

SARANAC

PARTNERS

Order Execution Policy

Order Execution Policy

Saranac Partners Limited (“Saranac Partners”) is required to put in place arrangements to enable it to deliver best execution, as defined in MiFID and the rules of the UK Financial Conduct Authority (the “FCA”). This is Saranac Partners’ Order Execution Policy (the “Policy”). These obligations apply to both Retail and Professional clients. Saranac Partners will review its execution policy at least annually.

1. Order Execution Background

For the purposes of the Policy, a client is defined as any individual account that has been established with Saranac Partners and that is authorised to trade as per the client onboarding policy. An order for the purposes of the Policy is an instruction to buy or sell a financial instrument, where Saranac Partners is acting as the discretionary manager for a client or as directed by a client. Saranac Partners act as agent to all client orders for the purposes of the policy and Saranac Partners does not trade for its own principle account.

2. Obligation for best execution

The best execution regime requires investment firms to take all sufficient steps to obtain the best possible result for their clients when transacting in financial instruments. The extent of these obligations will vary depending upon the firm’s role in the execution of the transaction.

Where Saranac Partners passes orders in financial instruments directly to Credit Suisse for execution, Saranac Partners is required to operate in the client’s “best interests”. If Saranac Partners chooses to execute the order directly with an execution venue, which is then settled by Credit Suisse, it is Saranac Partners responsibility to obtain best execution, on your behalf. In this case Saranac Partners owes clients’ “best execution”.

Where Saranac Partners gives specific trading instructions to a third party to execute in a certain way on a client’s behalf, Saranac Partners takes responsibility these specific instructions and their impact upon execution quality. For example we may choose to split a large order into smaller shapes, or direct a transaction to a specific counter party where we believe it is in the best interests of the client. Saranac Partners will record this instruction and ensure that it is adhered to by the relevant execution venue. Saranac Partners will keep under review the impact that specific instructions have upon execution quality as part of its monitoring procedures.

Where Saranac Partners is constrained in choice of execution venue by client choice of custodian (directed transactions) Saranac Partners is reliant on those venues taking all sufficient steps outlined in their order execution policy.

3. Procedures relating to specific instructions received

In the event that Saranac Partners accepts specific instructions from a client as to how they wish an order to be executed we will record and follow those instructions. In fulfilling these instructions Saranac Partners may be prevented from taking steps that have been implemented in this policy to obtain the best possible result. Saranac Partners will not induce a client to instruct it to execute an order in a particular way where Saranac Partners ought reasonably to know that the instruction is likely to prevent it from obtaining the best possible result for the client.

4. General Execution factors considered by the Firm

Whilst Saranac Partners will endeavour to obtain the best available result in carrying out each client order, this does not mean obtaining the best possible result for each individual order on a transaction-by-transaction basis. It does mean that Saranac Partners is obliged to apply these policies to each order with a view to obtaining the best possible result in accordance with this Policy.

As part of the Saranac Partners terms of business, all clients give express consent for their orders to be executed on their behalf outside a regulated market or multi-lateral trading venue (“MTF”) / Organised Trading Facility (“OTF”) where it is reasonable believed to be in the clients best interests to do so.

Saranac Partners will direct transactions to your custodian as the primary trading venue for all asset types. Exceptionally Saranac Partners may look to add specific trading instructions or select a specific venue (where possible) for the following asset types where we reasonably believe this to be in the best interests of the client considering the criteria listed below.

4.1 Transferable Securities (Equities and Fixed Income)

In respect of transferable securities Saranac Partners places significant reliance on the venues listed in Appendix 1 and may add specific trading instructions.

The primary drivers in selection of venue are:

- Price
- Likelihood / quality of execution
- Impact of execution on market

Other Factors include:

- Responsiveness
- Counterparty Risk
- Quality of reporting execution quality

4.2 Structured Products

In respect of Structured Products Saranac Partners places significant reliance on the venues listed in Appendix 1. Saranac Partners will select venues that provide clients with access to a wide variety of products issued by a broad range of counterparties as well as offering a responsive service.

The primary drivers in selection of venue are:

- Price
- Credit quality

Other Factors include:

- Speed of quoting
- Minimum Size
- Ongoing support and administration

4.3 Structured Deposits

In respect of Structured Deposits Saranac Partners places significant reliance on the venues listed in Appendix 1. Saranac Partners will select venues that provide clients with access to a wide variety of products issued by a broad range of counterparties as well as offering a responsive service.

The primary drivers in selection of venue are:

- Price
- Credit quality

Other Factors include:

- Speed of quoting
- Minimum Size
- Ongoing support and administration

Saranac Partners does not operate any algorithms for its trading directly however has access to algorithmic trading strategies through some of its execution venues. Exceptionally Saranac may look to instruct a venue to use one of these strategies where we reasonably believe this to be in the best interests of the client considering the criteria listed below.

- Impact of execution on market
- Likelihood / quality of execution

5. Order handling, including aggregation and allocation

Orders made on behalf of clients must be executed in a prompt, fair and expeditious manner, with prompt and accurate records. Comparable orders should be carried out sequentially and promptly unless the order's characteristics or prevailing market conditions make this impracticable, or the interests of the client requires otherwise.

Client orders may only be aggregated where it is considered unlikely that the aggregation will generally work to the disadvantage of any one client. It is disclosed to clients in their client agreement that the effect of aggregation may work to the client's disadvantage in relation to a particular order.

Where aggregations occur any allocations must be made in accordance with Saranac Partners' Allocation Policy. This includes appropriate records being made of the proposed allocation on a pre-trade basis and post execution basis. The Allocation Policy contains procedures designed to prevent unfair precedence being given to a client, re-allocation to the detriment of another client, and, deals with partial executions. Clients may request that Saranac Partners demonstrate compliance with the Policy.

6. Execution Venues

Saranac Partners passes the majority of orders for financial instruments to your custodian's nominated venue for execution. However, in respect of Structured Products Saranac Partners may choose to execute the order directly with an alternative execution venue, which is then settled by your custodian.

For details of execution venues utilised by Saranac Partners for execution by product please refer to Appendix 1. This list will be updated for time-to-time, as the venues utilised change.

7. Monitoring Arrangements

Saranac Partners will monitor the effectiveness of its order execution arrangements and the Policy on an ongoing basis. Where Saranac Partners passes orders to third parties for execution, without taking steps that affect execution quality, it is not the Firm's role to duplicate the monitoring efforts of the executing entities. Consequently, the monitoring will focus upon the third party's regulatory (or contractual) obligations and the arrangements that they have in place including, as appropriate, their own Order Execution Policy, to obtain best execution.

Saranac Partners responsibility is to monitor the venues execution quality not less than annually via their publicly available reports alongside the above ongoing monitoring and issue our own statement annually to our website covering the top five venues we have dealt with and how they have been assessed for providing best execution.

8. Error Policy

A trade error occurs when there is a deviation from the general trading practices involving transactions and settlements of trades for a client's account or when the transaction executed is not in line with the clients or the firms instructions. Part of Saranac's fiduciary obligation is to identify and correct these errors as soon as discovered.

In general, the following may be viewed as trade errors:

- An incorrect type of transaction (e.g. buy, sell, limit, market);
- A purchase or sale of the wrong security or for the wrong amount;
- A trade taking place in an incorrect account number;
- The purchase or sale of securities in violation of a specific client restriction;
- The purchase or sale of securities for non-discretionary clients prior to or without receiving client consent, or without proper documented authorisation.

The following types of errors will not be deemed a trade error:

- An incorrect trade that was caught prior to settlement thereby not having a negative impact on the client;
- A trade that was improperly documented;
- An error made by an unaffiliated third party (EAM custodian, etc.). However, Saranac Partners is responsible for reviewing these trades and ensuring that third party errors are favourably resolved for the client;
- A good faith transaction for the client, based on Saranac's evaluation and assessment, which may not be in line with client's objective.

Trade errors must be brought to the Heads of Proposition and Compliance in a timely manner once discovered.

The Heads of Proposition and Compliance should jointly determine whether a trade error has occurred and whether Saranac Partners is responsible. The Saranac Partners Trade Error Form should be completed by the member of the proposition team most familiar with the circumstances of the error.

If responsible, Saranac will look to correct the error immediately, on the same day if possible. Error positions should not be held any longer than necessary in order to accumulate a profit or reduce a loss. Saranac Partners will decide the most appropriate course of action to minimise any loss and protect the clients best interests. If a third party is responsible, Saranac Partners will oversee the resolution.

Any loss will be reimbursed to the client for the full amount of the loss, including the reimbursement of transaction fees, in the form of either crediting management/ transaction fees owed to Saranac Partners OR cash payment directly into the client's account. Where possible Saranac will seek to avoid any negative tax impact for the client.

If there is a profit resulting from the error, Saranac Partners may hold the profit in a firm trade error account provided the clients capital was never put at risk.

Payments made to clients will be properly documented and Saranac Partners will maintain a record of all trade errors in the Saranac Issues Register, including steps for remediation and lessons learned.

Appendix 1 Execution Venues

Credit Suisse

(Credit Suisse UK, Credit Suisse Zurich and Credit Suisse Guernsey depending on booking centre)

Transferable Securities
Money Market Instruments
Units in Collective Investment Undertakings
Options, Futures, Swaps, Forward Rate Agreements
Derivative Instruments for the transfer of credit risk
Contracts for Differences
Structured Products
Structured Deposits

Leonteq GmbH

Structured Products

Natixis

Structured Products

JP Morgan Private Wealth

Transferable Securities
Money Market Instruments
Units in Collective Investment Undertakings
Options, Futures, Swaps, Forward Rate Agreements
Contracts for Differences
Structured Products
Structured Deposits

Julius Bär (Guernsey)

Transferable Securities
Money Market Instruments
Units in Collective Investment Undertakings
Options, Futures, Swaps, Forward Rate Agreements
Contracts for Differences
Structured Products
Structured Deposits

UBS (Zürich)

Transferable Securities
Money Market Instruments
Units in Collective Investment Undertakings
Options, Futures, Swaps, Forward Rate Agreements
Derivative Instruments for the transfer of credit risk
Contracts for Differences
Structured Products
Structured Deposits

LGT (Singapore)

Transferable Securities
Money Market Instruments
Units in Collective Investment Undertakings
Options, Futures, Swaps, Forward Rate Agreements
Contracts for Differences
Structured Products
Structured Deposits

CMB (Monaco)

Transferable Securities
Money Market Instruments
Units in Collective Investment Undertakings
Options, Futures, Swaps, Forward Rate Agreements
Contracts for Differences
Structured Products
Structured Deposits

RBC (Jersey)

Transferable Securities
Money Market Instruments
Units in Collective Investment Undertakings
Options, Futures, Swaps, Forward Rate Agreements
Derivative Instruments for the transfer of credit risk
Contracts for Differences
Structured Products
Structured Deposits