

SARANAC

PARTNERS

Order Execution Policy

Order Execution Policy

Saranac Partners Limited (“Saranac” or “the Firm”) is required to put in place arrangements to enable it to execute trades in compliance with MiFID and the FCA rules

This is Saranac’s Order Execution Policy (the “**Policy**”). These obligations apply to both Retail and Professional clients. Saranac will review its 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 and that is authorised to trade as per the Client Take-on Policy. An order for the purposes of the Policy is an instruction from a client to buy or sell a financial instrument (whether on an advised or execution-only basis) or the Firm has taken a decision to deal on a managed account. Saranac always acts as agent for the purposes of the Policy and does not trade for its own principal 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 passes orders in financial instruments directly to the relevant custodian for execution, the Firm is required to operate in the client’s “best interests”. If Saranac chooses to execute the order directly with an execution venue, which is then settled by the custodian, it is Saranac’s responsibility to obtain best execution for the client.

Where Saranac gives specific trading instructions to a third party to execute in a certain way on a client’s behalf, Saranac takes responsibility for those 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 will record this instruction and ensure that it is adhered to by the relevant execution venue. Saranac will keep under review the impact that specific instructions have upon execution quality as part of its monitoring procedures.

3. Procedures relating to specific instructions received

When Saranac accepts specific order execution instructions from a client we will record and follow those instructions. In fulfilling these instructions, Saranac may be prevented from taking the steps outlined in this policy to achieve best execution.

4. General Execution factors considered by the Firm

Whilst Saranac 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.

As part of the Saranac's 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 reasonably believed to be in the clients' best interests to do so.

Saranac will direct transactions to the client's custodian as the primary trading venue for all asset types. Exceptionally Saranac 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.

Please refer to Appendix 1 for execution venues and additional information.

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. Please refer to the Order Aggregation and Allocation Policy for further details.

6. Execution Venues

Saranac passes the majority of orders for financial instruments to your custodian's nominated venue for execution. However, in respect of Structured Products Saranac 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 for execution by product please refer to Appendix 1. This list will be updated from time-to-time, as the venues utilised change.

7. Monitoring Arrangements

Saranac will monitor the effectiveness of its order execution arrangements and the Policy on an ongoing basis. Where Saranac 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's responsibility is to monitor the venue's 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. Handling of Errors

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 client's or the firm's 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 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 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 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, Zürich 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

Kepler Cheuvreux

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 and Zürich)

Transferable Securities

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Contracts for Differences

Structured Products

Structured Deposits

Banque Pictet & Cie

(London)

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Derivative Instruments for the transfer of credit risk
Contracts for Differences
Structured Products
Structured Deposits

CBP Quilvest

(Luxembourg)

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Structured Products
Structured Deposits

Morgan Stanley

(New York)

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UBS

(Zürich)

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LGT

(Singapore)

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CMB

(Monaco)

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RBC

(Jersey)

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