



Best Execution Policy

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Abalone Asset Management Ltd

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EXECUTIVE SUMMARY

Abalone Asset Management Limited (the “Company”) conducts its business with the objective to obtain, when executing orders, the best possible result for its clients, taking into account the execution factors.

The Company will apply best execution obligations in a manner that takes into account the different circumstances associated with the execution of orders related to particular types of financial instruments.

Under the EU Markets in Financial Instruments Directive (“MiFID”) and the rules of the Malta Financial Services Authority (“MFSA”), the Company is required to put in place an order execution policy which describes our approach to obtaining the best possible result for clients when we transmit their orders for execution.

Our policy only applies where it is clear that the client is relying on the Company to protect its interests in relation to the pricing or other aspects of the transaction that may be affected by how the Company transmits the order for execution.

In so far as we receive specific instructions from a client in relation to a transaction, those instructions supersede our Order Execution Policy. Execution of that order must comply with the client instructions and, where not covered by the client’s instructions, with this Policy, as appropriate in the context of the client’s instructions.

Our commitment to obtain the best possible result for the client does not mean that we owe it any fiduciary or other responsibilities over and above the specific regulatory obligations placed upon the Company or as may be otherwise contracted between the Company and the client through terms of business or otherwise.

1.0 – SCOPE

Under MiFID, investment Companies are required to ensure that they deliver the best possible result when executing orders on behalf of clients. All reasonable steps therefore must be taken to ensure that this is delivered with reference to size, speed, cost, likelihood of execution and settlement, nature of the order, price or any other consideration that is applicable to the execution. This is termed as the “Best Execution Obligation”.

2.0 – BEST EXECUTION

The Company's regulatory obligation to obtain the best possible result applies whenever it executes an order on behalf of a client or receive an order from a client for transmission to a third party for execution.

The Company must take all reasonable steps to obtain, when executing orders, the best possible result for its clients, taking into account the following execution factors.

Price;

transaction costs;

speed and type of execution;

likelihood of execution;

size of the order;

time of the order;

type of financial instrument;

any other consideration that is key to order execution.

The Company would anticipate that the nature of the transaction and the likelihood of execution or settlement would be the primary considerations. The Company would then consider the size of the order, followed by net price and speed of execution.

When executing a client order, the Company will take into account the following criteria for determining the relative importance of the execution factors:

The characteristics of the client, including the categorisation of the client which will always be 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.

3.0 – EXECUTION FACTORS

Other execution factors may be more important than price itself in obtaining best execution on a client by client basis or in different specific circumstances.

For example:

When executing: speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs may be given precedence over immediate price and cost consideration when looking at the total consideration;

Client knowledge will help to establish best execution criteria for each different approach and client.

4.0 – EXECUTION CRITERIA

When executing a client order, the Company must take into account the following criteria for determining the relative importance of the execution factors:

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.

The Company is aware of the importance of the execution price, however, there may from time to time be circumstances for some clients, particular instruments or markets where other factors may be deemed to have a higher priority.

Where feasible, the Company will have a preference to execute an order directly with a regulated market through direct market arrangements. Where the characteristics of the order, financial instrument or execution venues is such that it is commercially considered that an alternative means of execution is preferable, the Company will proceed through a third party broker, an MTF or Over-The-Counter transactions (“OTC”), as appropriate.

The Company will apply the execution factors and criteria in a number of different ways, depending on the type of instrument involved, its liquidity and the role played by the Company.

For example, for fixed income instruments that are considered liquid, the Company will seek best price on the market and will execute the trade with the client at the best price. In relation to fixed income instruments that are considered to be less liquid the Company may consider an OTC transaction to be the most appropriate form of execution or may also look to source niche counterparties. In all cases, if the Company considers that after due enquiry it is able to offer a better price than is available at the relevant time on the market, it may execute the trade with the client.

5.0 – ORDER TRANSMISSION

When transmitting orders to a third party for execution, the Company will process at its best with the entities which the orders are placed or to which the Company transmits orders for execution.

The entities identified must have execution arrangements that enable the Company to comply with its obligations under this section and only enter into arrangements for execution where those arrangements are consistent with providing best execution, when it places an order with, or transmits an order to, that entity for execution.

6.0 – MONITORING AND REVIEW

The Company will monitor the effectiveness of this order execution policy to identify and, where appropriate, correct any deficiencies.

The execution policy will be reviewed at least annually or whenever a material change occurs that affects our ability to obtain the best result for our clients.