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Partners Capital LLP

Order Execution Policy

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1.0	06/12/2017	Legal and Compliance	Partner, COO



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1. Purpose:

1.1. Part of the service provided by Partners Capital LLP (“Partners Capital”) is to receive and transmit orders on behalf of its clients to parties that can execute those orders. Under the Directive 2014/65/EU on markets in financial instruments (“MiFID II”) Partners Capital is required to take all sufficient steps to obtain the best possible result for clients when executing orders (or receiving and transmitting orders) on their behalf, taking into account factors such as price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. This document sets out Partners Capital’s Order Execution Policy and its approach to providing best execution, as required by MiFID II.

2. Scope:

2.1. Clients

This policy affects both Professional and Retail Clients (as defined in MiFID II) of Partners Capital (henceforth referred to as “Client(s)”) in relation to the handling and execution of their orders in Financial Instruments. Partners Capital does not owe a duty of best execution to Eligible Counterparties; this policy therefore does not apply to the execution of orders on behalf of Eligible Counterparties.

2.2. Financial Instruments

This policy only applies with respect to financial instruments within the scope of the MiFID II (“Financial Instruments”) which are listed in Appendix I. Financial Instruments include but are not limited to: transferable securities (such as shares and bonds), money market instruments, units in collective investment undertakings, exchange-traded and OTC derivatives, whether cash or physically settled, including futures, options and swaps. This policy includes spot FX and physical commodities transactions that are ancillary to Financial Instruments. However, Financial Instruments do not include spot FX and physical commodities.

- Orders relating to funds placed on the primary market – the only method available for dealing with such orders in practice is to transmit them to the operator of the fund or its agent for execution. Therefore operators will usually be the only execution venue that Partners Capital uses. Where there is only one execution venue that Partners Capital can use in practice to deal with orders it will have to use that venue regardless of the impact of other execution factors.
- Orders relating to shares and market-quoted instruments – when Partners Capital deals with an order to buy or sell shares or other market-quoted instruments (eg mutual funds) for the client it will transmit the order to the client’s stockbroker. The stockbroker must provide Partners Capital with the best possible result in terms of price and other relevant execution factors that it can achieve in the circumstances. If the client does not have a stockbroker Partners Capital will recommend one to the client.

3. Best execution:

3.1. General

When executing an order on behalf of a client, Partners capital is required to take all sufficient steps necessary to execute the order in a manner that is intended to achieve the best possible result for the client. Partners Capital will take into account the following relevant Execution Factors:

- Price, aiming to achieve the best possible price for the client;
- The fairness of any price proposed to the client;



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- Size of the order and the available market liquidity;
- Speed of execution;
- Execution costs, such as exchange execution and clearing fees;
- Likelihood of execution and settlement;
- Nature of the order; and
- Any other consideration relevant to the execution of the order, such as potential market impact.

While price is often an important execution factor, there will be situations when this is not the priority when executing a trade. Examples may be:

- For less liquid stocks, the likelihood of execution and provision of liquidity may be more important than price;
- When raising cash to fund portfolio outflows, speed may take priority over price;
- The volatility of price may make timeliness a greater priority; and
- The choice of execution venue may be limited for certain instruments.

3.1.1. Retail clients

Where Partners Capital receives and transmits or executes an order on behalf of a retail client it is assumed that a duty of best execution will always be owed. The best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs relating to the execution, which shall include all expenses incurred by that retail client which are directly relating to the execution of the order including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

3.1.2. Professional clients

Where Partners Capital receives and transmits or executes an order for a professional client, the importance of each of these factors and how they are treated may vary depending on the following:

- The nature of the client's instructions;
- The characteristics of the transaction;
- The characteristics of the financial instrument; and
- The characteristics of the execution venues to which the transaction can be directed.

3.2. Execution Venues and broker approval process

Partners Capital will generally access execution venues through third party brokers or dealers by passing an order to such counterparty. However, execution venues may include venues of which Partners Capital is a direct member or participant.

Where Partners Capital uses a third party broker to execute transactions it satisfies its best execution obligation by undertaking due diligence. A broker will therefore be selected only where Partners Capital is satisfied that the counterparty has sufficient arrangements to comply with its own duty of best execution. In addition to best execution, there are other key factors that we will take into consideration in the broker approval process such as the broker's reputation in the marketplace, their creditworthiness and whether they have suitable clearing and settlement facilities.

Furthermore, subject to any specific instructions that may be provided by a client, Partners Capital will always select the broker it considers to be the most appropriate given the execution criteria and execution factors prevailing at the time.

To the extent Partners Capital has discretion over the choice of one execution venue over another, the selection of the execution venue will be made based on which venue (or venues) provide for the best overall result for the client. Partners Capital undertakes on-going assessments of the execution venues used to determine whether existing venues continue to provide for the best possible result for clients



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and also to review the suitability of new execution venues. In making this assessment we will utilise information derived from our own internal best execution monitoring tools and processes as well as execution quality data reported by execution venues under MiFID II and its implementing measures. This will include the following factors:

- i. Price;
- ii. Liquidity;
- iii. Execution and clearing costs;
- iv. Clearing arrangements such as settlement reliability;
- v. Execution venue trading controls; and
- vi. Scheduled actions.

In executing client orders Partners Capital does not receive any remuneration, discount or nonmonetary benefit for routing client orders to a particular execution venue which would infringe any conflicts of interest or inducement requirements under MiFID II.

4. Aggregation:

4.1. A client's order may at the discretion of Partners Capital be aggregated with orders of any Partners Capital clients or Pooled Vehicles. Partners Capital will only do so where it appears to be unlikely that such aggregation will operate to the client's disadvantage. However, the client acknowledges that the effect of such aggregation may operate, on some occasions, to its disadvantage.

5. Order Execution outside of a Regulated Market , Multilateral Trading Facility and Organised Trading Facility (collectively "Trading Venues"):

5.1. Partners Capital may decide that in certain circumstances, where a client has previously provided its consent, that it would be beneficial to execute all or part of an order outside a Trading Venue. Whilst this may provide the advantage of an improved execution price and faster execution, additional risks may be incurred which are detailed below;

- Transactions will not be subject to the rules of Trading Venues, which are designed to provide for a fair and orderly treatment of orders;
- Transactions will not benefit from any additional but unpublished liquidity, such as hidden limit orders that may be available on Trading Venues;
- Executions will not benefit from additional pre and post trade transparency in respect of pricing and liquidity that is required to be published by Trading Venues; and
- For transactions executed away from a Trading Venue a settlement risk may be incurred as transactions will be subject to counterparty risk and will not be covered by the relevant clearing and settlement rules of the Trading Venue and relevant Central Counterparty Clearing House.

6. Restrictions:

6.1. Where Partners Capital is subject to internal trading restrictions it may not be possible to accept your order and you will be notified of this fact at the time of order receipt.

7. Monitoring and reporting:

7.1. Monitoring

We will monitor the effectiveness of our execution policy and arrangements and implement any changes necessary from time to time. In particular we will consider what other possible execution venues and stockbrokers we could use and whether doing so would generate a better result for you.



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We will notify you of any material changes to our execution policy and arrangements from time to time, where they are relevant to you.

7.2. Public Reporting Requirements

In accordance with MiFID II, Partners Capital is required to make certain execution quality data and information on its top five execution venues publically available. The reporting obligations relating to the publication of execution quality data require Partners capital to provide the following information on a quarterly basis; Information on execution venue and financial instruments; Price; Costs; Likelihood of execution; Additional information for continuous auction order book and continuous quote driven execution venues; and Additional information for request for quote execution venues.

Partners Capital is further required to publish on an annual basis a list of the top five execution venues for each class of financial instruments traded.



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Appendix I. List of financial instruments subject to this policy

1. Transferable securities;
2. Money market instruments;
3. Units in collective investment undertakings;
4. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
5. Options, futures, swaps, forwards and any other derivative contracts relating to commodities 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;
6. Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;
7. Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of this Section and not being for commercial purposes, which have the characteristics of other derivative financial instruments;
8. Derivative instruments for the transfer of credit risk;
9. Financial contracts for differences;
10. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or 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 in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market, a MTF, or an OTF; and
11. Emission allowances consisting of any units recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme).