

## **Hobart Capital Markets LLP - Order Execution Policy**

**September 2013**

### **Purpose of the Policy:**

Under the 'EU Markets in Financial Instruments Directive' ("MiFID"), Hobart Capital Markets LLP ("Hobart") is required to take all reasonable steps to obtain the best possible result when executing orders on behalf of its clients ("Best Execution").

Accordingly, Hobart has in place an 'Order Execution Policy', which applies to all our clients and is operated when executing all clients' orders and/or receiving and transmitting orders for execution.

This Order Execution Policy forms an integral part of Hobart Capital Markets LLP's Terms and Conditions of Business.

### **Venues of Execution:**

Hobart uses certain electronic trading platforms that have access to a large number of markets and venues, many of which have arisen in the post MiFID environment. These markets and venues include primary exchanges, Multilateral Trading Facilities ("MTFs"), 'Dark Pools' (crossing engines used by large trading houses).

Access to these venues is achieved via Direct Market Access ("DMA") agreements with other regulated entities or via local brokers, who also have an obligation to provide Best Execution.

Hobart's choice of DMA provider(s) is reviewed regularly to determine who is offering access to suitable venue(s), in order for Hobart to ensure that it complies with its MiFID requirements, in ensuring client's Best Execution needs are being met.

Please use the following link to view our current list of venues/providers:

<http://www.hobartcapital.com/images/executionmodel.jpg>

### **Selection of Execution Venue:**

Hobart takes into consideration a number of different factors when selecting the venue(s) on which to execute client orders:

- **Price:**

The relative importance we attach is high. We will consider whether the venue provides competitive prices for the different sizes of client orders. Information sources such as Bloomberg and Thompson Reuters may be used to determine best price.

### **Selection of Execution Venue (cont'd):**

- **Speed of Execution:**

In order to protect clients from adverse price movements in highly volatile markets, Hobart will consider the speed at which the venue can execute transactions.

- **Complexity of Orders:**

Hobart will consider whether the venue can handle the typical types of complex orders received from our clients, such as limit orders and volume weighted average price orders that may be filled over the course of the day.

- **Likelihood of Execution:**

Hobart selects the execution venues to endeavour to ensure that we obtain access to the pools of liquidity most likely to facilitate execution of our trades.

Hobart may also choose to 'cross' an order between clients 'off exchange', where Hobart believe 'Best Execution' can be met.

### **Carrying Out Execution:**

When applying our Order Execution Policy, we use established electronic systems to access the venue(s) we have selected. We may also use Smart Order Routers and Algorithmic trading engines where it is appropriate.

The systems that we use do not distinguish, and therefore do not discriminate, between orders for any client, which helps ensure Best Execution for all orders and clients.

### **Monitoring:**

Hobart monitors the effectiveness of our execution venue(s), DMA provider(s) and Order Execution Policy to identify and, where appropriate, correct any deficiencies. The review of DMA provider(s) and venues used takes place at least once every 12 months.

The effectiveness of our Smart Order Routers used is reviewed quarterly by comparing price executed against available venue liquidity and pricing.

### **Consents:**

Under MiFID, Hobart is required to obtain your express consent before we trade outside a Regulated Market or Multilateral Trading Facility. Unless you advise us, in writing, to the contrary, Hobart will consider your acceptance of this Order Execution Policy as including your express consent to trade outside a Regulated Market or Multilateral Trading Facility.