



ADM Investor Services  
International Limited

# Order Execution Policy

## Introduction

This policy has been drafted in accordance with the requirements of the Markets in Financial Instruments Directive ('MiFID II'). This document sets out ADM Investor Services International Limited ('ADMISI', or 'we') order execution policy and arrangements for complying with the obligation to take all sufficient steps to obtain the best outcome for our clients' orders. An order is an instruction to buy or sell a financial instrument which is accepted by ADMISI for execution or onward transmission to a third party and which gives rise to contractual or agency obligations to a client. A list of applicable MiFID II financial instruments (as defined in Annex 1, Section C of MiFID II) is attached as Annex 1.

## Scope

We have taken all sufficient steps to enable us to fulfil the best execution obligation as set out under MiFID II. This Order Execution Policy applies to all our clients, whether we:

- Execute an order on your behalf, for example as agent or riskless principal; including in relation to Request for Quote ('RFQ') markets or
- Receive and transmit an order for you; or
- Work an order for you

Clients, as referred to above, includes the following: all customers that have been classified as Retail Clients and as Professional Clients.

Professional Clients: Each specific transaction needs to be assessed in order to make a determination as to whether the client is 'legitimately relying' on ADMISI to protect their interests.

"Four fold" test: in order to determine whether a professional client is 'legitimately relying' on ADMISI in relation to a particular order, (consequently where best execution is owed to the client), we will consider the following four factors:

**The party initiating the transaction:** where ADMISI initiates a transaction the client is more likely to 'place legitimate reliance' on ADMISI. In this context, 'initiate' means where ADMISI approaches a client regarding a specific transaction;

**Market practice and the existence of a convention to shop around:** in certain wholesale markets, there is a common practice or convention to shop around and obtain quotes from a number of dealers prior to a client executing any transaction. The existence of such a practice indicates that a client is less likely to place 'legitimate reliance' upon ADMISI for best execution of the order (for example, wholesale bond markets and OTC markets feature shop around practices);

**The relative levels of price transparency within a market:** In certain markets, transparent prices may not be readily available to clients, and this indicates that the best execution obligation is more likely to apply; and

**The Terms of Business or other information provide to clients must make it clear whether Best Execution applies:** this must reflect the economic reality of the relationship.

ADMISI consider that for RFQ markets the fourfold test will be satisfied and that therefore the firm will not owe a duty of best execution for those markets, but nonetheless ADMISI will endeavour to produce the best result for the client.

Retail Clients: When we execute orders of retail clients, we will determine the best possible result in terms of total consideration as described below, representing the price of the financial instrument and the costs relating to execution.

Eligible Counterparties: the Best Execution obligation does not apply when dealing with eligible counterparties.

The Best Execution Obligation: When we execute an Order on your behalf, subject to any specific instructions that we receive from you, we will take all reasonable steps to obtain the best possible result for you in accordance with the factors set out in this policy. In fulfilling this process, we will consider all relevant execution factors and execution criteria as set out in this policy.

## Execution Venues

We may execute your order by one of, or a combination of, the following methods:

- Directly on a Regulated Market of which we are a member; or
- With third party investment firms, brokers and/or affiliates, with whom we have entered into an agreement for handling orders on Regulated Markets ('Regulated Markets'), Organised Trading Facilities, Multilateral Trading Facilities ('MTFs'), Systematic Internalisers market makers and other liquidity providers (including ADMISI and its affiliates) and non-EU entities performing a similar function to any of the above; or
- Outside a Regulated Market.

All transactions which are not directly executed by us on a Regulated Market to which we are admitted will be transmitted and/or executed via a third party as mentioned above. When making use of third parties, we will satisfy ourselves that they have in place arrangements to enable us to comply with our best execution obligation under this policy.

Where orders are executed outside a Regulated Market or MTF, we may act as the Execution Venue by matching your order with an order of another of our clients.

In general, subject to consideration of the execution criteria and execution factors as set out in this policy, we will place orders on an Execution Venue that we consider the most appropriate. We reserve the right to use other Execution Venues or to add or remove Execution Venues and third

parties from time to time, when deemed appropriate in accordance with this policy. We will regularly assess our Execution Venues in respect of any Financial Instruments and/or products that we trade in order to identify those Execution Venues and third parties that will enable us, on a consistent basis, to obtain the best possible result when executing orders.

On an annual basis we will publish and review the top 5 execution venues on which orders have been placed together with quantitative and qualitative information relevant to obtaining the best result for each type of instrument on these venues.

## Relevant Execution Factors and Criteria

Subject to any specific instructions that we accept from you, we will consider both execution factors and execution criteria in taking all reasonable steps to obtain the best possible result for you. Specifically we will consider factors such as the execution factors of:

- Price: the price at which the transaction is executed;
- Costs: all relevant costs in relation to the order;
- Speed: the speed at which the order is executed;
- Likelihood of execution and settlement: the likelihood that the order will be successful transacted;
- Size: the possible impact of the size of the order on the overall execution;
- Nature and/or effect of particular characteristics of the order
- Any other consideration relevant to the execution of your order.

Price and costs are considered likely to be the most important execution factors in obtaining the best possible result for certain clients. However, in some circumstances, others factors may be considered as more important than price and costs. For example, for some clients who may be classified as Professional Clients, other factors such as speed and likelihood of execution and settlement may merit an additional degree of importance. Furthermore, at our discretion and in order to adhere to this policy, we may prioritise other factors including the impact on market prices of displaying and executing your order, the speed and likelihood of execution and the availability of price improvement. For retail clients, when determining whether Best Execution has been achieved, on an overall basis, ADMISI will give precedence to price and cost ("**Total Consideration**"). Total Consideration is the price of the financial instrument plus the costs related to execution, including all expenses incurred by the client 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 client's order. For example, if a client wishes to purchase €/\$ 1m at 1.400 and the costs relating to execution are \$150, then the total consideration would be \$1,400,150. Total Consideration does not include ADMISI's own fees or commissions as these are disclosed separately.

ADMISI does not accept or make payment for order flow, nor does ADMIS receive inducements or any monetary or non-monetary benefits in relation to best execution.

ADMISI may consider speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs and give them precedence over the immediate price and cost factors if they are instrumental in delivering the best possible result in terms of the total consideration to the client.

Our determination of the relative importance of the execution factors in obtaining the best possible result will be based on our commercial judgement and experience in the light of available market information combined with the following execution criteria:

- You, the client;
- The order;
- The Financial Instruments that are the subject of that order; and
- The Execution Venues to which that order can be directed

We will not compare the results that might have been achieved for you based on this policy against the results that might have been achieved for you by another investment firm on the basis of their best execution policy or a different commission structure or fees. Nor will we compare the differences in our own commissions or fees which are attributable to the nature of the services that we provide to you in determining what is the best possible result for you.

For retail clients, Total Consideration takes precedence over all other factors.

### **Specific Client Instructions**

As noted above, in circumstances where you provide us with a specific instruction as to how an order is to be executed, and we have accepted those instructions, then we will execute your order in accordance with those specific instructions. Where the provided instruction applies to only part of the order, we will continue to apply this policy to those aspects of the order that are not covered by the specific instructions provided by you.

Please note that providing specific instructions for the execution of an order may impede us from achieving the best possible result under this policy. This impediment may apply to the whole or part of the instructions, dependent upon the nature of the given instructions.

### **Reception and Transmission of Orders**

We may transmit an order that we receive from you to another related entity or to a third party for execution as described in the section entitled 'Execution Venues'. When doing so, we will act in your best interests and also comply with the execution factors and criteria as set out in that section.

### **Execution Policies – Asset Classes**

When taking all sufficient steps to obtain the best possible results for its clients, ADMISI applies different execution methodologies depending on the relevant asset class. This section describes the policies and factors considered generally and for each asset class specifically. ADMISI aims to obtain the best possible result for the client on a consistent basis in the individual asset class execution

policies, but it is important to note that the circumstances may dictate that this may not always be the case.

#### Exchange-Traded Products

#### **Cash equities & Equity like instruments**

Equity and equity-like instruments (such as Contracts for Differences (CFDs), ETF's, GDrs/ ADRs) transactions are generally executed by ADMISI through its membership of the relevant exchange or via brokers which have access to the relevant exchanges for execution and which are believed to have expertise and the required understanding of ADMISI's trading objectives.

Subject to any specific instructions that may be given by a client when executing orders on a client's behalf ADMISI will take all sufficient steps to obtain the best possible result taking into account the Execution Factors listed below.

ADMISI will determine the relative importance of the Execution Factors by using its commercial judgment and experience in light of market information and taking into account the Execution Criteria set out below.

#### Execution Factors

- (i) The Execution Factors that will be taken into account are: price; costs; speed; likelihood of execution and settlement; size; nature or any other consideration relevant to the execution of the order.
- (ii) Price will always merit a high relative importance in obtaining the best possible result. However, in some circumstances, for some clients, orders, financial instruments or markets, we may appropriately determine that other Execution Factors are as or even more important than price in obtaining the best possible execution result for the client.

#### Execution Criteria

The Execution Criteria that will be taken into account when weighing the Execution Factors are the characteristics of the:

- Client;
- Order;
- Financial instruments that are the subject of that order; and
- Execution venues to which that order can be directed.

In certain markets and subject always to any specific instructions that may be given by our clients, ADMISI may transmit an order ADMISI receives to third party brokers, for execution. ADMISI keeps the performance of third party brokers under review including the formal evaluation of their performance to help ensure appropriate standards of execution. A full list of the brokers ADMISI uses when executing orders in cash equities and other equity like instruments under this policy is set out in Annex 2 in respect of this instrument type.

## **Fixed Income**

### **Cash bonds**

We consider that best execution is owed in respect of riskless principal trades in cash bonds. Such trades will be subject to our policy on fees, commissions and mark-ups (see 'Fees and Charges' below). Execution factors are prioritised for riskless principal trades in cash bonds:

1. Price
2. Likelihood of execution and settlement

Generally the most important execution factor for our clients will be the price the relevant financial instrument is executed at. However, in more illiquid markets, the primary execution factors may vary, as such likelihood of execution may become the primary execution factor. The remaining execution factors – order size, costs, speed, nature of the order and any other consideration relevant to the efficient execution of your order – are generally given equal ranking.

### **Convertible bonds**

We consider that best execution is owed in respect of working orders in convertible bonds. Such trades will be subject to our policy on fees, commissions and mark-ups (see 'Fees and Charges' below). Execution factors are prioritised for working orders on behalf of clients:

1. Price
2. Likelihood of execution and settlement

The remaining execution factors – order size, costs, speed, nature of the order and any other consideration relevant to the efficient execution of your order - are generally given equal ranking.

## **Futures and Options**

In the case of futures and options transactions, ADMISI acts in a principal capacity. The selection of execution venues and brokers will depend on, amongst other considerations, contract specification, liquidity, the nature of the transaction, the size of the transaction, counterparty risk (including, but not limited to, credit risk), exchange rules and perceived settlement capabilities. In the absence of a specific instruction to execute on a specific venue, where there are multiple venues that offer identical contracts, ADMISI will seek to execute on the venue (directly, or through another third party broker as required) that exhibits the best liquidity in order to seek the best available price taking into account the relevant execution factors. When executing away from a central order book (e.g. block trades) in accordance with the relevant exchange rules, ADMISI will execute at the best available price but where that price reflects the relevant execution factors (size, liquidity, timing for example) prevailing at the time of execution.

A list of the brokers ADMISI uses when executing client orders in futures and options under this policy is set out in Annex 2 in respect of this instrument type.

**OTC Derivatives – Equities and Fixed Income (SWAPS, Options, Contracts for Difference, etc.), Foreign Exchange:**

There are no formalised markets, and in most instances no standard settlement infrastructure, for OTC derivative transactions. Dealing in OTC derivatives will be limited to counterparties of ADMISI's with whom legal and ISDA agreements are in place, including agreements to facilitate settlement ('give-up agreements') for certain centrally cleared derivative contracts and in such cases the perceived operational efficiency of such counterparties will be relevant. In certain cases, the nature of the client order is such that the transaction is tailored to meet the client's specific needs and there are little or no comparable products available in the market from which a price and cost comparison can be made. Where this occurs, ADMISI will assess the unique features of the transaction and the client's instructions to determine the relevant execution factors to be taken into account when executing the client order. In general, ADMISI consider price, followed by costs, as the most important factors. Other key execution factors include speed of execution, certainty of execution and market impact. When executing client orders or taking decisions to deal in OTC products (including bespoke products), ADMISI will check the fairness of the price proposed to the client by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products.

**Fees and Charges**

For equities and listed derivatives markets, fees and charges, and the methodology for calculating these, are agreed in advance and disclosed to a client. In addition, where foreign exchange is charged,

ADMISI will charge a separate commission so that overall charges are transparent.

In quote driven markets such as Cash Bonds (see section on Execution Policies - Asset Classes), ADMISI, in common with our competitors, does not charge an explicit commission but imposes a mark-up (included in the quote) or spread between where it may buy a financial instrument and where it may sell the same instrument. ADMISI will ensure that mark-ups and spreads charged on transactions where best execution is owed are reasonable, not excessive and will be within a range that we consider reasonable for the product type, tenor, liquidity and size of the trade.

ADMISI will not structure or charge its commission in such a way as to discriminate unfairly between execution venues. Should there be any variance between commission rates for different exchanges, this will reflect the actual difference in the cost to ADMISI of executing on those venues in accordance with this policy. ADMISI does not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or execution venue.

**Review and Monitoring**

The ADMISI trading desks will review the quality of the execution they provide on a continuous daily basis according to the execution factors as outlined above. They will be required to provide explanations for any discrepancies that are identified to relevant senior management.

On a monthly basis ADMISI's Compliance function will monitor a sample of transactions on a pre and post trade basis and the related communications and records of that transaction to ensure that

execution occurred at the best available price, taking into consideration the above outlined execution factors.

For relevant OTC products where the client is determined to place a level of reliance upon ADMISI we will document the relevant execution factors in a trade summary. These will be reviewed on a quarterly basis to assess the application and execution factors involved in estimating the price of such products and compared where possible to similar products.

We will monitor the effectiveness of this policy on an ongoing basis and at least annually in order to identify and implement any appropriate enhancements. In addition, we will regularly review whether the Execution Venues as described in this policy and the chosen third parties to whom we transmit orders for execution continue to provide the best possible results for our clients on a consistent basis and whether we need to make changes to these arrangements.

From time to time it may be necessary to make changes to this policy. It should be noted that we will not notify you separately of changes, other than substantial material changes, to this policy.

### **Publication of quality of execution**

We are required to publish on a quarterly basis certain data relating to the client orders that ADMISI has executed in its capacity as an execution venue. The publication aims to provide clients information on the quality of execution where ADMISI itself acts as the execution venue of client orders. These quarterly publications are provided for on our website [www.admisi.com/customer-services/compliance](http://www.admisi.com/customer-services/compliance). ADMISI will not generally provide further information in relation to these publications, unless required by law.

### **Publication of the top five execution venues**

ADMISI is required to summarise and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where we have executed client orders in the preceding year and information on the quality of execution obtained on this venues. Such details are provided for on our website [www.admisi.com/customer-services/compliance](http://www.admisi.com/customer-services/compliance).

Please note that, in respect of some Financial Instruments such as investment funds, there may be only one Execution Venue. When executing trades in such circumstances, we will presume that we have provided the best possible result in respect of these types of Financial Instruments.

Please also note that trading undertaken in shares admitted to trading on a regulated market or traded on a trading venue (and for certain classes of OTC derivatives) must be traded on a regulated market, MTF or SI (the 'Trading Obligation') in accordance with MiFID II, subject to certain exclusions. When executing orders on your behalf, we must take into account the Trading obligation and any guidance and market practice developed around it from time to time.

## Consents

Without your prior consent to this policy, we are not allowed to execute an order for you. In order to minimize disruption to the service we provide to you, unless you contact us beforehand and in any case by commencing business with us, such consent is deemed to be provided by you.

In addition, you should note that we will require your express consent, forwarded separately as appropriate, for any Financial Instrument to be executed outside a regulated market or MTF.

If you do have any queries with regard to this policy then please contact your account executive in the first instance.

## Further information about this Policy

If a retail client requests additional information about this policy and such a request is reasonable and proportionate, ADMISI will consider honouring such a request, especially where such information is needed to enable the client to make a properly informed decision about whether to utilise, or continue utilising, the services of ADMISI.

## Annex 1 - MiFID II - Financial Instruments

- Transferable Securities
- Money Market Instruments
- Units in Collective Investment Undertakings
- Options, Futures, Swaps, Forward Rate Agreement and any other derivatives relating to securities, interest rates, currencies, financial indices which may be settled physically or in cash
- Options, Futures, Swaps, Forwards and any other derivatives relating to commodities which are settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event
- Options, Futures, Swaps, Forwards any other derivatives relating to commodities which may be settled physically provided they are traded on a regulated markets, MTF or OTF, except for wholesale energy products traded on an OTF that must be physically settled
- Options, Futures, Swaps, Forwards and any other derivatives relating to commodities which may be settled physically, not mentioned above and not for commercial purposes, which have the characteristics of other derivative financial instruments
- Derivative Instruments for the transfer of credit risk
- Contracts for Differences
- Options, Futures, Swaps, Forward Rate Agreement and any other derivatives relating to climatic variables, freight rates, inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned herein which have the characteristics of other derivative financial instruments, having regard to whether they are traded on a regulated market, OTF or MTF
- Emission allowances consisting of units recognised under the Emissions Trading Scheme

## **Annex 2 List of execution venues and brokers**

### **Cash equities and equity like instruments:**

Kepler Chevreux

ING

London Stock Exchange

Morgan Stanley

Soc Gen

### **Fixed Income**

Bloomberg Trading Facility Limited MTF

Tradeweb Europe MTF

### **Foreign Exchange**

ADMISI (as “other liquidity provider” in accordance with MiFID II, RTS 27, Recital 7)

ANZ

Barclays

BMO

BNP Paribas

Commerzbank

Credit Agricole CIB

HSBC

Goldman Sachs International

Morgan Stanley

Rabobank

Scotiabank

Soc Gen

360T

FXall

### **Futures & Options:**

ADM Investor Services Inc.

Dubai Gold & Commodity Exchange

European Energy Exchange (EEX)

Eurex (Deutsche Borse)

Euronext (Amsterdam, Brussels, Paris)

ICE Futures Europe Limited

London Metal Exchange

Nasdaq OMX Freight

Nasdaq OMX Commodities

Phillip Futures

Soc Gen

## Annex 3 Definitions

**EEA** – means the European Economic Area which includes all member states in the European Union as well as Norway, Lichtenstein and Iceland.

**Execution Venue** – means a RM, MTF, OTF, SI, 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.

**MiFID** – means the Directive 2004/39/EC of the European Parliament and the Council on Markets in Financial Instruments, and any implementing directives or regulations, as may be amended or supplemented from time to time.

**MiFID II** – means the Directive 2014/65/EC of the European Parliament and the Council on Markets in Financial Instruments, and any implementing directives or regulations, as may be amended or supplemented from time to time.

**Multilateral Trading Facility ('MTF')** – means 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 – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with the provisions of Title II of MiFID.

**Organised Trading Facility ('OTF')** – means a multilateral system, which is not a regulated market of a Multilateral Trading Facility and in which multiple third party buying and selling interests in bonds, structure finance products, emissions allowances or derivatives are able to interact in the system in a way which results in a contract.

**Professional Client** – means any client agreed as such and notified by ADMISI as classified as a Professional Client

**Regulated Market** – means a multilateral system operated and/or managed by a market operator which brings together or facilitates the bringing together of multiple third party buying and selling interests in Financial Instruments – in the system and in accordance with its non-discretionary rules – 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 regulated in accordance with the provisions of Title III of MiFID.

**Retail Client** – means any client agreed as such and notified by ADMISI as classified as a Retail Client.

**Systematic Internaliser (SI)** – means an investment firm which, on an organised, frequent and systematic basis, deals on own account by executing client orders outside a Regulated Market, MTF or OTF.

**Trading Venue** – means a RM, MTF, OTF, or SI.