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# ORDER EXECUTION POLICY

– Walbrook Capital Markets Limited



# TABLE OF CONTENTS

<b>SECTION 1 / INTRODUCTION</b>	<b>1</b>	<b>SECTION 9 / SHARE CFDS</b>	<b>3</b>
<b>SECTION 2 / APPLICATION OF BEST EXECUTION OBLIGATION</b>	<b>1</b>	<b>SECTION 10 / EQUITIES, EXCHANGE TRADED FUTURES &amp; OPTIONS</b>	<b>3</b>
<b>SECTION 3 / BEST EXECUTION FACTORS AND CRITERIA</b>	<b>1</b>	<b>SECTION 11 / RECEIVING AND TRANSMITTING ORDERS</b>	<b>3</b>
<b>SECTION 4 / THE ROLE OF PRICE</b>	<b>2</b>	<b>SECTION 12 / ORDER EXECUTION RISKS</b>	<b>4</b>
<b>SECTION 5 / EXECUTION VENUES AND LIQUIDITY PROVIDERS</b>	<b>2</b>	> SLIPPAGE	<b>4</b>
<b>SECTION 6 / BASIS OF EXECUTION &amp; EXECUTION VENUES</b>	<b>2</b>	> GAPPING/VOLATILITY	<b>4</b>
> ROLLING SPOT FOREX	<b>2</b>	> TRADING SYSTEM OR INTERNET CONNECTIVITY EXECUTION DELAYS	<b>4</b>
> EXECUTION TYPES	<b>2</b>	<b>SECTION 13 / ORDER HANDLING</b>	<b>4</b>
> NO DEALING DESK	<b>2</b>	> ORDER TYPES	<b>4</b>
> DEALING DESK	<b>2</b>	<b>SECTION 14 / LIMIT ORDER PUBLICATION (IF UNEXECUTED)</b>	<b>4</b>
<b>SECTION 7 / COMMODITY CFDS AND SPREAD BETS</b>	<b>2</b>	<b>SECTION 15 / AGGREGATION</b>	<b>5</b>
<b>SECTION 8 / INDEX CFDS AND SPREAD BETS</b>	<b>3</b>	<b>SECTION 16 / MONITORING AND REVIEW</b>	<b>5</b>

## SECTION 1 / INTRODUCTION

This document contains the most important and relevant elements of Walbrook Capital Markets Limited's Order Execution Policy and arrangements which enable clients to make a properly informed decision

about the use of Walbrook Capital Markets Limited's execution services.

## SECTION 2 / APPLICATION OF BEST EXECUTION OBLIGATION

Walbrook Capital Markets Limited is obliged to take all reasonable steps to obtain, when executing orders, the best possible result for its clients ("best execution") taking into account the execution factors (noted below) where Walbrook Capital Markets Limited acts on behalf of a client.

In circumstances where Walbrook Capital Markets Limited acts as principal on own account and does not consider it acts on a client's behalf and does not assume responsibility to provide best execution Walbrook Capital Markets Limited will notify a client so that they are properly informed.

Whenever there is a specific instruction from a client Walbrook Capital Markets Limited shall execute the order following the specific

instruction and compliance with that specific instruction will be treated as satisfaction of the best execution obligation.

For the avoidance of doubt, an order is an instruction to buy or sell a financial instrument which is accepted by Walbrook Capital Markets Limited for execution or onward transmission to a third party and which gives rise to contractual or agency obligations to the client. Implicit in the instruction received will be the understanding that the client is relying on Walbrook Capital Markets Limited to protect its interests in relation to pricing or other aspects of the transaction that maybe affected by how Walbrook Capital Markets Limited or the other entity to which the order is transmitted executes the order.

## SECTION 3 / BEST EXECUTION FACTORS AND CRITERIA

Walbrook Capital Markets Limited shall adhere to best execution requirements when executing client orders or when routing them to other market centres, and will take steps to achieve the best result in accordance with this Policy. When determining the strategy for execution of a client's order Walbrook Capital Markets Limited will take into account certain factors as appropriate, in the context of the terms of the clients order. Factors Walbrook Capital Markets Limited may consider include but will not be limited to price, the need for timely execution, market liquidity, the size of the order, likelihood of execution and settlement, costs of the transaction, nature of the transaction, including whether it is executed on a regulated market, multilateral trading facility or over the counter, any other consideration relevant to the execution of the order.

In the absence of specific instructions from the client, Walbrook Capital Markets Limited will exercise its own judgment, skill and experience having regard to available market information when determining the factors that it needs to take into account for the purpose of providing the client with best execution.

The diverse markets for different financial instruments and the types of orders that clients place with Walbrook Capital Markets Limited means that different factors could be applicable in each case when Walbrook Capital Markets Limited considers its execution strategy for each order received. For example there is no formalised market for some over the counter transactions, in some markets price volatility may mean that timeliness of execution is a priority, whereas in an illiquid market the fact of execution may itself constitute best execution.

In extreme volume and volatility situations, exchange system constraints may require automated trading systems to be switched off and/ or electronic routing to be suspended in favour of manual execution. Such events lead to further execution delays and increased market volatility.

When executing a client's order, as well as the factors relevant to the clients order Walbrook Capital Markets Limited will take into account the following 'Execution Criteria':

- Characteristics of the client;
- Characteristics of the clients order;
- Characteristics of the relevant financial instrument; and
- Characteristics of the execution venues to which the order can be directed.

In general, Walbrook Capital Markets Limited regards price as being one of the most important considerations when seeking to obtain the best possible result for clients. In addition, the Financial Instrument to which the order relates dictates to a large extent the determination and ranking of the relative importance of the Execution Criteria. However in certain circumstances Walbrook Capital Markets Limited may decide in its absolute discretion that other factors noted above, may be more important than price when determining the best possible result in accordance with this Policy.

For retail clients, the best possible result will be determined in terms of the total consideration, represented by the price of the financial instrument and the costs incurred by the client related to execution.

## SECTION 4 / THE ROLE OF PRICE

It is the general policy of Walbrook Capital Markets Limited for all client transactions not to give execution factors other than price and costs

precedence unless they are instrumental in delivering the best possible result in terms of total consideration to the client.

## SECTION 5 / EXECUTION VENUES AND LIQUIDITY PROVIDERS

The following applies to retail and professional clients. Subject to any specific instructions from a client, Walbrook Capital Markets Limited may use one or more venues and basis of execution to enable it to obtain

the best possible result on a consistent basis when executing an order on the client's behalf.

## SECTION 6 / BASIS OF EXECUTION & EXECUTION VENUES

### Rolling Spot Forex

Rolling spot forex is traded over-the-counter ("OTC") and it is not a financial instrument which is traded on regulated markets or an exchange.

Walbrook Capital Markets Limited provides a straight through execution model. In this model Walbrook Capital Markets Limited passes on to its clients the best prices that are provided by one of the liquidity providers with a fixed commission or mark-up for each currency pair. Hence, Walbrook Capital Markets Limited does not act as a market maker in any currency pairs and is reliant on these external liquidity providers for currency pricing. Although this model promotes efficiency and

competition for market pricing, there are certain limitations to liquidity that can affect the final execution of your order.

To achieve the most competitive price spreads in the retail market place Walbrook Capital Markets Limited quotes prices in 1/1000th of a cent (1/10th of a pip). In a volatile market by virtue of inevitable latency in the electronic trading system (principally between the client's internet access and the Walbrook Capital Markets Limited server) the quoted price may have moved before the order instruction is received. Unless the price movement is significant in which case the order may be rejected, favourable price movements (price improvements), and adverse price movements, will be passed on to the client.

## SECTION 7 / COMMODITY CFDS

Walbrook Capital Markets Limited's prices for CFDs on commodity futures are generally derived from the Derivative Exchanges where the relevant futures contract is listed. Rolling spot commodity price quotes are derived from the exchange traded futures contract for the relevant commodity with the exception of rolling spot precious metals where the spot price may be derived, sourced or executed with. There are occasions when Commodity CFDs are executed with an external counterparty and Walbrook Capital Markets Limited will do this without notice to you. Walbrook Capital Markets Limited obtains prices from liquidity providers which may be banks or broker-dealers.

Relevant Derivative Exchanges are listed below.

- ICE Futures Europe
- CME NYMEX Division
- Eurex Exchange
- CME NYMEX Division

The following contract prices are derived from the Interbank Spot market

- Gold
- Silver
- Palladium
- Platinum

## SECTION 8 / INDEX CFDS

Walbrook Capital Markets Limited's quotes are generally derived from the quoted or execution prices for the underlying reference assets from the following derivatives exchanges with respect to the following indices and which Walbrook Capital Markets Limited considers will provide the best available prices to you on a consistent basis.

- FTSE 100: ICE Futures Europe
- CAC 40: Euronext NYSE LIFFE
- DAX 30: Eurex Exchange
- Euro STOXX 50: Eurex Exchange
- S&P 500: CME Globex
- DOW 30: CME Globex
- NASDAQ100: CME Globex
- Nikkei 225: CME Globex
- ASX SPI 200: Sydney Futures Exchange
- Hang Seng Index: Hong Kong Futures Exchange
- FTSE MIB: Borse Italiana
- IBEX 35: Meff Renta Variable
- Swiss Market Index: Eurex Exchange

## SECTION 9 / SHARE CFDS

Walbrook Capital Markets Limited executes transactions for clients (professional and retail) in the following range of financial instruments which are all listed on a regulated market or exchange.

- UK equities - London Stock Exchange
- Other European Member States Listed Equities, including Deutsche Bourse and NYSE EURONEXT
- Swiss Equities – SIX Swiss Exchange
- Canadian listed equities Toronto Stock Exchange and the Vancouver Stock Exchange
- US listed securities New York Stock Exchange, American Stock Exchange and NASDAQ

## SECTION 10 / EQUITIES, EXCHANGE TRADED FUTURES & OPTIONS

Walbrook Capital Markets Limited acts as an agency broker and executes transactions on behalf of clients. Walbrook Capital Markets Limited does not execute transactions as principal.

Walbrook Capital Markets Limited executes transactions for clients (Professional and Retail) in the following range of financial instruments which are all listed on a regulated market or exchange.

- UK listed securities
- UK equities - London Stock Exchange
- Other European Member States Listed Equities, including Deutsche Bourse and NYSE EURONEXT
- Canadian listed equities Toronto Stock Exchange and the Vancouver Stock Exchange
- US listed securities New York Stock Exchange, American Stock Exchange and NASDAQ
- All major European and North American futures exchanges

## SECTION 11 / RECEIVING AND TRANSMITTING ORDERS

Walbrook Capital Markets Limited may transmit orders to third party investment firms or brokers. As well as having regard to an entity's access to markets and execution venues, when choosing entities for

inclusion in this Policy, Walbrook Capital Markets Limited assesses each entity's ability to obtain the best possible result on a consistent basis, having regard to the above execution factors.

#### – Slippage

Walbrook Capital Markets Limited takes reasonable steps so that execution of our quoted prices will obtain the best possible result for clients at the time the quote is provided, however fast moving markets may result in execution of a transaction at a price which has ceased to be the best market price.

#### – Gapping/Volatility

There may be significant market movement after a news announcement or economic event or between the close and re-opening of a market which will have a significant impact on the execution of a pending order. Clients should be aware of the following risks associated with volatile markets, especially at or near the close of the standard trading session:

- An order may be executed at a substantially different price from the quoted bid or offer, or the last reported trade price at the time of order entry, or an order may be only partially executed or may be executed in several shapes at different prices; and
- Opening prices may differ significantly from the previous day's close.

#### Trading System or Internet Connectivity Execution Delays

Delays in execution beyond our control may occur as a result of technical failures or malfunctions in connection with use of the Walbrook Capital Markets Limited Online Facility or internet connectivity or processing speed for which Walbrook Capital Markets Limited does not accept responsibility.

## SECTION 13 / ORDER HANDLING

A client order is passed through a number of business logic components before hitting the external execution engine. These components deliver all pertinent order details, including the type of order, price, and Time in Force.

#### – Order types

**Market Order** – Is an instruction to buy or sell at the next available market price. Please note that pursuant to market conditions there may be a difference between the price selected on Walbrook Capital Markets Limited's Online Facility and the final execution price received. This difference may be less favourable or more favourable than the original quoted price and is a function of market liquidity.

**Limit Order** – Is an instruction to buy or sell at your specified price or better and may be used to either open or close a position. Please note that a limit order may be triggered by the market trading through, or gapping over your specified price. In the event that market conditions trigger a client's limit order for execution it may only execute at a price equal to or better than a client's specified rate. Limit orders guarantee price but do not guarantee execution.

A limit order to buy at a price below the prevailing market price will be executed at a price equal to or less than the specified price.

A limit order to sell at a price above the prevailing market price will be executed at a price equal to or more than the specified price.

**Stop Order** – A stop order is an order to buy or sell at a specified price and may be used to open or close a position. Please note that a stop order may be triggered by the market trading through, or gapping over a client's specified price. In the event that market conditions trigger a

client's stop order for execution it will become a market order upon execution. This means that a client's final execution price may be less favourable, or more favourable depending on market conditions. Stop orders guarantee execution but do not guarantee price.

A stop order to buy at a price above the prevailing market price will be executed at the next available market rate, which may be less favourable, or more favourable than a client's specified rate.

A stop order to sell at a price below the prevailing market price will be executed at the next available market rate, which may be less favourable, or more favourable than a client's specified rate.

**Trailing Stop Order** – A stop order applied to an open position wherein the trader specifies the distance between the stop order and current market price. Should the market continue to move in a client's favour the stop price will automatically update to maintain the specified stop distance from the current market price by adjusting a client's stop rate. However, should the market at any time move against the client the stop price will remain fixed acting as a floor. At that time should the market trade through or gap past a client's specified stop rate a client's order will be submitted for execution as market order available for execution at the next available market price.

**Margin Call** - A Margin Call is a system generated order that is triggered when the client's usable liquidation margin drops to 0 or below. The order behaves like a market order when it is triggered. This order can be partially filled multiple times until either the full order amount is executed or the client cancels any remaining amount. There is no price associated with this order, so the order will be executed at the best available market price.

## SECTION 14 / LIMIT ORDER PUBLICATION (IF UNEXECUTED)

If a client gives Walbrook Capital Markets Limited a limit order in relation to shares admitted to trading on an EEA regulated market, Walbrook Capital Markets Limited will be required to make public such limit orders to the extent they are not immediately executed under prevailing market

conditions unless the client consents to Walbrook Capital Markets Limited exercising its discretion as to whether to make such limit orders public.

## SECTION 15 / AGGREGATION

We may combine your order or instruction with those of other clients as a single order. This will be where Walbrook Capital Markets Limited reasonably believe that this is in the overall best interests of our clients and is unlikely to work overall to your disadvantage. However, there are

situations where such aggregation may work to your disadvantage in relation to a particular order.

## SECTION 16 / MONITORING AND REVIEW

Walbrook Capital Markets Limited will monitor the effectiveness of its order execution arrangements and this Policy and will also regularly assess whether or not the execution venues it accesses continue to provide the best possible results for orders it executes on behalf of clients.

Using a risk based approach Walbrook Capital Markets Limited will review, at least annually or when a material change occurs, both its order execution arrangements and this Policy. Material changes to this Policy will be notified through the Walbrook Capital Markets Limited website

and be available to actual and potential clients.

Client Consent to Order Execution Policy and Execution of Orders outside a Regulated Market or MTF

By entering into the Walbrook Capital Markets Limited Terms of Business or the Walbrook Capital Markets Limited Professional/Retail Client Agreement a client consents to the Walbrook Capital Markets Limited Order Execution policy and the execution of orders outside a regulated market or Multi-lateral Trading Facility ("MTF").



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