

HOBART CAPITAL MARKETS LIMITED

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Hobart Capital Markets Limited Order Execution Policy July 2009

Purpose of the Policy:

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

This Order Execution Policy applies to both Retail and Professional Clients and will be applied when executing clients' orders or receiving and transmitting orders for execution.

This order execution policy forms part of the terms and conditions of Hobart.

Venues of Execution:

Hobart has electronic trading platforms that have access to a large number of the markets and venues that have arisen in the post MiFID environment. These will include primary exchanges, Multilateral Trading Facilities (MTFs), "Dark Pools of Liquidity" (crossing engines used by Large Trading Houses). Hobart may also choose to "cross" orders between clients of the firm where we believe that best execution is met.

Access to the venues is carried out using Direct Market Access (DMA) agreements with other regulated entities or via local brokers who also have a duty of Best Execution. The choice of DMA providers is reviewed regularly to determine who is offering access to the best venues in order to ensure that the needs of the clients are being met.

Please [Hobart Venues](#) to see list of Venues currently used by Hobart.

Factors in Execution:

Where Hobart has received specific instruction from the client in regards to where or how the order should be executed, these instructions will be followed and take precedence over other factors.

Where Hobart has not received explicit instruction from the client, Hobart takes into consideration a number of different factors when selecting the venues 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 Reuters and Bloomberg will be used to determine best price.
- **Speed of Execution:**
In order to protect clients from adverse price movements in highly volatile markets, Hobart will give consideration to 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.

Carrying Out Execution:

When carrying out this policy, we use established electronic systems to access the venues we have selected. We will 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 Professional or Retail Clients ensuring Best Execution for all clients.

Monitoring:

Hobart will monitor the effectiveness of our execution venues, DMA providers and Order execution policy to identify and, where appropriate, correct any deficiencies.

The review of DMA providers and venues used will take place regularly and never less than annually.

The effectiveness of the Smart Order Routers used shall be 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 MTF. Hobart will consider your acceptance of this Order Execution Policy as including express consent to trade outside a Regulated Market or MTF.

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