

Order Execution Policy

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1. Overview

1.1. Introduction

This Information on Order Execution policy, commonly known as ‘Best Execution’ contains the most important and relevant elements of Gildencrest Capital Limited (“Gildencrest Capital” the “Firm”, we or us) Order Execution process and arrangements which enable clients to make a properly informed decisions about the use of our execution services.

Gildencrest Capital applies Best Execution upon acceptance of a client order and when the client gives no specific instruction on the execution method. A client’s specific instruction on an order may prevent us from implementing Best Execution to obtain the best possible result for the execution of the order.

Best Execution will apply whenever we execute orders on behalf of retail clients. Gildencrest Capital will always act as principal (matched principal broker) when executing client orders and we do not guarantee that when executing a transaction that our price will be more favourable than one which might have been available elsewhere. This Policy forms an integral part of the account opening agreement between Gildencrest Capital and the Client and should be read in conjunction with Gildencrest Capital’s Standard Terms of Business which are detailed in your Customer Agreement and updated from time to time.

As a pre-requisite for the opening of an account with Gildencrest Capital, the Client shall acknowledge and agree to the content of this Best Execution Policy. Moreover, the Client will be deemed to have given such consent whenever placing an Order with Gildencrest Capital.

1.2. Purpose

Directive 2014/65/EU on Markets in Financial Instruments Directive (“MiFID II”) and the rules of the Financial Conduct Authority (“FCA”) impose a best execution obligation on market participants, which means that market participants, like Gildencrest Capital, must take all sufficient steps to obtain the best possible results in executing orders for its clients. Market participants are also required to establish and implement an Order Execution policy, commonly known as ‘Best Execution’ as set out by the FCA in COBS 11.2.14R:

- (a) Gildencrest Capital is required to execute Orders from Clients in a prompt, fair and expeditious manner, relative to other Orders or the trading interests of Gildencrest Capital, and to comply with certain requirements in respect of the aggregation and allocation of Orders from Clients.
- (b) Gildencrest Capital is required to provide appropriate information to Clients on its MiFID II order execution policy.

The purpose of this document is to provide Clients with information on Gildencrest Capital’s MiFID II order execution policy and to obtain their consent to such policy.

1.3. Scope and Application of Best Execution Obligation

Gildencrest Capital is an Match Principal Broker known as a straight through processing broker (“STP-only”), authorised and regulated by the Financial Conduct Authority (“FCA”) under Firm Reference Number 564741. Gildencrest Capital is ultimate provider of all prices to its clients and it is Gildencrest Capital with whom the client is dealing and contracting with.

Gildencrest Capital does not provide advisory services nor take responsibility to the suitability of specific client trades. Gildencrest Capital does not engage in proprietary trading.

Gildencrest Capital provides margin trading services in Forex Trading and Contracts for Difference (“CFDs”) and cash equity and bonds trading. From time to time Gildencrest Capital may introduce other financial products. It is Gildencrest Capital’s decision as to what markets to offer its clients and it does so not as a broker but as a principle and counterparty to each trade. As such, every CFD/symbol offered by Gildencrest Capital is quoted as a derivative of the underlying market and we are the only execution venue to which clients have access through us. (Gildencrest Capital sources prices on CFDs from number of its liquidity providers “LPs”). Gildencrest Capital executes trades for cash equity and bonds via its Prime Brokers (“PBs”).

According MiFID II Gildencrest Capital is required to take all sufficient steps to obtain, when executing orders on behalf of a client, the best possible result for their clients (“best execution”)– taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other relevant consideration.

Gildencrest Capital’s MiFID II order execution policy applies only to the provision of services by Gildencrest Capital to **Professional and Retail Clients** and in relation to **Financial Instruments** as defined by MiFID II.

(a) Gildencrest Capital’s MiFID II order execution policy also only applies where Gildencrest Capital:
(i) receives and transmits client Orders; and/or
(ii) executes Orders on a Client’s behalf.

(b) Gildencrest Capital will be executing Orders “on a Client’s behalf” where the Client legitimately relies on Gildencrest Capital to protect his or her interests in relation to the pricing or other execution factors.

In circumstances where we are unable to provide the best execution for some reason, we will notify you as soon as possible so that you are properly informed.

MiFID II requires firms authorised to execute client orders to implement procedures and arrangements which provide for the prompt, fair and expeditious execution of client orders, relative to other client orders or the trading interests of the firm. The Firm intends to provide you and other market participants with access to (where possible) tradable prices on a non-discriminatory basis. However, the diversity in those markets and instruments, and the kinds of orders that you may place, mean that different factors will have to be taken into account in relation to any particular transaction.

1.4. Categorisation of Clients

The Firm deals with Retail Clients, Professional Clients and Eligible Counterparties as defined in MiFID II and by the FCA.

Because the Firm always intends to handle orders in an equitable and consistent manner, once a client is classified, for the purposes of a particular instrument, that client may not then elect to be re-classified for the purposes of one transaction of a type it customarily undertakes. However, a client may seek to be recategorised generally for all purposes, such determinations to be made in the Firm’s sole discretion.

Exceptional circumstances may be taken into account at the time, with the consent of the Firm (the Firm may decline to provide a service should a reclassification be requested).

Gildencrest Capital executes Orders promptly and fairly. The Client is informed of any material difficulty relevant to the proper carrying out of his/her/its Order as soon as practically possible.

Notwithstanding the intentions expressed above, the Firm does not undertake to provide “best execution” if you are classified as an Eligible Counterparty you are not entitled to best execution under the UK Financial Conduct Authority (“FCA”) or equivalent EU rules.

1.5. Specific Instruction– limited scope of best execution

Whenever there is a **specific instruction** from you, we shall execute the order following the specific instruction and compliance with that specific instruction will be treated as **satisfaction of the best execution** obligation. The Client should take note that placing Orders with Specific Instructions may prevent Gildencrest Capital from obtaining best execution with respect to those aspects of the Order to which such Specific Instruction(s) relate(s).

In the absence of any Specific Instruction, Gildencrest Capital shall carry out the Order according to its Best Execution Policy.

Event of Client Default or other liquidation event

In an Event of Client Default, (e.g. insufficient margin), or other liquidation event Gildencrest Capital shall seek to immediately terminate, cancel and close-out all or part of any outstanding positions. Gildencrest Capital retains discretion as to how to handle the close-out, including with respect to order execution, fill quantity, aggregation, priority and pricing.

Funds

Funds are priced based on the value of their underlying Assets. Most funds will calculate and publish a price every working day referred to as the NAV (Net Asset value). There is no continuous pricing of fund units throughout the trading day but trades are executed at the next available NAV. This means that you will not know the exact number of units your investment will result in but you will per definition get the best possible price.

2. Best Execution Factors and Criteria

When executing a client order, we may take into account the following “**execution criteria**” for determining the relative importance of price, costs, speed, likelihood of execution and settlement, size and any other consideration relevant to order execution (the “execution factors”):

- the characteristics of the client including its classification as retail or professional;
- the characteristics of the client order;
- the characteristics of the financial instruments that are the subject of that order; and
- the characteristics of the execution venues to which that order can be directed.

Differences in market structure and the structure of financial instruments results in the satisfaction of our best execution obligations in different ways as further detailed below.

“The Execution Factors”:

- Price and costs of execution: Gildencrest Capital takes the underlying market price of the derivative it is quoting and then applies an algorithm to this price to achieve its own market price. The underlying feed that Gildencrest Capital uses may be from one source such as Liquidity Provider or exchange or in the case of FX from several feeds. Where several feeds are used the best bid and offer combinations are used to maintain tight spreads. The automated system will seek out the best overall outcome for the transaction and this is likely to be the most important execution factor to our clients. The Firm employs a transparent cost structure with no hidden commissions or fees.
- Speed of execution: Through the use of an automated trading platform, orders will be executed promptly with only rare opportunities for price slippage to occur on some types of orders. Due to the nature of the platform, it is likely that speed of execution will be of high importance to our clients. We aim to update our prices as frequently as reasonably possible; however, our ability to do so may be limited by technological factors, including liquidity providers’ price feed, hardware, software and data communications links. We execute all trades at the prices communicated to us by liquidity providers and in accordance with our Standard Terms of Business. In certain circumstances due to speed of internet communications, market volatility or in the case of deliberate manipulation of our quoted prices your trade may be rejected by us or our LPs if the price at which you have attempted to trade is not representative of the “underlying market” price when received by the us/our LP.
- Likelihood of execution; In almost all circumstances, as long as you have sufficient margin available on your account for the trade and so long as the trade size requested is equal to or under the maximum size permissible, your trade will be executed at the level requested.
- Size, of order & liquidity in the market: A typical transaction consists of a currency or CFD trade. The platform will seek to provide you with the best outcome for your order considering the factors described above. All trades are subject to size considerations. If the requested trade size is larger than we are able to trade in the “underlying market” then it may be executed partially or the entire trade or order may be rejected at our discretion.
- Characteristics of the clients: Our client base will be comprised of a mixture of Retail Clients, Professional Clients and Eligible Counterparties. The Firm is aware that Retail Clients are afforded the highest protections and will place greater emphasis on any obligations owed to them. This Best Execution Policy applies to both our Retail and Professional Client categories.

Based on the above factors, we consider that price will be the most important factor.

2.1. The Role of Price

It is our general policy for Retail and Professional client transactions not to give execution factors other than price and costs (“Total Consideration”) precedence unless they are instrumental in delivering the best possible result in terms of total consideration to the client.

For Professional clients, however, in some circumstances, for some clients, orders, financial instruments or markets, Gildencrest Capital may appropriately determine that other execution factors are more important than price in obtaining the best possible execution result. In certain circumstances our determination of the relative importance of the execution factors may differ from retail clients including for example where the likelihood of execution may take precedence over price.

3. Execution Venues and Liquidity Providers

An “Execution Venue” is a regulated market (“RM”), multilateral trading facility (“MTF”), systematic internaliser or a market maker or liquidity provider, or an entity that performs a similar function in a third country. The selection of the Execution Venue has a direct impact on the best possible result the firm is able to obtain when executing Orders.

Based on its assessment of the Execution Factors and the Execution Criteria, Gildencrest Capital will select one or more venue(s) for the execution of the clients order. Venues used might include:

- a. Regulated Markets (RM)
- b. Multilateral Trading Facilities (MTF)
- c. Systematic Internalisers (SI)
- d. Liquidity provider.

Gildencrest Capital is your venue of execution. We do NOT act as a Market Maker with respect to your transactions. In all circumstances your order will be passed through to an LP.

The Firm has identified those venues on which the Firm will most regularly seek to execute your orders and which the Firm believes offer the best prospects for achieving the best possible results for you, taking into account the execution factors detailed below.

Gildencrest Capital has access to a number of exchanges and other execution venues through its Prime Brokers.

Gildencrest Capital’s liquidity providers and venues list will be provided on your written request.

The Firm reserves the option to add additional venues/LPs in the future and this policy will be updated accordingly.

4. Receiving and Transmitting Orders

4.1. Connected Parties and Third Party Brokers

In certain markets and subject always to any specific instructions that may be given by our Clients, Gildencrest Capital may transmit an Order Gildencrest Capital receives to Connected Parties or Third Party Brokers, for execution. In doing so, Gildencrest Capital will comply with the considerations set out in this Policy.

- (a) Execution through Connected Parties can provide particular benefits, which can include increased certainty of execution, increased transparency, more effective communication and efficient resolution of issues for our Clients.
- (b) Gildencrest Capital keeps the performance of Connected Parties and Third Party Brokers under review including the formal evaluation of their performance to help ensure appropriate standards of execution which are consistent with our MiFID II order execution policy.

5. Order Handling and Execution

Recognising that Clients execute FX transactions with Gildencrest Capital electronically, Gildencrest Capital's first priority has been to ensure that its electronic execution platform meets the requisite Best Execution standards.

5.1. Benchmarking & Monitoring

(a) Best Execution price streams are benchmarked against external and internal reference prices to ensure that Best Execution is achieved on a consistent basis. Wherever possible, external reference prices from market venues and brokers are used to obtain the best comparison of Gildencrest Capital's price against externally available prices. External observed prices may be adjusted for comparison purposes to take into account known costs of executing on external venues, (for example price slippage factors according to trade size). Where the external data available is limited in scope or quality, internal data may be used as a reference, (for example executed prices of comparable trades).

(b) The results of benchmarking are reviewed by Gildencrest Capital's management on at least a monthly basis. In the event benchmarking activities identify that pricing needs to be adjusted in any area, appropriate corrective action is taken going forward.

5.2. Order Execution Risks

(a) **Slippage**

We take 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.

(b) **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. You 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.

(c) **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 Trading System or internet connectivity or processing speed for which we do not accept responsibility

(d) **Risk of dealing in volatile markets**

Clients should be aware of the following risks associated with volatile markets, especially at or near the open or close of the standard trading session:

- a. Execution at a substantially different price from the quoted bid or offer or the last reported price at the time of order entry, as well as partial executions or execution of large orders in several transactions at different prices.

- b. Delays in executing orders for financial instruments that Gildencrest Capital sends to external market makers and manually routed or manually executed orders.
- c. Opening prices that may differ substantially from the previous days close.
- d. Locked (the bid equals the offer) and crossed (the bid is higher than the offer) markets, halted markets, limit up (buys halted)/limit down (sales halted) which may prevent the execution of client orders.
 - i. Price volatility is one factor that can affect order execution. When there is a high volume of orders in the market, order imbalances and back logs can occur. This implies that more time is needed to execute the pending orders. Such delays are usually caused by the occurrence of different factors: a. the number and size of orders to be processed;
 - ii. The speed at which current quotations (or last-sale information) are provide to Gildencrest Capital and;
 - iii. The system capacity constraints applicable to the given exchange, as well as Gildencrest Capital and other firms.
- e. Gildencrest Capital is obligated to take necessary steps to keep an orderly market. Therefore Gildencrest Capital operates with “Compliance” order filters. Such Compliance order filters are also present at exchanges and other brokers that used by Gildencrest Capital to route the order to the designated market. The filters might result in orders with a large expected market impact to be paused or traded using an algorithm potentially causing slippage from the expected arrival price. Gildencrest Capital cannot be held liable for price slippage caused by acting to keep an orderly market.

5.3. 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.

Because of electronic execution, liquidity is delivered via continuous price streams which are regularly benchmarked against external and internal reference prices to ensure that the best prices are available on a consistent basis.

5.4. Aggregation

We may combine your order or instruction with those of other clients as a single order. This will be where we reasonably believe that this is in the overall best interests of our clients and is unlikely to work overall to your disadvantage. However such aggregation may work to your disadvantage in relation to a particular order. For such transactions Gildencrest Capital ensures that no client is treated in a preferred manner.

5.5. Fees and Costs

Gildencrest Capital charges for its services. These may vary depending on factors such as the service it is providing to the client; the manner in which they are used; and the pricing plan that the client has agreed to. Details of Gildencrest Capital’s charges are available on its website. In normal circumstances, Gildencrest Capital charges mark ups on the raw spreads it receives from its liquidity providers and prime brokers, as per the Client’s account group or type.

For the purpose of assessing whether it has achieved Best Execution, Gildencrest Capital will not take its standard charges that apply to a client’s transactions irrespective of the venue at which they are executed into account. Gildencrest Capital will, however, take account of any charges levied by a third party or incorporated into its prices to reflect cost differentials of dealing at different execution venues.

The Firm does not charge different fees or costs depending on the venues used in order to ensure that costs are transparent and fully disclosed to you, the client. Further details are available upon request.

Additional costs that you should be aware of and which may be applied are:

- Transaction fees;
- Conversion of realized P/L to base currency.

5.6. Other Fees Disclosure

We may rebate any introducer(s) of your account. Other charges shown on your account statement may also be rebated to your introducer. Further details are available on request. This should not interfere with our or their duty of best execution.

5.7. Conflicts of Interest

The Firm recognises that conflicts may exist between the interests of the Firm and its clients. The platform on which orders are executed will display the best available price from a number of liquidity providers and clients, thereby reducing the scope for conflicts.

5.8. Monitoring and Review

We will monitor the effectiveness of our order execution arrangements and this Policy and 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 we will review, at least annually or when a material change occurs, both our order execution arrangements and this Policy. Material changes to this Policy will be notified through our website and be available to actual and potential clients.

5.9. No Fiduciary Relationship

The Firm'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 the Firm and yourself.

You remain responsible for your own investment decisions and the Firm will not be responsible for any market trading loss you suffer as a result of those decisions.

5.10. Client Consent to Execution Policy and Execution of Order: outside a Regulated Market or MTF

- (a) We are required to obtain your prior consent to our MiFID II order execution policy. You will be deemed to provide such consent when you place an Order with us on or after 3 January 2018.
- (b) For Financial Instruments admitted to trading on a Regulated Market, MTF or OTF, we are also required to obtain your prior express consent before we may execute an Order in such instruments outside of a Regulated Market, MTF or OTF. You will be deemed to provide such consent when you become Gildencrest Capital client and place an Order with us.

SCHEDULE 1: FINANCIAL INSTRUMENTS and SERVICES

1. Investment Services and Activities

Pursuant to the Agreement, we will conduct/ provide the following MiFID II investment services and activities (the “Activities”):

- (a) execution of orders on behalf of client.

For the avoidance of doubt, we do not provide the investment service of portfolio management or investment advice.

2. Regulated Activities

Some of the regulated activities we conduct include the following:

- (a) Dealing in investments as principal (limitation: matched principal broker – unable to hold financial instruments for own account unless it meets the ‘matched principal exemption conditions’ in the FCA’s glossary of defined expressions used in FCA’s Handbook and rights to or interests in (both))

3. Products

Subject in each case to our relevant FCA permissions, we provide Activities in relation to the following products and any others as may from time to time be agreed:

- (a) Bonds
- (b) Cash Equities and Exchange Trade Products (ETF,ETC,ETN)
- (c) CFD Indices and CFD Commodities /Futures
- (d) Rolling Foreign Exchange Spot

SCHEDULE 2: BONDS

1. Products in Scope:

- 1.1. Purchase and sale of global Bonds.

2. Order Types Available:

- 2.1. Gildencrest Capital’s online trading works with one order type: Fill or Kill (market) order. Where market pricing may be outside of the indicative bid/offer price due to a lack of liquidity orders may be routed to market as aggressive limit orders. This will provide some protection from negative slippage but may introduce the risk that the order will not be filled if the market moves sharply.
- 2.2. Gildencrest Capital’s offline trading, for specific bonds, allows the client to place an OTC limit order. In this case Gildencrest Capital works the limit order manually on a best effort basis, versus Gildencrest Capital’s counterparties’ liquidity and follows the rules for offline trading as described below.

3. Relevant Execution Factors:

3.1. Gildencrest Capital trades as agent to bond trades with clients.

3.2. The ranking of execution factors for bonds is:

- a. Price;
- b. Expected impact of execution;
- c. Likelihood of execution and settlement;
- d. Order size and type;
- e. Costs;
- f. Speed;
- g. Other factors.

4. Gildencrest Capital's selected venue:

4.1. Orders are executed over the counter (OTC) against Gildencrest Capital's counterparties' Liquidity referred to as offline trading.

4.2. When executing client orders Gildencrest Capital may source liquidity from:

- a. Other dealers in the market;
- b. Regulated Trading venues.

4.3. Gildencrest Capital Offline Trading:

4.3.1. Execution is done bilaterally with Gildencrest Capital with many orders still negotiated over the Bloomberg chat. Due to the market structure, Bonds are still largely traded bilaterally using voice trading. Gildencrest Capital uses an agency model, where clients can trade on prices offered by where liquidity was sourced, on request from the client plus markup from Gildencrest Capital services.

5. Price Formation:

5.1. Offline Trading:

5.1.1. The market is characterised by indicative OTC prices. For bonds traded offline Gildencrest Capital splits all bonds into one of three baskets based on the relevant bond's liquidity;

5.1.2. For highly liquid bonds, Gildencrest Capital will offer a bid/offer price in line with prices shown in any attainable firm market (this includes public exchanges to which Gildencrest Capital has access via a prime broker, as well as OTC counterparts).

5.1.3. For bonds with lower liquidity, Gildencrest Capital will source a minimum of three separate indicative prices to gauge the best price based on the order size.

5.1.4. For highly illiquid bonds, Gildencrest Capital seeks to derive a mid-price based on all indicative pricing information available to it, and then quotes a bid/offer spread to the client factoring in a predefined additional spread.

SCHEDULE 3: CASH EQUITIES AND EXCHANGE TRADED PRODUCTS

1. Products in Scope:

1.1. Purchase and sale of cash equities and equity-like products, such as ETFs, ETCs and ETNs.

1.2. Not in Scope:

Transactions arising from the exercise of an option

2. Order Types available:

2.1. Market Order

2.1.1. With a market order the client instructs a financial institution or trading counterparty to execute a trade of a certain size as promptly as possible at the prevailing market price. Financial institutions are required to execute market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to fill a client's order, the order will most likely be exposed to the risk of execution at a price substantially different from the price when the order was entered. Certain exchanges do not support market orders. If the client places a market order in these markets, Gildencrest Capital will automatically translate the order to an aggressive limit order within a certain percentage limit "in the money". It is the client's own responsibility to check if the order is traded in the market after order entry. If the client experiences or suspects any errors with his/her order the client should contact Gildencrest Capital immediately. Orders may be traded using an algorithm potentially causing slippage from the expected arrival price. This is done by Gildencrest Capital counterparties or Gildencrest Capital in an attempt to prevent large market impact and live up to our obligations to keep an orderly market. Gildencrest Capital cannot be held responsible for missing fills when using such algorithms to minimize market impact.

2.2. Limit Order

2.2.1. With a limit order, the client sets the maximum purchase price, or minimum sale price, at which the trade is to be executed. As a limit order may be entered away from the current market price, it may not be executed immediately. A client that leaves a limit order must be aware that he/she is giving up the certainty of immediate execution in exchange for the expectation of getting an improved price in the future. Limit orders may be routed to an exchange without human intervention. Where a limit order is placed in a share admitted to trading on a regulated market, Gildencrest Capital shall not be obliged to publish that limit order if it cannot be immediately executed under prevailing market conditions.

2.3. Immediate or Cancel (IOC)

2.3.1. An immediate or cancel order (IOC) is an order to buy or sell that must be executed immediately, and any portion of the order that cannot be immediately filled is cancelled. An IOC order may fill completely or partially, or it may not fill at all.

2.4. Stop Order:

2.4.1. Different from a limit order, a stop order allows selling below the current market price or buying above the current market price if the stop price is reached or breached. A stop order is therefore a "sleeping" market order until the stop price is reached or breached.

2.5. Trailing Stop Order:

2.5.1. The trailing stop order is a stop order as described above but the trailing stop price moves according to parameters set by the client. This way the trailing stop can be used to sell if the price drops more than a specified distance from the highest price traded or to buy if the price trades above a set level from the lowest traded price.

2.6. Stop Limit Order:

2.6.1. A stop limit order is a variation of a stop order as described above with a lower (higher) limit price to suspend trading if the price falls (rises) too far before the order is filled restricting trading to a predefined price range.

2.7. Algorithmic Order:

2.7.1. An Algorithmic Order is an order executed by an automated strategy according to specific parameters or conditions. Algorithmic Orders are intended to minimize the market impact created from placing larger orders or achieving a recognized trading benchmark such as VWAP etc. The orders can also be used to follow a volume participation or in general to achieve a better overall execution.

3. Relevant Execution Factors:

3.1. Gildencrest Capital trades as agent with respect to cash equity trades with clients. Gildencrest Capital has access to a number of prime brokers that are able to check multiple different execution venues when trying to execute a cash equity order. Not only does this allow Gildencrest Capital to potentially access better prices, it also gives access to additional liquidity, meaning that there is a greater likelihood of obtaining an execution. The ranking of execution factors for cash equities is:

- a. Price;
- b. Expected impact of execution;
- c. Likelihood of execution and settlement;
- d. Costs;
- e. Speed;
- f. Other Factors.

4. Gildencrest Capital's selected venue:

4.1. Gildencrest Capital acts as agent for cash equities.

All orders in cash equities are executed on venue but via a Prime broker as Gildencrest Capital does not have direct venue membership.

5. Price Formation:

5.1. Client orders are routed by trading system via a prime broker connection to the electronic order book of different venues. Prices are formed according to rules of the venue; Gildencrest Capital adds a mark-up.

SCHEDULE 4: CFD INDICES and COMMODITIES

1. Products in Scope:

1.1. CFD's based on stock indices.

2. Order Types Available:

- (a) **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 the Trading System 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.
- (b) **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 order guarantees price but does not guarantee execution.
- (c) **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.
- (d) **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.
- (e) **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 specified price. In the event that market conditions trigger a stop order for execution it will become a market order upon execution. This means that your final execution price may be less favourable or more favourable depending on market conditions. Stop orders guarantee execution but does not guarantee price.
- (f) **A stop order to buy** at a price above the prevailing market price will be executed at the next available market rate, which can be less favourable, or more favourable than your specified rate.
- (g) **A stop order to sell** at a price below the prevailing market price will be executed at the next available market rate, which can be less favourable, or more favourable than your specified rate.
- (h) **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 your favour the stop price will automatically update to maintain the specified stop distance from the current market price by adjusting your stop rate. However, should the market at any time move against you the stop price will remain fixed acting as a floor. At that time should the market trade through or gap past your specified stop rate your order will be submitted for execution as market order available for execution at the next available market price.
- (i) **Margin Call** - A Margin Call is a system-generated order that is triggered when your usable liquidation margin drops to zero or below. The order behaves like a Market At Best order when it is triggered. This order can be partially filled multiple times until either the full order amount is executed or you cancel any remaining amount. There is no price associated with this order, so the order will be executed at the best available market price.
- (j) **Limit Order Publication** (if unexecuted) If you give us a limit order in relation to shares admitted to trading on an EEA regulated market, we will be required to make public such limit orders to the extent they are not immediately executed under prevailing market conditions unless you consent to our exercising our discretion as to whether to make such limit orders public.

3. Relevant Execution Factors:

Gildencrest Capital trades as agent to CFD Index trades with clients. CFD Index prices are derived from the relevant underlying index price, taking into account the cost of carry. Gildencrest Capital charges mark ups on the raw spreads it receives from its liquidity providers as per the Client's account group or type. For CFD indices the ranking of applicable execution factors is:

- a. Price;
- b. Expected impact of execution;
- c. Costs
- d. Order size and type;
- e. Likelihood of execution and settlement;
- f. Speed;
- g. Other factors.

4. Liquidity Providers Selection Criteria

The following criteria are used when selecting liquidity providers:

- They operate in the markets in which the Firm operates, and in the currencies and financial instruments that they are able to support;
- Their geographical location and ability to provide real time access to markets;
- 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.

5. Price Formation:

CFD Index prices are Gildencrest Capital LPs' proprietary prices, which are derived from the relevant underlying Market.

Where the CFD Reference Asset is listed on a Market then the CFD quoted prices are derived from the market quoted price for the Reference Asset. For certain Reference Assets such as precious metals the quoted price may be derived from the exchange traded futures contract price for the relevant Reference Asset.

SCHEDULE 5: ROLLING FOREIGN EXCHANGE SPOT

1. Products in Scope:

- 1.1. Purchase and sale of rolling foreign exchange spot contracts.

2. Products not in Scope:

- 2.1. Spot foreign exchange transactions undertaken with the intention of converting money from one currency to another – including transactions undertaken to facilitate settlement of other transactions.
- 2.2. Transactions undertaken to roll forward the value date of a client position which do not result in a change to the client's FX market exposure.

3. Order Types Available:

- (a) **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 the Trading System 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.
- (b) **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 order guarantees price but does not guarantee execution.
- (c) **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.
- (d) **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.
- (e) **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 specified price. In the event that market conditions trigger a stop order for execution it will become a market order upon execution. This means that your final execution price may be less favourable or more favourable depending on market conditions. Stop orders guarantee execution but does not guarantee price.
- (f) **A stop order to buy** at a price above the prevailing market price will be executed at the next available market rate, which can be less favourable, or more favourable than your specified rate.
- (g) **A stop order to sell** at a price below the prevailing market price will be executed at the next available market rate, which can be less favourable, or more favourable than your specified rate.
- (h) **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 your favour the stop price will automatically update to maintain the specified stop distance from the current market price by adjusting your stop rate. However, should the market at any time move against you the stop price will remain fixed acting as a floor. At that time should the market trade through or gap past your specified stop rate your order will be submitted for execution as market order available for execution at the next available market price.
- (i) **Margin Call** - A Margin Call is a system-generated order that is triggered when your usable liquidation margin drops to zero or below. The order behaves like a Market At Best order when it is triggered. This order can be partially filled multiple times until either the full order amount is executed or you cancel any remaining amount. There is no price associated with this order, so the order will be executed at the best available market price.
- (j) **Limit Order Publication** (if unexecuted) If you give us a limit order in relation to shares admitted to trading on an EEA regulated market, we will be required to make public such limit orders to the extent they are not immediately executed under prevailing market conditions unless you consent to our exercising our discretion as to whether to make such limit orders public.

4. Relevant Execution Factors:

- 4.1. Except for Limit orders, Gildencrest Capital will place the highest priority on total consideration (the combination of price and costs associated with dealing).
- 4.2. For Limit orders, where the client has stipulated a price that is not immediately available in the market, Gildencrest Capital will place the highest priority on execution at the client's specified price at the first possible opportunity. This means that Gildencrest Capital will prioritise speed and certainty of execution.

5. **Liquidity Providers Selection Criteria:**

The following criteria are used when selecting liquidity providers:

- They operate in the markets in which the Firm operates, and in the currencies and financial instruments that they are able to support;
- Their geographical location and ability to provide real time access to markets;
- 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.

Rolling Spot Forex/FX CFD is traded over-the-counter ("OTC") and it is not a financial instrument which is traded on regulated markets or an exchange. We receive electronically real-time executable prices from liquidity providers.

In a volatile market 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 you.

6. **Price Formation:**

6.1. Gildencrest Capital constantly monitors the prices available to it in the wider market. Its price for foreign exchange spot transactions is formed from the liquidity available in a given currency pair for buying or selling, to which its charges are added.

7. **Gildencrest Capital Charges:**

- 7.1. Gildencrest Capital's charges may include the following some of which may be included in the net price at which the client trades:
- 7.2. Price Mark Up. Gildencrest Capital's final transaction price may be inclusive of Mark Up that may impact the execution of any order linked to or triggered at a specified price level. This Mark Up will not form part of the price for best execution comparison purposes.
- 7.3. Spread. The difference between the bid (sell) price and the offer (buy) price. Spread is dependent on many different factors, including but not limited to, the underlying liquidity and volatility, time of day and notional trade size.
- 7.4. Commission. The fee charged for the service of carrying out the transaction, subject to a minimum fee on small notional trade sizes.

8. **Direct Markets Access:**

- 8.1. Clients may ask Gildencrest Capital to provide them with direct access to the market. Gildencrest Capital will treat this as a Specific Instruction from the client and will accordingly consider whether it is able to do this and on what terms.
- 8.2. Where Gildencrest Capital provides clients with direct market access, Gildencrest Capital will select one or more execution venues that it believes will provide the best outcomes for that client's transactions. This may be a different selection of venues than it otherwise uses for execution of similar transactions. This may result in a different outcome for the client's transactions.