



# Best Execution Policy

## Purpose

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Cresco Capital Markets (UK) Ltd (referred to as “we”, “us” or “our”) is committed to treating you fairly and acting in your best interests when we execute your Orders. In this document, we summarise the process by which our Platform executes your Orders in accordance with our regulatory duty to take all sufficient steps to obtain the best possible result for you. When you trade through our Platform you consent to your Orders being executed in the manner described below, outside of a Trading Venue.

This policy sets forth the basis which “CRESCO CAPITAL MARKETS (UK) LTD” will follow in executing trades or transmitting orders for execution on behalf of its clients, as required under the MiFID Regulations and in line with FCA Regulation COBS 11.2A. The scope of this best execution policy relates to owing its clients the best possible execution when:

- Executing orders on behalf of Retails Clients, Professional Clients and Eligible Counterparties and/or
- Transmitting client orders to another entity for execution

CRESCO CAPITAL MARKETS (UK) LTD has in place the requisite policies and procedures which are designed to consistently obtain the best possible execution result for its clients, subject to and taking into account the nature of the trade, the priorities of the trading strategy and the market in question, and which provides, in our view, the best balance across a range of sometimes conflicting factors.

## Introduction

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This document contains information on 's trade execution policy (Execution Policy), which sets out the various high level principles that will follow when placing, arranging or executing orders for the various discretionary arrangements in place for its customers. This is subject in all respects to the terms of any investment management agreement in place.

For its customer orders, will take all reasonable steps in accordance with the Execution Policy to obtain the best possible result for its customers. In regulatory terms, this may involve execution outside of a Regulated Market or Multilateral Trading Facility (within the meaning of the FCA Rules).

The Execution Policy, with reference to applicable FCA Rules, covers the following asset classes:-

- Equities;
- Fixed income;
- Cash products;
- Structured products; and
- OTC products (including variations of the above)

Although the factors set out in the Execution Policy are expected to produce the best possible result for its customers on a consistent basis, there is no guarantee that circumstances will enable this to be achieved in every single transaction.

Also, wherever there is a specific instruction from a customer in respect to an order, must carry out the order in accordance with that specific instruction. **However, this may prevent from taking steps that it has designed and implemented to obtain the best possible result in executing customer orders.**

## Execution factors

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In achieving best execution, we consider a number of factors including but not limited to:

- price
- costs or commission of execution
- current liquidity of the relevant instrument
- market impact of the transaction

- speed of execution
- likelihood of execution
- speed of settlement
- size of the order
- nature of the order
- financial status, responsibilities and solvency of the counterparty
- responsiveness of the trading venue
- any other consideration relating to the execution of the order

The obligation to deliver the best possible result when executing client orders applies in relation to all types of financial instruments. However, given the differences in market structures or the structure of financial instruments, it may be difficult to identify and apply a uniform standard of any procedure for best execution that would be valid and effective for all classes of instruments.

CRESKO CAPITAL MARKETS (UK) LTD will generally give the highest priority to total consideration. Total consideration represents the price of the financial instrument, plus any costs related to execution. Costs include all directly related to the execution of that order. However, CRESKO CAPITAL MARKETS (UK) LTD may at its discretion and in accordance with the Execution Policy, prioritise other factors outside of price and costs that are considered more important for any given order and should be taken into account.

A list of specific examples of such situations is set out below in the schedule to this policy.

#### **Best Execution criteria**

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A range of factors has to be considered in identifying how to achieve the best possible result for clients and deliver therefore the best possible execution. These include:

- Characteristics of the client including their categorisation;
- Characteristics of the client order;
- Characteristics of the financial instrument that are subject to the order; and
- Characteristics of the execution venue to which that order can be directed

When carrying out an order CRESKO CAPITAL MARKETS (UK) LTD will determine the relative importance of the above factors before deciding where to place the order.

In the absence of specific instructions we prioritise the factors that we believe to be the most appropriate for a particular client order to achieve the best possible result on a consistent basis. It should be noted that best execution may not necessarily apply to each individual transaction but may involve an assessment of a succession of transactions over a time period.

For retail clients, and generally across the client base, we will regard total consideration (including the price of the Instrument and the costs related to execution, which shall include all expenses incurred by the client which are directly related 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 and any commission received by CRESKO CAPITAL MARKETS (UK) LTD as the most important of these factors for obtaining the best possible result.

However, we recognise that there may, from time to time, be circumstances where other factors may be prioritised in the interest of completing your instructions or there is a reason in your best interest to do otherwise. For example speed and certainty of execution may be prioritised in certain circumstances.

#### **Approved Counterparties**

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CRESKO CAPITAL MARKETS (UK) LTD uses a number of approved counterparties who are selected for their ability to allow it to take all reasonable steps to achieve the best possible result for its customers.

In selecting counterparties CRESCO CAPITAL MARKETS (UK) LTD will ensure these counterparties owe CRESCO CAPITAL MARKETS (UK) Ltd a duty of best execution and have in place execution arrangements which satisfy its requirements to take all reasonable steps to obtain, on a consistent basis, the best possible result for its customer orders as outlined in the Execution Policy. The results they achieve will also be monitored on an ongoing basis. Any new approved counterparty is subjected to a due diligence process, focusing in particular on quality of execution and credit risk where the relevant counterparty will trade on an OTC basis with CRESCO CAPITAL MARKETS (UK) LTD.

### **Selection of approved counterparties and trading venues are chosen**

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Entities or execution venues that CRESCO CAPITAL MARKETS (UK) LTD chooses to transmit orders to or execute orders, will be selected on the basis of the quality of execution provided by that venue or entity. As such, CRESCO CAPITAL MARKETS (UK) LTD has assessed a number of venues and entities to ensure they can provide the best possible result, which will be measured for consistency on transactions over a significant period.

Alternative entities or venues may be considered where in the view of CRESCO CAPITAL MARKETS (UK) LTD the best possible result can be obtained and where the relevant execution factors are taken into account.

Selection of a venue or entity that provides the best possible result will be made on the overall basis of:

- general prices available;
- nature of the orders;
- depth of liquidity of venues;
- volatility of the markets;
- speed of execution;
- cost of execution;
- creditworthiness of venues; and
- quality and cost of clearing and settlement.

Different execution techniques will be employed by certain entities, including trading on a regulated exchange or multilateral trading facility, crossing orders with another customer of that entity, or executing orders outside a regulated market or multilateral trading facility. Execution venues could include:

- Regulated markets
- Multilateral trading facilities
- Crossing networks
- Use of systematic internalisers
- For funds, the operator or authorised corporate director (ACD) of the fund (or its agent)
- For initial public offerings (IPOs), the issuing company
- Market makers, brokers, banks and other liquidity providers
- Non-EEA entities or venues that perform a similar function to those listed above.

When choosing execution venues, CRESCO CAPITAL MARKETS (UK) LTD will focus on the quality of execution available, the cost and whether these venues have the appropriate systems in place to enable the delivery of best execution to the satisfaction of CRESCO CAPITAL MARKETS (UK) LTD. In choosing the execution venue CRESCO CAPITAL MARKETS (UK) LTD takes care to select execution venues which provide consistently high quality execution, taking into consideration all relevant execution factors above.

At present, CRESCO CAPITAL MARKETS (UK) LTD are able to select from a wide range of execution venues, including Sueden Financial, CMC Markets among others.

When choosing the execution venue CRESCO CAPITAL MARKETS (UK) LTD will consider the following aspects:

- Whether the entity is itself subject to the requirements of Article 21 of The MiFID Directive

- ❑ Whether the entity will undertake by contract to comply with any or all of the best execution requirements in relation to the relevant business with the result that it has contractual but not regulatory responsibilities for best execution; and
- ❑ Whether the entity can demonstrate that it delivers a high level of execution quality for the kind of orders that CRESCO CAPITAL MARKETS (UK) LTD is likely to place with or transmit to it

CRESCO CAPITAL MARKETS (UK) LTD's list of selected venues and entities will be reviewed at least annually, but any significant changes to any previously assessed venue or entity, or addition of a new venue or entity will be updated as soon as identified.

However, any customer specific instruction may direct execution away from a more suitable venue or entity. Factors will vary according to the different venues selected; however, the best possible result will always be CRESCO CAPITAL MARKETS (UK) LTD foremost consideration.

### **Specific instructions**

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Where we have accepted specific instructions from the client, we will follow them and in so doing will not be obliged to follow our best execution policy in relation to all or part of the order if there is a conflict. Where specific instructions relate only to part of an order we may follow our execution policy for those parts of the order which are not covered by the clients' instructions.

We shall not induce a client to instruct us with whom to place an order, by expressly indicating or implicitly suggesting the content of the instruction to the client, when we ought to reasonably know that an instruction to the effect is likely to prevent it from obtaining the best possible result for that client, as in that case we would be considered as avoiding our best execution policy.

### **Handling of different types of Orders**

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This sections provides information on the different types of orders for FX Spot and CFD Margin Trades.

#### **Market Order**

Our Platform will execute a Market Order to sell at the first available Sell Price and a Market Order to buy at the first available Buy Price, and will do so as soon as possible after the Order is accepted, provided the Market Order is made during Trading Hours and that the Platform is available at the time the Market Order is made.

The Sell Price or Buy Price will always reflect the size of the Market Order and the corresponding Price on the Price Ladder at the time of execution. Our Platform will automatically cancel (and not execute) a Market Order if the first available Sell Price or Buy Price is outside of any preferences in relation to Orders that you have set in your Account.

#### **Limit Order**

A Limit Order to buy at a Target Price will be executed at the Target Price or lower, when the Buy Price is equal to or lower than the Target Price. A Limit Order to sell at a Target Price will be executed at the Target Price or higher, when the Sell Price is equal to or higher than the Target Price.

#### **Roll-Over**

An Auto Roll-Over on a sell CFD Margin Trade on any particular Forward will be carried out by our Platform automatically executing a Market Order to buy the number 2 of Units for that CFD Margin Trade at the Level 1 Buy Price (regardless of the size of the Order). This Order will be executed (if possible) after the Last Roll-Over Date but on or before the Expiry Date. Our Platform will then immediately execute a Market Order to sell the same number of Units on a Forward based on the same underlying asset but with the next available Expiry Date, at the Level 1 Mid-Price.

An Auto Roll-Over on a buy CFD Margin Trade will be executed on the same basis, save that our Platform will automatically execute a Market Order to sell the number of Units for that CFD Margin Trade at the Level 1 Sell Price and the corresponding Market Order will be to buy the same number of Units on a Forward at the Level 1 Mid-Price.

A Manual Roll-Over on a sell CFD Margin Trade on any particular Forward will be carried out on your instructions by our Platform executing a Market Order to buy the number of Units for that CFD Margin Trade at the Level 1 Buy Price (regardless of the size of the Order) as soon as possible after the Manual Roll-Over is accepted by our Platform (provided that this is before the Last Roll-Over Date). Our Platform will then immediately execute a Market Order to sell the same number of Units on a Forward based on the same underlying asset but with the next available Expiry Date, at the Level 1 Mid-Price.

A Manual Roll-Over on a buy CFD Margin Trade on any particular Forward will be executed on the same basis, save that our Platform will execute a Market Order to sell the number of Units for that CFD Margin Trade at the Level 1 Sell Price and the corresponding Market Order will be to buy the same number of Units on a Forward at the Level 1 Mid-Price. Any Pending Orders on a Forward on which a CFD Margin Trade is being closed as part of a Roll-Over will automatically be cancelled by our Platform, and an equivalent Pending Order with an equivalent Target Price will be placed automatically by our Platform on any Forward (based on the same underlying asset but with the next available Expiry Date) on which a new CFD Margin Trade is being entered into as part of the Roll-Over.

A Roll-Over on any CFD Margin Trade on any particular Forward will not be executed if a Forward based on the same underlying asset but with a later Expiry Date is not available at the time the Roll-Over would otherwise have been carried out. In such circumstances, the CFD Margin Trade will be closed at the Expiry Date and settled on the Cash Settlement Date, with any relevant Pending Orders also cancelled on the Cash Settlement Date.

**Stop Entry Order - Standard triggers unless you elect otherwise:**

- a Stop Entry Order to buy at a Target Price will be executed when the Buy Price for the Level 1 Price is equal to or higher than the Target Price and will be executed at the first available Buy Price on the Price Ladder corresponding to the size of your Order at the time our Platform executes the Order; and
- a Stop Entry Order to sell at a Target Price will be executed when the Sell Price for the Level 1 Price is equal to or lower than the Target Price and will be executed at the first available Sell Price on the Price Ladder corresponding to the size of your Order at the time our Platform executes the Order.

**Alternate triggers**

Alternatively, you can elect to use the Level 1 Mid-Price as the trigger for your Stop Entry Order. In these circumstances, the procedure is the same as under the standard triggers detailed above, save that references to the Level 1 Price should be replaced by the Level 1 Mid-Price. Alternatively, you can elect to use the opposite Level 1 Price as the trigger for your Stop Entry Order. In these circumstances, the procedure is the same as under the standard triggers detailed above, save that the reference price for a Stop Entry Order to buy is the Level 1 Sell Price, and the reference price for a Stop Entry Order to sell is the Level 1 Buy Price. In each case, whether you use a standard trigger or one of the alternate triggers:

- our Platform will automatically cancel (and not execute) a Stop Entry Order if the first available Sell Price or Buy Price is outside of any preferences in relation to Orders that you have set in your Account; and
- the Price at which the Order will be executed may be less favourable to you than the Target Price.

**Stop Loss Order Standard triggers unless you elect otherwise:**

- Stop Loss Order to buy at a Target Price will be executed when the Buy Price for the Level 1 Price is equal to or higher than the Target Price and will be executed at the first available Buy Price on the Price Ladder corresponding to the size of your Order at the time our Platform executes the Stop Loss Order; and
- a Stop Loss Order to sell at a Target Price will be executed when the Sell Price for the Level 1 Price is equal to or lower than the Target Price and will be executed at the first available Sell Price on the

Price Ladder corresponding to the size of your Order at the time our Platform executes the Stop Loss Order. A Stop Loss Order is not guaranteed and may be subject to gapping.

#### **Alternate triggers**

Alternatively, you can elect to use the Level 1 Mid-Price as the trigger for your Stop Loss Order. In these circumstances, the procedure is the same as under the standard triggers detailed above, save that references to the Level 1 Price should be replaced by the Level 1 Mid-Price.

Alternatively, you can elect to use the opposite Level 1 Price as the trigger for your Stop Loss Order. In these circumstances, the procedure is the same as under the standard triggers detailed above, save that the reference price for a Stop Loss Order to buy is the Level 1 Sell Price, and the reference price for a Stop Loss Order to sell is the Level 1 Buy Price. In each case, whether you use a standard trigger or one of the alternate triggers, the Price at which the Order will be executed may be less favourable to you than the Target Price.

#### **Trailing Stop Loss Order - Standard triggers unless you elect otherwise:**

- A Trailing Stop Loss Order to buy at a Target Price will be executed when the Buy price for the Level 1 Price is equal to or higher than the Target Price and will be executed at the first available Buy Price on the Price Ladder corresponding to the size of your Order at the time our Platform executes the Trailing Stop Loss Order; and
- A Trailing Stop Loss Order to sell at a Target Price will be executed when the Sell Price for the Level 1 Price is equal to or lower than the Target Price and will be executed at the first available Sell Price on the Price Ladder corresponding to the size of your Order at the time our Platform executes the Trailing Stop Loss Order. A Trailing Stop Loss Order is not guaranteed and may be subject to gapping.

#### **Alternate triggers**

Alternatively, you can elect to use the Level 1 Mid-Price as the trigger for your Trailing Stop Loss Order. In these circumstances, the procedure is the same as under the standard triggers detailed above, save that references to the Level 1 Price should be replaced by the Level 1 Mid-Price. Alternatively, you can elect to use the opposite Level 1 Price as the trigger for your Trailing Stop Loss Order. In these circumstances, the procedure is the same as under the standard triggers detailed above, save that the reference price for a Trailing Stop Loss Order to buy is the Level 1 Sell Price, and the reference price for a Trailing Stop Loss Order to sell is the Level 1 Buy Price. In each case, whether you use a standard trigger or one of the alternate triggers:

- the Prices at which the Order will be executed may be less favourable to you than the Target Price; and
- the Target Price of a Trailing Stop Loss Order is adjusted in the direction of your CFD Margin Trade by our Platform and is calculated from the most favourable Price in respect of that CFD Margin Trade since that Order was last modified plus/minus (as relevant) the Stop Distance, as set by you.

#### **Take Profit Order**

A Take Profit Order to buy at a Target Price will be executed at the Target Price or lower, when the Buy Price is equal to or lower than the Target Price. A Take Profit Order to sell at a Target Price will be executed at the Target Price or higher, when the Sell Price is equal to or higher than the Target Price.

#### **Automatic closing of Trades without instructions from client**

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There are some circumstances where the whole or a portion of your Fx Spot and CFD Margin Trades will be closed without instructions from you. This includes where Account Close-Out occurs, where you fail to reduce any Position to below the applicable limit within the relevant time limit specified by us or where we exercise our rights to close your Fx Spot and CFD Margin Trades. Please refer to our Terms of Business for more information.

Unless closed by you or us beforehand, any FX Spot and CFD Margin Trade will be closed and settled by our Platform automatically at the time and date of expiry on a Forward (and any Pending Order will also be cancelled on this basis).

Where the whole or a portion of your FX Spot and CFD Margin Trades and/or Positions are to be closed without instructions from you, or Account Close-Out is to occur in accordance with the elections you have made in your Account, certain procedures apply. Further information on these procedures can be found on our Platform.

We reserve the right to aggregate any FX Spot and CFD Margin Trades in the same Product being closed at or around the same time and execute the relevant Market Orders to close those Fx Spot and CFD Margin Trades at the corresponding Price on the Price Ladder for an Order of the size of the aggregated FX Spot and CFD Margin Trades.

### **Fees and commissions**

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In terms of COBS 11.2.A.9, COBS 11.2A.16 and COBS 11.2.A.20 of the relevant rules, CRESCO CAPITAL MARKETS (UK) LTD discloses to its retail clients any fees and commissions it receives. It is at the discretion of CRESCO CAPITAL MARKETS (UK) LTD to set its fees and commissions at the level it chooses. When selecting who to place an order with, CRESCO CAPITAL MARKETS (UK) LTD does not take into account the fees and commissions it will charge its clients.

At this stage, CRESCO CAPITAL MARKETS (UK) LTD focuses on the potential of the venues to enable it to obtain on a consistent basis the best possible result for the execution of its client orders. In other words, it focuses on the quality of execution available. However, when choosing who to place a particular client order with CRESCO CAPITAL MARKETS (UK) LTD needs to take into account the effect of its own fees and commissions on the total consideration to the client.

### **Monitoring and Review**

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CRESCO CAPITAL MARKETS (UK) LTD monitors and reports internally on its execution venues on a constant basis, making changes and re-negotiating terms where necessary.

CRESCO CAPITAL MARKETS (UK) LTD will review annually or whenever a material change occurs to the process, all venues to ensure they are appropriate and in accordance with its best execution policy.

### **Client notifications**

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CRESCO CAPITAL MARKETS (UK) LTD has an obligation to provide its clients with appropriate information on this policy. In order to comply with this obligation, CRESCO CAPITAL MARKETS (UK) LTD will make available its policy to its clients at any time upon request. If CRESCO CAPITAL MARKETS (UK) LTD makes any material changes to this policy (whether pursuant to the review process or otherwise), it is obliged to notify the changes to its clients.

### **Matters beyond the firm's control**

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Due to system failures or other reasons which are unavoidable or beyond CRESCO CAPITAL MARKETS (UK) LTD's reasonable control, CRESCO CAPITAL MARKETS (UK) LTD may from time to time handle orders in a manner that differs from the normal processes under the Execution Policy. In the event of such an occurrence, CRESCO CAPITAL MARKETS (UK) LTD will still endeavour to place, arrange and/or execute orders on the best possible terms available in the relevant circumstances. In such circumstances, total consideration may not be the most important factor.



## **Client Orders**

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All personnel who are involved in handling client orders are required to be aware of the firm's best execution policy and to ensure that all orders are dealt with in accordance with that policy. The Compliance Officer should be consulted whenever there is any doubt about how the policy is to be implemented in relation to any particular client order.

## **Execution Venues / Liquidity Providers**

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Cresco Capital Markets (UK) Ltd carefully selects its execution venues based on the above-mentioned factors. The following execution venues are available:

- CMC Markets (EU/EEA entity)
- Divisa Ltd (EU/EEA entity)
- GKFX Ltd (EU/EEA entity)
- CHF Clearing (EU/EEA entity)
- IS Prime (EU/EEA entity)
- Lmax Ltd (EU/EEA entity)
- ADS (Non-EU/EEA entity)

## **Record Keeping**

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CRESKO CAPITAL MARKETS (UK) LTD will keep a record of its Best Execution Policy for at least **5 years** from the date it is superseded.

## Schedule to Execution Policy

- **Specific execution factors** - In a falling or volatile market, CRESCO CAPITAL MARKETS (UK) LTD may consider speed or certainty of execution to be the most important execution factors. On the other hand, liquidity may be more important where a particularly large order must be dealt with.
- **Confidentiality** - The desire to keep an order confidential may on occasions limit CRESCO CAPITAL MARKETS (UK) LTD ability to take the steps it would normally take to ensure it obtains the best possible price for example by speaking to a number of different possible approved counterparties with or through whom the order may be executed. This may be the case in particular with large orders or OTC derivatives. On other occasions, an approved counterparty may provide CRESCO CAPITAL MARKETS (UK) LTD with confidential research about a possible trade or investment idea, on the basis that if this resulted in an order, CRESCO CAPITAL MARKETS (UK) LTD would place this with or through the counterparty. CRESCO CAPITAL MARKETS (UK) LTD would tend to agree to this, subject to any further requirements in the Execution Policy and to it being comfortable that the total consideration relating to the order is commercially acceptable.
- **Units or shares in funds** - The only method available for buying or selling most of these in practice is to transmit them to the operator of the fund (or its agent) for execution. This includes orders that relate to Eurofin funds. In general, these types of operators will therefore be the only execution venue CRESCO CAPITAL MARKETS (UK) LTD use, regardless of other possible execution factors. Sometimes a fund may be available via a trading platform provided by a third party which in theory could be an alternative execution venue. However, CRESCO CAPITAL MARKETS (UK) LTD does not use such platforms, as the firm does not believe that it would obtain a better price by doing so.
- **Investment trusts shares** - When it is necessary to buy or sell these, CRESCO CAPITAL MARKETS (UK) LTD generally sends the order to the official stockbroker appointed by the relevant trust. CRESCO CAPITAL MARKETS (UK) LTD does this because such shares can often be relatively illiquid, such that the trust's official stockbrokers are generally best placed to provide the firm on a consistent basis with a competitive market price and the required level of liquidity. CRESCO CAPITAL MARKETS (UK) LTD will however, ensure that any such stockbroker owes the firm a duty of best execution when executing the firm's orders. CRESCO CAPITAL MARKETS (UK) LTD will regularly monitor the prices they achieve to ensure they meet their obligations.
- **Initial Public Offerings (IPOs)** - In practice, participating in an IPO will mean that CRESCO CAPITAL MARKETS (UK) LTD places an order directly with the company issuing the relevant shares.