

Best Execution Policy



OBERON
INVESTMENTS





ORDER EXECUTION POLICY

General Information

In this document we set out our understanding of Oberon Investments' obligations with respect to "Best Execution" as set out by the Financial Conduct Authority ("FCA") in its Conduct of Business Sourcebook ("COBS") and we explain how we intend to fulfil these obligations.

The core of this Order Execution Policy is to ensure that our clients are treated fairly. This means that the same procedures and safeguards will be in place for all clients, irrespective of the type of service that they receive from us.

Oberon Investments has made a commitment that we will not carry out proprietary trading or principal business (i.e. dealing for our own account) apart from in exceptional circumstances (such as correcting an error). Thus, we should not have any conflict of interest with any of our client's dealings. In addition, Oberon Investments does not structure or charge their commissions in such a way as to discriminate unfairly between execution venues. Oberon Investments does not receive any remuneration, discount, or non-monetary benefits for routing clients' orders to a trading venue which would infringe the requirements on conflicts of interests or inducements.

MD Barnard & Co. Ltd under which Oberon Investments is registered as a trading name, is a member of the London Stock Exchange ("LSE"). We have access to other exchanges through our market counterparties. Wherever possible, transactions will be carried out and reported on a regulated market ("on-market"); however certain transactions (for example most Bonds) cannot be conducted on-market; where this is the case we will continue to operate on your behalf "off-market".

Transactions that are carried out "off-market" when they are normally carried out "on-market" will require prior express consent from you. In some circumstances and, when acting in your best interest, we may carry out transactions "off-market".

By indicating your agreement in your account opening documentation or otherwise, you expressly consent to us carrying out off-market transactions on your behalf. If you no longer wish to consent to this, please inform us in writing without delay.

Best Execution does not apply to transactions in unit trusts/mutual funds. These are normally traded directly with the manager at a fixed price on any given dealing day; these prices are usually available in financial sections of newspapers or on the managers' own websites.

Best Execution/Best Possible Result

There is no formal definition of Best Execution, but it refers to the obligation that investments firms execute client orders on terms that are most favourable to the client.

Oberon Investments is subject to a general regulatory obligation to treat clients fairly as well as to manage any conflict of interest, and as such we endeavor to deliver the best result to clients when executing their transactions and to explain clearly how orders will be executed.

Further, we "...must take all sufficient steps to obtain, when executing orders, the best possible result for our clients, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order". (Source COBS 11.2A.2 from the FCA Handbook of Rules and Guidance).



We refer to this obligation to provide the "best possible result" as a requirement to deliver "Best Execution". In determining the relative importance of the execution factors, Oberon Investments will consider:

- (a) the characteristics of the client including the categorisation of the client as retail or professional;
- (b) the characteristics of the order, including where the order involves a securities financing transaction (SFT);
- (c) the characteristics of financial instruments that are the subject of that order;
- (d) the characteristics of the execution venues to which that order can be directed.

Guidelines have been established for Oberon Investments' dealers so that in each class of security there is a procedure for achieving and recording Best Execution. In most equity markets, trade information is publicly available from providers such as Thomson Financial, Proquote, Bloomberg and Reuters and many financial websites; in other markets where there is no publicly available trade data, our dealers will record details to demonstrate Best Execution has been achieved.

When our dealers receive an order, they will prioritise the relevant factors in considering and achieving the Best Possible Result, including any specific client instructions (e.g. price limit); relevant factors could include the liquidity and volatility of the stock, width of the buy/sell spread and accessible markets and dealing platforms. If all relevant factors are considered, our obligations on a consistent basis will be fulfilled and Best Possible Result should be achieved.

Oberon Investments accepts full responsibility to achieve Best Execution on all eligible orders; however, if specific instructions are provided by the client and Oberon Investments agrees to act on these, then our obligation to achieve Best Execution may be limited by such instructions. The fact that the client has given specific instructions which cover one part or aspect of the order will not be treated as releasing Oberon Investments from our Best Execution obligations in respect of any other parts or aspects of the client order that are not covered by such instructions. Clients should be aware of this point.

Best Execution may still be achieved if Oberon Investments aggregates several clients' orders into one larger order.

Equities – UK

Our dealers use a range of methods to execute a UK equity order:

- (a) Telephone negotiation. The dealers speak to market makers or other broker members of the London Stock Exchange;
- (b) Electronic orders books. The principal ones are SETS and SETSmm, both set up by the London Stock Exchange to provide anonymous order books in all but the smallest UK shares;
- (c) Retail Service Providers (RSPs). RSPs are market makers who enable us to deal with them electronically;
- (d) Agency crosses. This is when Oberon Investments matches a buyer and seller in-house and the deal is struck at a mutually agreeable price;
- (e) Broker to broker. This is when a broker agrees to buy or sell from another broker at a mutually agreed price.



Orders passed in UK equities to the dealers that fit certain criteria can be transacted through our “Auto Execution” facility; they are then traded automatically and instantly via an RSP who is willing to accept the trade. The transaction will be covered by the usual Best Execution obligations.

Execution dealing policy

Our first source of prices is the London Stock Exchange which provides up to date prices through Proquote. The more active stocks are order driven, in other words, the prices are derived by limits interactively placed by buyers and sellers through the Stock Exchange dealing system. The limits also show the size at which buyers and sellers are prepared to deal in. On occasions, we will deal interactively with these limits. However, we first check prices and sizes offered by retail service providers (RSPs) through the Proquote system. These prices are never worse than the Stock Exchange best price but are frequently better, both in terms of price and size, than the Stock Exchange price. We can also deal with the RSPs interactively. It is also possible to telephone the market makers directly and negotiate. When doing this we would only deal with them if they could offer a price and size that is no worse than those available through the Stock Exchange price or through the RSP.

There are disadvantages when dealing interactively with the Stock Exchange price. First, this system only allows you to deal T+2. Many clients wish to deal for a longer settlement. In the case of buying, they may not be able to remit the funds within two business days. In the case of selling, they may not be able to deliver electronically, in which case, physical delivery takes a minimum of four business days from the time we receive the certificate and signed transfer form.

Dealing interactively with the Stock Exchange price can often entail dealing in many shapes i.e. we have to carry out several trades on this system to complete the order. The expenses to the client are likely to be much higher using this system. It is usually possible to telephone the market maker or use the RSP to carry out the transaction at no worse and often better price and size, that that displayed on the Stock Exchange system.

When buying for extended settlement, the RSP’s usually quote a price and size which may involve paying a premium. We may telephone one or more market maker to try and improve on any premium we must pay.

When dealing in overseas stocks, many of the companies do not issue physical certificates. When this is the case we try to buy or sell to settle in Crest. There are no prices displayed on our dealing screens for most overseas stocks. Dealing is therefore, by negotiation and we will generally use a limited amount of London based market makers who are able to provide a competitive Sterling price.

When leaving limits, we do not advertise the limit on SETS unless particularly requested to do so and we inform the client of this fact. The reason we do not use this system is due to the high cost to the client of dealing in multiple fills with no guarantee of the order being completed in full.

Equities – Non-UK

There are extra considerations when dealing in non-UK equities. Oberon Investments is not currently a member on any non-UK exchanges; our obligations of Best Execution are shared with our market counterparties who transact on our behalf in non-UK markets. To achieve Best Possible Result, we must also consider any local executions charges (commission, stamp duty etc.) that will be included in the final price to the client.

Bonds – Gilts, Eurobonds Etc.

Bonds include Government bonds (e.g. Gilts) Eurobonds, Floating rate notes (FRN), Zero coupon bonds and other similar debt structures. Most of these instruments cannot be transacted on-market and in these cases, we will continue to operate on your behalf off-market.



Prices in the most actively traded bonds are available on information providers such as Bloomberg. In many instances, trades can then be affected by a direct electronic link to the best price from all the contributing market makers with which Oberon Investments has a relationship. In some circumstances, dealing prices will be negotiated with market makers by telephone with additional reference to any available electronically displayed prices.

Liquidity varies between different bonds: for some bonds, there may only be one market maker and situations such as this might limit our ability to deal on a narrow Buy/sell price spread.

Because there is usually no permanent historical record of intraday price quotations of bonds, Oberon Investments dealers keep records of competing bond prices at the time of trade.

Other Instruments/Securities

On rare occasions, we will be required to trade in an instrument not covered by the above categories: any trade could be restricted to a limited number of liquidity providers that Oberon Investments has connections with. Oberon Investment will assume that Best Execution was achieved by reference to the prices provided by those liquidity providers and any relevant market display providers.

Limits

Limits passed by clients will be accepted on a reasonable endeavours basis and the contract note for the trade will disclose this information. Any client limit will normally only be accepted until the end of the trading period for the day it was passed. If an order has been placed with a limit on the price for execution, it is often the case that we may not be able to execute it immediately.

Under FCA Handbook rules, we are obliged to make limit orders public. However, we feel at times this can be disadvantageous. Therefore, by reading this Order Execution Policy you are consenting to us NOT making the limit order public unless you specifically request otherwise in WRITING.

Timely Executions

To achieve timely execution, once Oberon Investments has agreed, or decided in its discretion to execute a client order, it must do so as soon as reasonably practicable, unless Oberon Investments has taken enough steps to ensure that postponing the execution of a client order is in the best interests of the client.

In-house crosses (Agency crosses)

Crosses of UK stock between two clients at a mutually agreeable price will be deemed to have taken place on-market. Crosses of non-UK stock between two clients at a mutually agreeable price will be deemed to have taken place off-market.

Allocation

Oberon Investments will usually allocate on a pro rata basis any partially completed orders that are received from different clients in the same stock; if this allocation would result in uneconomic or unsuitable holdings for the clients concerned, we may allocate other than on a pro rata basis. In every instance that an allocation other than pro rata is used then Oberon Investments must take enough steps to ensure that any allocation is in the best interest of all clients concerned.

Order Priority

Client orders will normally be executed in the same order as they were received except where there are special conditions such as price limits or limited liquidity; such conditions might require extra time to ensure achievement of Best Possible Result. Orders that are tradable under the Auto Execution facility will normally be



executed immediately, even though the dealers may already be working orders in the same stocks. It is deemed acceptable to treat these trades separately and therefore Auto Executions do not need to be averaged with any other orders.

Time of Execution

Any execution time shown on the contract note will be stated as UK time. If the order is completed in a series of transactions and shown on the contract note as an averaged price there is no requirement to disclose the execution times. Trade times for an averaged price transaction are available upon request.

Systems Failure

In the unlikely event of system failure, clients who contact Oberon Investments during this time to pass deal instructions will be informed; any instructions received will be accepted on the basis that they will be executed once the relevant system has been restored.

Monitoring

Oberon Investments monitors the effectiveness of the order execution arrangements in accordance with this Policy to identify and, where appropriate, correct any deficiencies. This also includes compare and analyse relevant data.

We shall monitor and assess, on a regular basis, whether the execution venues provide for the best possible result for the client or whether it needs to make changes to its execution arrangements. We will notify clients of any material changes to its order execution arrangements or execution policy.

Oberon Investments acknowledges the requirements in COBS 11.2A.39 on publishing information on execution quality. Oberon Investments will summarise and make public on an annual basis, and for each class of financial instruments, the **top five execution venues** in terms of trading volumes, where they executed client orders in the preceding year, together with information on the quality of execution obtained.



Policy Review

Oberon Investments will review its Order Execution Policy, as well as the order execution arrangements, annually and, if necessary, additionally on an ad hoc basis, whenever there is a material change that affects Oberon Investments' ability to continue to obtain the best possible result for the execution of its client orders on a consistent basis. In such a case, Oberon Investments would consider making changes to the relative importance of the Best Execution factors in meeting the overarching Best Execution requirement.

We are obliged by our regulators to draw the following to your attention:

1. We are dealing for you as a retail client on an execution only basis. This means that we are not required to judge the appropriateness of any transactions for you and as such you will not benefit from the protection of the FCA rules of assessing appropriateness.
2. We shall deal at the best price that is available at the time through the London Stock Exchange for the number of shares being dealt.
3. We may deal outside a regulated exchange if we can obtain a better price for you.
4. You have agreed verbally to these conditions.
5. On request Oberon Investments would be able to demonstrate to clients that trades have been executed in accordance to this Policy. At the request of the Authority, Oberon Investments would be able to demonstrate its compliance with the applicable rules and provisions which require firms to execute orders on terms most favourable to the client.