counter (OTC).

Best execution does not apply to

- Spot foreign exchange transactions undertaken with the intention of converting money from one currency to another – including transactions undertaken to facilitate settlement of other transactions.
- Transactions arising from the exercise of an option. Emergo will treat an instruction to exercise an option as a specific instruction from the client to exercise.

Specific Instructions

Where you provide Emergo with a Specific Instruction in relation to an order, Emergo 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. Examples of such instructions may include but are not limited to requests to execute on a distinct venue or to execute an order over a specific timeframe.

In circumstances where you give us a Specific Instruction which applies only to one part or one aspect of an order, Emergo 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 the relevant part of the transaction to which the Specific Instruction applied. The remaining portion of that order not covered by

such instructions may still be applicable for best execution in accordance with the criteria laid out in this Policy.

Policy Review

Emergo will review this Policy annually and whenever a material change occurs that affects Emergo's ability to obtain the best possible result for the execution of client orders.

Emergo regularly reviews the overall quality of its order executions practices, including the assessment whether the execution venues included in this Policy provide the best possible result for you. Emergo will amend this Policy on the basis of such reviews if it considers it to be necessary. Any new policy will be made available on Emergo's website and will be in force as from publication.

Emergo's Charges

Emergo charges for its services. These may vary depending on factors such as the service it is providing to the client; the manner in which they are used; and the pricing plan that the client has agreed to.

Details of Emergo's charges are available on its website.

For the purpose of assessing whether it has achieved Best Execution, Emergo will not take its standard charges that apply to a client's transactions irrespective of the venue at which they are executed into account. Emergo will, however, take account of any charges levied by a third party or incorporated into its prices to reflect cost differentials of dealing at different execution venues.

Regarding Markets

The following appendices set out the specific details relating to the markets in which clients can trade with Emergo.

Appendix 1: Equities

Products in Scope

Purchase and sale of equities

Order Types Available

- Market order
- Limit Order
- Immediate or Cancel
- Stop Order
- Trailing Stop Order
- Stop Limit Order

Emergo's selected venue

Equities are normally traded at regulated venues. Emergo may source liquidity from:

- Multilateral Trading Facilities

Relevant Execution Factors

The ranking of execution factors for cash equities is:

- Price
- Expected impact of execution
- Likelihood of execution and settlement
- Costs
- Speed
- Other factors

Appendix 2: Listed Options

Products in Scope:

Purchase and sale of exchange traded Listed Options for speculative and hedging purposes

Order Types Available

- Market order
- Limit Order

Emergo's selected venue

Listed Options are normally traded at regulated venues. Emergo may source liquidity from:

- Multilateral Trading Facilities

Relevant Execution Factors

For listed options, the ranking of the applicable execution factors is:

- Price
- Expected impact of execution
- Likelihood of execution and settlement
- Costs
- Speed
- Other factors

Appendix 3: Futures

Products in Scope:

Purchase and sale of futures for speculative and hedging purposes

Order Types Available

- Market order
- Limit Order

Emergo's selected venue

Futures are normally traded at regulated venues. Emergo may source liquidity from:

- Multilateral Trading Facilities

Relevant Execution Factors

For futures, the ranking of the applicable execution factors is:

- Price
- Expected impact of execution
- Likelihood of execution and settlement
- Costs
- Speed
- Other factors

Appendix 4: Futures Options Products (FOPs)

Products in Scope:

Purchase and sale of FOPs for speculative and hedging purposes

Order Types Available

- Market order
- Limit Order

Emergo's selected venue

FOPs are normally traded at regulated venues. Emergo may source liquidity from:

- Multilateral Trading Facilities

Relevant Execution Factors

For FOPs, the ranking of the applicable execution factors is:

- Price
- Expected impact of execution
- Likelihood of execution and settlement
- Costs
- Speed
- Other factors

Appendix 5: Single Stock Futures (SSFs)

Products in Scope:

Purchase and sale of SSFs for speculative and hedging purposes

Order Types Available

- Market order
- Limit Order

Emergo's selected venue

SSFs are normally traded at regulated venues. Emergo may source liquidity from:

- Multilateral Trading Facilities

Relevant Execution Factors

For SSFs, the ranking of the applicable execution factors is:

- Price
- Expected impact of execution
- Likelihood of execution and settlement
- Costs
- Speed
- Other factors

Appendix 6: Exchange-Traded-Funds (ETFs)

Products in Scope:

Purchase and sale of ETFs

Order Types Available

- Market order
- Limit Order

Emergo's selected venue

ETFs are normally traded at regulated venues. Emergo may source liquidity from:

- Multilateral Trading Facilities

Relevant Execution Factors

For SSFs, the ranking of the applicable execution factors is:

- Price
- Expected impact of execution
- Likelihood of execution and settlement
- Costs
- Speed
- Other factors

Appendix 7: Warrants

Products in Scope:

Purchase and sale of Warrants for speculative and hedging purposes

Order Types Available

- Market order
- Limit Order

Emergo's selected venue

Warrants are normally traded at regulated venues. Emergo may source liquidity from:

- Multilateral Trading Facilities

Relevant Execution Factors

For FOPs, the ranking of the applicable execution factors is:

- Price
- Expected impact of execution
- Likelihood of execution and settlement
- Costs
- Speed
- Other factors

Appendix 8: Structured Products

Products in Scope:

Purchase and sale of Structured Products

Order Types Available

- Market order
- Limit Order

Emergo's selected venue

Bonds are normally traded on an inter-dealer and/or at regulated venues. Emergo may source liquidity from:

- Multilateral Trading Facilities
- Other dealers in the market

Relevant Execution Factors

The ranking of execution factors for bonds is:

- Price
- Expected impact of execution
- Likelihood of execution and settlement
- Order size & type
- Costs
- Speed
- Other factors

Appendix 9: FX

Products in Scope:

Purchase and sale of

- Spot FX

Spot foreign exchange transactions undertaken with the intention of converting money from one currency to another – including transactions undertaken to facilitate settlement of other transactions.

- FX Options

See Appendix 9: Listed Options

- FX Futures

See Appendix 3: Futures

Appendix 10: CFDs

Products in Scope:

Purchase and sale of contracts for differences based on individual shares or on indices

Order Types Available

- Market order
- Limit Order

Emergo's selected venue

Warrants are normally traded at regulated venues. Emergo may source liquidity from:

- Multilateral Trading Facilities

Relevant Execution Factors

For FOPs, the ranking of the applicable execution factors is:

- Price
- Expected impact of execution
- Likelihood of execution and settlement
- Costs
- Speed
- Other factors

Appendix 11: Commodities

Products in Scope:

Purchase and sale of Commodities for speculative and hedging purposes

Order Types Available

- Market order
- Limit Order

Emergo's selected venue

Warrants are normally traded at regulated venues. Emergo may source liquidity from:

- Multilateral Trading Facilities

Relevant Execution Factors

For indices, the ranking of the applicable execution factors is:

- Price
- Expected impact of execution
- Likelihood of execution and settlement
- Costs
- Speed
- Other factors

Appendix 12: Indices

Products in Scope:

Purchase and sale of indices

Order Types Available

- Market order
- Limit Order

Emergo's selected venue

Warrants are normally traded at regulated venues. Emergo may source liquidity from:

- Multilateral Trading Facilities

Relevant Execution Factors

For indices, the ranking of the applicable execution factors is:

- Price
- Expected impact of execution
- Likelihood of execution and settlement
- Costs
- Speed
- Other factors

Appendix 13: Bonds

Products in Scope:

Purchase and sale of global Bonds; either international issues or local issues

Order Types Available

- Market order
- Limit Order

Emergo's selected venue

Bonds are normally traded on an inter-dealer and/or at regulated venues. Emergo may source liquidity from:

- Multilateral Trading Facilities
- Other dealers in the market

Relevant Execution Factors

The ranking of execution factors for bonds is:

- Price
- Expected impact of execution
- Likelihood of execution and settlement
- Order size & type
- Costs
- Speed
- Other factors

Appendix 14: Mutual Funds

Products in Scope:

Purchase and sale of Mutual Funds

Order Types Available

- Market order

Emergo's selected venue

Mutual Funds are normally traded on an inter-dealer and/or at regulated venues. Emergo may source liquidity from:

- Multilateral Trading Facilities
- Other dealers in the market

Relevant Execution Factors

The ranking of execution factors for bonds is:

- Price
- Expected impact of execution
- Likelihood of execution and settlement
- Order size & type
- Costs
- Speed
- Other factors

Appendix 15: Over-The-Counter (OTC) Financial Products

Products in Scope:

Purchase and sale of OTC Financial Products

Order Types Available

- Market order
- Limit Order

Emergo's selected venue

OTC Financial Products are normally traded on an inter-dealer and/or at regulated venues. Emergo may source liquidity from:

- Multilateral Trading Facilities
- Other dealers in the market

Relevant Execution Factors

The ranking of execution factors for bonds is:

- Price
- Expected impact of execution
- Likelihood of execution and settlement
- Order size & type
- Costs
- Speed
- Other factors

List of main execution venues – 29th December 2017

Counterparty Product	Interactive Brokers Multilateral Trading Facility	Shore Capital Stockbrokers Ltd	Shore Capital Ltd	Sharelink Securities and Financial Services	Hellenic Bank	Valbury
Equities; Listed	X	X		X		
Options; Futures;	X					
Futures Options Products (FOPs);	X					
Single Stock Futures (SSFs);	X					
ETFs;	X					
Warrants;	X					
Structured Products;	X					
FX;	X				X	
CFDs;	X					
Commodities;	X					
Indices;	X					
Bonds;	X		X		X	X
Mutual Funds;	X					
Over-The-Counter (OTC). Equities;	X					
Listed Options;	X					
Futures;	X					