

## APPENDIX B: BEST EXECUTION POLICY

### 1. Introduction

The Markets in Financial Instruments Directive (“MiFID II”), and other relevant regulations and guidelines impose a general obligation on Ayers Alliance Financial Group Ltd (ex. Harborx Limited) (hereinafter “AAFG” or the “Company”) to act honestly, fairly and professionally in accordance with the best interest of its Clients when providing investment services, or where appropriate, ancillary services to Clients. Specifically, AAFG is required to establish and implement a policy to allow the Company to take all sufficient steps to achieve the best possible result for its Clients when executing Client orders, and when receiving and transmitting Client orders to other entities for execution. In addition, the Company is required to implement procedures and arrangements which provide for the prompt, fair, and expeditious execution of Client orders, relative to other Client orders or the trading interests of the Company.

This document is a summary of the Best Execution Policy (the “Policy”) established by AAFG and sets out in summary the arrangements employed by the Company when executing or receiving and transmitting Client orders, in an effort to achieve the best possible results for its Clients on a consistent basis in order to meet its obligations pursuant to MiFID II framework.

### 2. Purpose

The purpose of this Policy is to establish effective arrangements for obtaining, when the Company is executing Client orders or transmitting Clients’ orders to third parties, the best possible result for its Clients.

This section aims to set out those arrangements and to ensure compliance with legislative requirements and the departmental and general procedures.

The Policy applies to the Company’s retail and professional Clients and regards to all financial instruments. The present provision does not apply to Clients that have been classified as eligible counterparties.

On a non-standard basis and where it is commercially expedient for a Professional Client to elect treatment as an Eligible Counterparty, the obligations under the Policy will not apply.

The Company’s Policy applies in cases where the Company agrees to execute an order on behalf of a Client and the Client lawfully relies on the Company to protect his/her interests.

### 3. Scope of the Policy

The present Policy applies only to the execution of orders which have been accepted by AAFG. The best execution liability is fulfilled only in relation to the following financial instruments on which transactions are effected:

- Transferable Securities
- Units of Collective Investment Undertakings

#### 4. Best Execution Obligation and Relevant Factors

AAFG's responsibility to take all sufficient steps to obtain, when executing orders, the best possible result for its clients exists in the provision of the following investment services:

- **Reception and transmission of orders in relation to one or more financial instruments:** The Company has an obligation to execute orders on terms most favorable to the Client when executing orders on behalf of Clients (the "best execution obligation").
- **Execution of orders on behalf of clients:** The Company has a duty to act honestly, fairly and professionally in accordance with the best interest of its Clients when receiving and transmitting Client orders to other entities for execution (the "best interest obligation").

Factors that are taken into consideration, in order to achieve the best possible result are the following:

- **Price** – the price offered by the relevant execution venues for the transaction;
- **Costs** – include transaction costs (clearing and settlement fees)
- **Speed of execution and settlement** – the time it takes to complete the transaction through the relevant execution venues;
- **Likelihood of execution and settlement** – the likelihood that a transaction will be completed through a relevant execution venue;
- **Size and likely market impact** – the size of the order in absolute terms, and/or relative to liquidity on the relevant execution venues, taking into account how the size of the transaction affects (best) execution outcome for the client (with regard to pricing or any other relevant execution factor);
- **Nature of the order** – any particularities of the client order or the relevant product, that may affect (the manner of) carrying out of that order; and
- **Any other consideration** – any other circumstances relevant to the carrying out of an order, including prevailing market conditions.

Where the client gives specific instructions in relation to the execution of the client order (e.g. price limit, execution venue etc.), AAFG shall execute in accordance with these instructions. In such a case AAFG is exempted of the obligation for Best Execution.

Where there are no specific instructions by the client, AAFG will execute the order at AAFG's own discretion, taking into account and assessing those factors which shall lead to the achievement of the best possible result for the client. Best possible result will vary depending on the nature of the Client, the type of product and the available market for that product.

In situations where the Company executes an order on behalf of a Retail Client, the best possible result shall be determined in terms of the "**total consideration**", representing the **price** of the financial instruments and the **costs** related to execution. This shall also include all expenses incurred by the Client

which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

If the Client is classified as a Professional Client, all other factors specified above such as **speed** (of execution), **likelihood of execution** (liquidity of the market in that particular product) and (likelihood of) **settlement, size** (of the order) and **nature or any other consideration relevant to order execution**, shall be taken into account.

Where the client selects to transmit an order, the client must set the order's characteristics, such as product, price, size, execution venue, type of order. In such a case the obligation of AAFG for best execution is fulfilled, deeming that the client has given specific instructions in relation to the execution of the client order.

Consequently, where the client wishes the client order to be executed in a different manner than the manner defined in the present Policy, the client must give specific and clear instructions. If the instructions are not clear, AAFG shall determine the unclear factors of the order, based on the present Policy.

#### 5. Best Execution Criteria

For the execution of the client orders AAFG takes into consideration the following factors in order to determine the importance of the aforementioned factors:

- (a) Characteristics of the Client including its classification as a Retail or Professional Client
- (b) Characteristics of the Client Order (e.g. size of the order)
- (c) Characteristics of the financial instruments related to the Client Order (e.g. equities, fixed income securities, derivatives, liquid or illiquid securities)
- (d) Characteristics of the execution venues to which the Client Order may be directed (e.g. regulated market, MTF, OTF, an SI, a Market Maker, Liquidity Provider or other OTC arrangement)

When executing orders or taking decision to deal in OTC products including bespoke products, the Company checks the fairness of the price proposed to the client, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products.

#### 6. Types of Transactions that limit the obligation for Best Execution

In cases where orders or transactions are of a particular nature, the obligation for best execution is limited. Such cases may be the following:

- Where the order pertains to a financial instrument, traded on only one execution venue. In

such a case the only criterion for the fulfillment of the best execution obligation is the time of execution.

- OTC (Over the Counter) transactions, since there are no comparable prices to respective transactions or financial instruments. In cases of OTC transactions AAFG shall require the client's specific consent.

The Company executes de facto all client orders outside a Trading Venue due to the nature of investment products it offers and/or distributes to Clients. Additional risks may be incurred when executing transactions Over the Counter. These risks arise as orders executed outside a Trading Venue will not be subject to the rules of Trading Venues, which are designed to provide for a fair and orderly treatment of orders. Also, a settlement risk may be incurred as transactions will be subject to counterparty risk and will not be covered by the relevant clearing and settlement rules similar to those applicable for a regulated market or similar multilateral trading systems such as MTFs or OTFs.

As stated above, in case the client provides specific instructions in relation to any aspect of the carrying of a client order (for instance, where the client instructs the Company to execute the order on a particular venue, at a particular time or at a particular price), or otherwise selects specific parameters of the transaction, then the Company executes the transaction in accordance with these instructions or parameters and it does not have discretion over an how (that aspect of) the order is executed. As a result, by following a specific instruction from the client, the Company satisfies the obligation to provide the client with best execution in relation to that order. It is noted however that if a specific instruction is provided by the client, this may prevent the Company from following some or all of the steps in this policy that are designed to obtain the best possible result for the execution of orders.

#### 7. Review of this Policy

AAFG reexamines through its control functions the Policy periodically and at least once per year, aiming to improve its effectiveness. AAFG reexamines at least once per year whether the third parties to which it transmits orders for execution have the appropriate specifications and procedures as well as procedures in relation to the best execution of orders.

The present Policy applied by AAFG is available on the website of the Company [www.aafg.co](http://www.aafg.co). Any amendment of the present Execution Policy shall be disclosed to the client with a durable medium (including the website of AAFG [www.aafg.co](http://www.aafg.co) ).

#### 8. Consent of the Client

This Policy applies to the investment services provided by the Company. By entering into a contract with the Company for investment services or by giving the Company orders for execution, the client is deemed as giving its consent to this Policy unless the Company is expressly notified otherwise.

#### 9. Order Handling

When executing orders on behalf of clients, the Company ensures the prompt and accurate recording and allocation. In the event that the Company receives comparable orders from two or more clients, the orders will be executed promptly and sequentially unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the client require otherwise.

#### 10. Aggregation and Allocation

According to its order execution arrangements and operational framework, the Company does not generally aggregate any client orders with other client orders or any transactions for its own account.

#### 11. Execution Venues

The Company uses Third -Country Intermediaries and Entities when carrying out an order on the client's behalf.

Appendix I contains indicatively the execution venues where the orders of AAFG's clients are executed. It is noted that third parties which execute client orders may also be considered as execution venues.

## **APPENDIX I**

1. City Credit Asset Management Limited
2. AYERS Alliance SP2 Limited
3. UG SPC
4. CCIB SPC
5. CCIB Global Plus Limited
6. CCIB Global Hedge Limited
7. CCIB Opportunity Income Growth Fund
8. K&K Segregated Portfolio Company
9. First State Global Umbrella Fund Plc
10. JPMorgan Funds
11. Mayfair Classic Fund Limited
12. Mayfair & Ayers Financial Group Limited
13. Ayers Alliance SPC
14. Spectra SPC
15. STI SPC