



GMSA INVESTMENTS LIMITED

EXECUTION POLICY

GMSA Investments Limited
Registered in England and Wales with company no. 05996637 at registered office address:
66 Grosvenor Street, Mayfair, London, W1K 3LJ
Authorised and Regulated by the Financial Conduct Authority

This document describes the Execution Policy of GMSA Investments Ltd (“GMSA”) for Professional Clients and Eligible Counterparties and should be read in conjunction with our Terms of Business.

Introduction

When executing enquiries on your behalf, GMSA, in relation to financial instruments, will take all sufficient steps to achieve the best overall trading result for you. This means that we will aim to provide “best execution” that is subject to, and taking into account: GMSA’s execution factors, the nature of your requirements; the prices available to GMSA in the market; the nature of the market in question and a reasonable assessment of any overlapping and conflicting execution factors (detailed below).

Our intention, so far as is possible, is to exercise consistent standards and operate the same processes across all markets, clients and financial instruments in which we operate. GMSA also intends to provide you and other market participants with access (where possible) to tradable prices on a non-discriminatory basis. However, the diversity in those markets and instruments, our knowledge of your own trading intentions, and the kind of enquiries that you may make, mean that different factors will have to be taken into account in relation to any particular transaction.

GMSA is responsible for assessing the relative importance of the factors, taking into account these criteria. The predominant GMSA execution factors will be price and liquidity; i.e. the price available and the depth of liquidity available at that price. In addition the total consideration paid by a client will be assessed; for example the fees and commissions charged to clients for the execution including execution on a particular venue and clearing and settlement costs there may be other circumstances where other factors are considered

Speed (e.g. in case of equity or fixed income products), likelihood of execution and settlement (e.g. market liquidity for the particular product in case of listed equities, fixed income products), the size and nature of the order, market impact and any other implicit transaction costs may be given precedence on a case by case basis if they are instrumental in delivering the best possible result. The factors are weighed in a manner that is appropriate to the particular type of client including the client categorisation as a professional client.

Exemptions from the provision of Best Execution

Notwithstanding the intentions expressed above, GMSA does not undertake to provide “best execution” in the following circumstances:

- **Eligible Counterparties**

If you are classified as an Eligible Counterparty you will not be entitled to best execution.

If you are classified as an Eligible Counterparty you will not be entitled to best execution under the UK Financial Conduct Authority (“FCA”), or equivalent EU rule. This is in line with Article 30 of MiFID which provides that the best execution obligation under Article 27 will not apply.

- **Market Practices**

In the wholesale over the counter (OTC) derivatives and bond markets (and for the avoidance of doubt, this includes derivatives in Equities, Energy and Commodities) in which we operate, it is normal practice for buyers and sellers to “shop around” by approaching several brokers/dealers for a quote. This market practice is recognised by the European Commission. In these circumstances there is no expectation between parties that the broker/dealer chosen will owe best execution.

As a sophisticated participant in the wholesale markets, unless you advise us to the contrary we will assume that this is your normal trading behaviour.

- **Transaction Arrangements in a Name-Passing Capacity**

Brokers acting in a name-passing capacity are receivers and transmitters of orders but in carrying out their activities they do not receive and transmit orders for execution. Where orders are not transmitted for execution, the requirement to provide best execution will not apply.

- **Specific Client Instructions**

Where you provide us with a specific instruction in respect of your enquiry including an instruction for your trade to be executed on a particular venue, we will work your enquiry in accordance with your instructions. However, please note that in following your instructions, we will be deemed to have taken all reasonable steps to provide the best possible result for you in respect of the enquiry, or aspect of the enquiry, covered by your specific instructions.

Clients

Except in exceptional circumstances, GMSA will only deal with Eligible Counterparties and Professional Clients as defined by MiFID and by the FCA.

Because GMSA always intends to handle enquiries and expressions of interest in an equitable and consistent manner, once a client is classified as an Eligible Counterparty for the purposes of a particular instrument, that client may not then elect to be reclassified for the purposes of any transaction of a type

it customarily undertakes. Exceptional circumstances may be taken into account at the time, with the consent of GMSA. However we may decline to provide a service should a reclassification be requested.

Execution Venues

This Execution Policy sets out the venues on which GMSA will seek to execute your requirements and which we believe offers the best prospects for achieving the best possible results for you, taking into account the execution factors detailed below. GMSA may use one or more of the following venue types:

- GMSA's customer base in the over the counter (OTC) markets;
- Various Exchanges to which GMSA has access;
- Regulated markets;
- Other exchanges that are not regulated markets;
- Multilateral Trading Facilities;
- Organised Trading Facilities;
- GMSA principal positions (GMSA's own positions, further details overleaf);
- Third party investment firms, brokers, and/or affiliates acting as a Market Maker or other liquidity providers; and/or non EU entities performing similar functions.

When selecting the venue on which to transact trades, GMSA will take reasonable measures to ensure that the selected venue obtains the best possible trading result for its clients, subject to the following factors:

- In the OTC markets in which GMSA operates, it can only give clients visibility to prices that have been communicated to it by other clients that operate in the same market, accordingly any "best outcome" will solely be within these limits;
- GMSA will provide details of all tradable bids and offers (subject to the other matters referred to below);
- Time availability of prices – in many markets there are lulls and spikes in trading as negotiations align trading interests at different times and different parts of the curve, accordingly the "last traded price" may not always be available or act as a reliable indicator of current price;
- GMSA cannot allow clients to trade in a market unless it is reasonably satisfied that the client (via an agent or otherwise) is operationally capable of settling the relevant trade;
- GMSA cannot control either the cost of credit (credit premium) or credit acceptance between its clients;
- Rates of brokerage will vary between clients, based on agreements and levels of activity.

Where you give us specific instructions when placing the order (e.g. price limit), then this may prevent us from taking the steps that we have designed and implemented in our execution policy to obtain the best possible result for the execution of those orders, in respect of the elements covered by those instructions.

GMSA Own Positions (Dealing in Quotes)

When GMSA executes a client order against its own proprietary position that is where GMSA is making decisions as to how the order is executed by e.g. working the order on behalf of the client, the best execution obligations apply. If GMSA provides a quote to a client and that quote would meet GMSA obligations relating to best execution from which GMSA executed that quote at the time the quote was provided, then GMSA will meet those same obligations if it executes its quote after the client accepts it, provided that, taking into account the changing market conditions and the time elapsed between the offer and acceptance of the quote, the quote is not manifestly out of date. By contrast, when GMSA exceptionally enters into a proprietary trade where the order is not executed on behalf of the client or in case where GMSA engages in proprietary trading by quoting on a request for quote basis, then the best execution requirements do not apply. The key concept is whether the execution of orders is “on behalf of clients”. In particular, in case of dealing on a “Request for Quote (RFQ)” basis the distinction is whether the client relies on GMSA getting the best price for the client or whether merely requests or takes a price from GMSA making its own decision as to whether this is the best price.

For the avoidance of doubt when GMSA executes an order against a proprietary position it will not do so as a Systematic Internaliser. This is due to the fact that GMSA does not do so on a *frequent and systematic* basis.

Abnormal Market Conditions or System Failure

This policy will not apply at a time of severe market turbulence and/or system failure, where the ability to execute orders, at all or on a timely basis, will become the primary factor. In executing orders, we normally use online dealing systems where the order is for standard settlement, or non standard settlement where the venue is offering to deal. Where the order is for non standard settlement and it is not possible to deal online, we will execute the order by phone, which may result in a delay in completing the order. Where the size of the order is higher than the normal market size and we are

unable to deal online we will then revert to telephone dealing systems in order to achieve the best possible result.

In the event of any downtime in our electronic systems, or in extreme volume and volatility situations, automated trading solutions and/or electronic routing may be suspended in favour of manual execution. We will use our best endeavours, under those conditions to execute your order as quickly as possible.

Execution Factors

In the absence of express instructions from you, we will exercise our own discretion in determining the factors that we need to take into account for the purpose of providing you with the best possible result. The predominant GMSA execution factor will be Price and Liquidity. Other factors which will be considered are:

- Size, nature and characteristic of the order;
- Classification of the client;
- Likelihood and speed of execution;
- costs of execution and settlement;
- Exchange settled blocks, or positions larger than standard market size, may be crossed at a particular stage in the trading day, or kept anonymous to the majority of market participants, and unless otherwise directed, GMSA will only show the price and size to parties that it believes may have an interest in executing or crossing such a position;
- Any other consideration relevant to the efficient execution of the enquiry.

Monitoring and Review

GMSA will monitor the effectiveness of its execution arrangements and Execution Policy to identify and, where appropriate, incorporate any amendments to procedures. GMSA will assess on a regular basis whether the execution venues included in the execution policy provide for the best possible result for its clients or whether it needs to make changes to its execution arrangements. We will review our execution arrangements and execution policy at least annually or whenever a material change occurs that affects our ability to continue to obtain the best possible result for the execution of client requirements on a consistent basis using the venues included in our execution policy. The analysis of such an annual review will be published on the GMSA website. We will notify you of any material changes to our execution arrangements or execution policy.

No Fiduciary Relationship

GMSA's commitment to provide you with "best execution" does not mean that it owes you any fiduciary responsibilities over and above the specific regulatory obligations placed upon it or as may be otherwise contracted between GMSA and yourself. You remain responsible for your own investment decisions and we will not be responsible for any market trading loss you suffer as a result of those decisions.

Aggregation of Orders

GMSA will not aggregate orders either between clients or between GMSA and a client where detriment to the client order could result.

Agreement and Consent

GMSA seeks your consent to execute orders outside of a Trading Venue. A Trading Venue is one of the following Execution Venues:

- Regulated Market
- Multilateral Trading Facility
- Organised Trading Facility

GMSA also seeks your consent not to publish limit orders that are not immediately executable

By submitting an order or transacting with GMSA you will be deemed to consent to execute orders outside a Trading Venue; not to publish limit orders that are not immediately executable and the remainder of the Execution Policy.

By providing your consent to this policy you are confirming that you have read, understood and agreed to all material reference here.



Financial Instruments as defined by MiFID

- 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, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
- 5) Options, futures, swaps, forward rate agreements 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 (otherwise than by reason of a 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 and/or an MTF;
- 7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in (6) and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls;
- 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, emission allowances 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 (otherwise than by reason of a 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 or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.