

Best Execution Policy

JANUARY 2012

General principles

As a firm, we are required under the Rules of the Financial Services Authority to take all reasonable steps to achieve what is called “best execution”. Broadly speaking, this means that where a transaction in a financial instrument is placed on behalf of a client, this must be done on the most advantageous terms possible. We are also required to provide you with a copy of the policy we adopt to achieve this objective.

Equilibrium Asset Management LLP (“The firm”) has in place policies and procedures which are designed to achieve the best possible execution result. We will only use trading entities (which initially will be “wrap platforms”) that we are satisfied comply with best execution principles when placing orders.

Order Execution Policy

As a firm we will apply our policy to each order with a view to obtaining the best possible result in accordance with the execution factors outlined below:

- Price;
- Cost of the transaction;
- Speed of execution;
- Likelihood of execution and/or settlement;
- Size and complexity of the order; and
- Characteristics and nature of the orders.

These factors have been reviewed in relative importance to assess the ‘Total Consideration’ to the client. Total consideration is defined as the price of the financial instrument and the costs related to execution, including all expenses incurred which are directly related to the execution.

The general principle is that we will carry out an instruction as soon as is practically possible *unless* we have reason to believe that it would be more beneficial for our client(s) not to do so. Our overriding concern is to always try to obtain the best possible deal for clients.

For Retail Clients price will normally be the most important aspect in obtaining the best possible result. The Firm will therefore assume that the best available price is the most important outcome for your transaction unless you specify at the time of dealing that another factor is of greater importance.

Execution Entities

The firm will place orders through:

- The Nucleus Financial Services Limited Wrap Platform
- The Seven Investment Management “Tethys” Wrap Platform

The firm has reviewed the best execution policies of the above, and full details can be provided upon request. We are satisfied that the use of these entities allows us to meet our best execution requirements.

Delivering Best Execution

Having given due regard to the instruction from the client and the execution factors, we will select the most appropriate execution entity from the list above and will execute the order accordingly.

Where a client has issued specific instructions which conflict with our best execution policy, we will follow the instructions provided which may not be in accordance with the policy. To this extent, we will be deemed to have complied with the best execution requirement in line with the nature of the instruction.

Ongoing Review and Amendment

An overall assessment of the execution policy will be carried out on an annual basis as a part of the compliance monitoring plan. Consideration will be given to the steps that the firm takes to obtaining the best possible result. These will include:

- The use of additional or different execution entities;
- Assignment of the relative importance to the best execution factors;
- Modifying other aspects of the (execution) policy and/or arrangements.

Amendments to the Policy

If any material changes occur to the way we execute orders we shall notify client of the execution arrangements. The firm will consider a material change to be an alteration of the best execution factors or entities where we place decisions to deal.

Monitoring

The firm will monitor selected transactions at periodic intervals to establish whether the best execution policy has been complied with in all cases.