

FORTHRIGHT SECURITIES AND INVESTMENTS LIMITED

INTERNAL BEST EXECUTION POLICY

&

PROCEDURES

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FORTHRIGHT SECURITIES &
INVESTMENTS LIMITED

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“To FSIL, Best Execution is much more than a legal requirement; it’s an essential part of our business model and one of the cornerstones of our service offer to trading clients.”

1. Introduction

This document (the “Policy”) specifies the procedures which Forthright Securities and Investments Limited (“FSIL”) will follow when executing or transmitting orders in financial instruments on behalf of its retail and professional clients. FSIL will take all reasonable steps in accordance with this Policy in order to obtain the best possible results for its clients. Please note that although the procedures set out in the Policy are expected to produce the best possible result for FSIL’s clients, there is no guarantee that circumstances will enable this to be achieved in every single transaction.

As such, the procedures set out herein constitute “Best Execution” in FSIL’s view. ***By asking FSIL to enter into a transaction with or for you, you agree to the transaction being executed in accordance with this Policy.***

Where a client requests a quote and accepts it or where the terms (including the price) of a deal are otherwise specifically agreed between FSIL and the client, the resultant transaction will for a retail client be considered to constitute Best Execution, and will for a professional client be outside the terms of this Policy. The same order can be executed in parts using more than one of the methods described in this Policy. Terms used in this Policy have the same meaning as defined under SEC financial regulation. :

2. Specific client instruction

Where a client gives FSIL a specific instruction on how all or part of its order should be executed, the relevant execution will be effected in accordance with such instructions. You should be aware that providing specific instructions may prevent FSIL from following the procedures set out in this Policy, which are considered likely to obtain the best possible result for you.

3. The relative importance of different factors in execution

In executing a client’s order FSIL will take into consideration the followings:

- the price at which it is likely to be executed and the costs which will be incurred;
- the speed and likelihood of both execution and settlement;

- the size and nature of the order and its impact on the market; and
- any other factor which FSIL considers to be relevant to the execution of the order.

Using its reasonable judgment, FSIL will weigh these factors at the time of execution in accordance with its client's characteristics, the financial instrument involved and the prevailing market conditions. Unless special circumstances apply, FSIL's priority in executing transactions will be to obtain the best possible result in terms of the total consideration to be paid or received by the client.

4. Execution of orders in financial instruments regularly traded on external execution venues

This section applies to financial instruments traded with reasonable liquidity on an execution venue outside FSIL, such as a stock exchange or other specialist marketplace. Such instruments include, for example, certain:

- shares;
- bonds and other interest-bearing or discounted debt instruments, including index-linked bonds;
- standardised derivatives;
- exchange traded fund units;
- other financial instruments traded on an external execution venue.

FSIL will execute its client's order in such a financial instrument in the following way:

- The order will normally be routed for execution to the execution venue FSIL considers to provide the best result for the client, which will generally be the execution venue that has demonstrated over time the most liquidity in the relevant instrument.
- Where the order is of a larger size, such that care is required in its execution in order to minimize the adverse impact of the order in the market, FSIL will execute the order at such times, and in such separate parts in the market, as appears in its reasonable judgement as to be likely to produce the best possible overall result for the client under the circumstances as they develop.

- Should circumstances permit it, and provided that it appears to FSIL that it will operate to the client's overall advantage, FSIL may choose to execute all or part of the order against either its own book or directly against a market counterparty or the order of another of its clients. However, FSIL will only do this if it appears likely at the time of dealing that the result is at least as good as would have been obtained in the market.
- FSIL may offer to take an order of a larger size directly onto its own book at a price agreed with the client. The agreed price may be less advantageous than the price prevailing in the market for small volumes, but is likely to be more advantageous than the price that at the time could have been obtained in the market for volumes equal to the size of the order.
- Where a client requests FSIL to make a quote for a transaction off its own books, FSIL will take reasonable care to ensure that the price so quoted is fair in all the circumstances.

5. Execution of orders in financial instruments not regularly traded on external execution venues

This section applies to financial instruments which are not traded with reasonable liquidity on an execution venue outside FSIL, such as both standardised but non-exchange traded instruments and instruments created (whether by FSIL or another intermediary) from one or more components, some of which may be listed or traded in their own right, for example in order to provide an instrument designed to meet specific exposure requirements. Such instruments include, for example, certain:

- bonds and other interest-bearing or discounted debt instruments;
- OTC derivatives;
- instruments in which the return is linked to the performance of a specific index or reference rate;
- instruments based on or involving contracts for difference;
- unquoted shares;
- fund units;
- other financial instruments not regularly traded on an external execution venue.

FSIL will execute its client's order in such a financial instrument in the following way:

- FSIL may execute the order against its own book, at a sound price. The pricing will take into account the prevailing market price or the market price available to FSIL, or level of the underlying asset, index or rate incorporated into the structure of the instrument, or other relevant market factors or events. The pricing will in addition take into account the costs involved in FSIL's business model for the instrument in question – such as costs inherent in the utilization of its own capital to support its dealings with clients, counterparty credit risk, operational risk or risk position assumed in creating the instrument and making it available to clients.
- To be able to provide execution in e.g. unquoted shares, FSIL may execute the order against market counterparty or the order of another of its clients.
- Specifically for fund units, FSIL will carry out its client's order by transmitting it, directly or through an intermediary, to the fund management company (or equivalent) responsible for administering the fund in question.

6. Execution venues used by FSIL

FSIL participates in a variety of different regulated markets; NSE, NASD and in addition has direct access to a number of other execution venues, chosen in each case because they meet FSIL's requirement to execute orders to the best advantage of its clients.

7. Placing and transmission of orders to third party brokers

FSIL will handle the placing of orders when providing portfolio management services and/or transmitting its clients' orders, in the way that it regards at the time to be in the best interest of the client, and, where it deems it appropriate, may use the services of a third party broker.

FSIL will make a careful assessment of any third party broker it will use and will establish a relationship with it. When selecting a third party broker to which orders are placed or transmitted for execution, FSIL considers factors such as price, costs, speed and likelihood of both execution and settlement, as well as other factors that might be significant at the time of placement and transmission of orders.

8. Execution outside a regulated market or an MTF

FSIL may execute client orders outside a regulated market or an MTF (Multilateral Trading Facility). This applies primarily to non-exchange traded financial instruments, but could also be the case for exchange-traded financial instruments where FSIL is required to obtain client's prior express consent.

9. Client order handling

FSIL will execute each client's orders in a prompt, fair and expeditious manner and will generally seek to execute comparable orders in the sequence in which the orders are received, unless for example the characteristics of the order or prevailing market conditions make this impracticable or against the best interests of its client. Provided that it is unlikely to work to the overall disadvantage of its clients, FSIL may aggregate a client's orders with the orders of other clients, or with transactions that it is arranging for its own account. Whilst such aggregation is not expected to operate to a client's disadvantage overall and, indeed, may work to its advantage on occasions, it may on other occasions work to the client's disadvantage in relation to a particular order. Where FSIL aggregates a client's order with other orders, the combined trades will be allocated fairly between that client and the other parties whose interests have been aggregated.

10. Impact of disrupted markets, system failures etc

In some cases, whether as a result of trading suspensions, cancellation from the execution venue, disrupted markets, system failures or otherwise, FSIL may feel that it is in a client's best interests to execute or transmit its order using a method different to that normally used for the instrument in question. In such cases, FSIL will take all reasonable steps to achieve the best possible overall result for the client under the prevailing circumstances.

If the events referred to above result in serious disruption in the markets, FSIL will make reasonable efforts to contact clients whose orders have not yet been executed in order to obtain additional instructions. If FSIL is unable to obtain such instructions, it will take such actions as reasonably seem to be in the best interest of the client, and the client will be bound by the result. Where a market operator cancels or amends trades executed on its market, FSIL and its clients will be bound by such steps, even if FSIL has in the meantime confirmed that the transaction has been executed.

11. Changes and updates to this Policy

This Policy is subject to change. The Policy, the execution venues, the third party brokers and the execution arrangements, as well as the results they produce, will be reviewed in order to ensure that they are likely to provide the best possible result for FSIL's clients. This will be done as circumstances dictate, and at least annually. Any changes to the Policy will be published on FSIL's website, and can be accessed on www.forthrightsec.com. Such change and updates will take effect from the day following the day they are published on the website.

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