

Armajaro Asset Management LLP

Order Execution Policy

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1 Order Execution and Allocation Policy

1.1 Introduction

Armajaro is required under AIFMD Rules require an AIFM when executing orders on behalf of an AIF or placing an AIF's orders with other entities for execution, to act in the best interests of the AIF or the investors in the AIF, and to take reasonable steps to obtain the best possible result (the "Best Execution Obligation"). Similarly, when undertaking MiFID business, Armajaro is required to have in place an order execution policy that sets out various high level principles that Armajaro will follow when placing, arranging or executing orders for the various discretionary arrangements in place for its clients in accordance with the best execution obligation.

Armajaro has established and implemented this order execution and allocation policy to set out the most important and/or relevant aspects of the arrangements Armajaro has put in place to comply with the Best Execution Obligation and its obligations under MiFID. Terms not otherwise defined in this policy shall have the meaning ascribed to them in the FCA Rules.

Armajaro regularly monitors the effectiveness of its order execution arrangements and will review this order execution and allocation policy at least annually, or whenever a material change occurs that affects its ability to obtain the best possible result for the execution of an AIF's or Client's orders.

1.2 Client Order

Armajaro may consider itself to be in receipt of a Client order where it is acting as investment manager for a client and in that role has discretion over the management of investments and assets (i.e. where an agency obligation exists), including when acting as the alternative investment fund manager of an AIF.

1.3 Client Order Execution Policy

Where Armajaro owes a duty of best execution, all reasonable steps will be taken to obtain the best possible execution result on a consistent basis, however there is no guarantee that circumstances will enable this to be achieved for every single transaction.

Subject to any specific Client instruction, Armajaro will exercise discretion, based on market experience, knowledge, commercial judgement, the relevant Security and the type of Client order to obtain the best possible result with regards to the execution of a Client order.

Armajaro will specifically consider one or more of the following elements, in no particular order of importance, when executing a Client order:

- Price
- Order size
- Costs
- Likelihood of execution
- Speed of settlement
- Likelihood of settlement
- Speed of execution
- Type of Client order
- Any other factor impacting the Client order execution process

Price may be the dominant element when obtaining the best possible execution result for a Client. However, transaction types, markets and instruments vary greatly in terms of liquidity, depth, transparency, certainty, ease and speed of execution and so on. Armajaro shall therefore take into consideration other criteria that may alter the relative importance of execution elements. As a result, execution elements other than price may assume equal or greater importance. Such criteria may include, but are not limited to:

- Characteristics of the Client, including the objectives, investment policy and risks specific to the Client, as indicated in the Client's investment management contract, rules or articles of association, prospectus or offering documents of the Client;
- Characteristics and size of the Client order;
- Characteristics of the financial instruments that are subject of the Client order;
- Characteristics of the execution venues to which that Client order can be directed; and
- Characteristics of the prevailing market conditions at the time of the Client order.

1.4 Execution Venues and Methodology

In complying with best execution requirements, Armajaro will consider utilising one or more of the following venue types when executing Client orders:

- Regulated markets ("Regulated Markets") (as defined in the Rules)
- Exchanges that are not Regulated Markets
- Systematic internalisers ("Systematic Internalisers") (as defined in the Rules)
- Multilateral trading facilities ("MTF") (as defined in the Rules)
- Market makers (as defined in the Rules)
- Third party brokers, banks and affiliates
- Internal and third party liquidity providers

The above list is not exhaustive and other venue types may be used if it is felt that they will allow Armajaro to achieve the best possible result. A list of the approved counterparties is available from Armajaro upon request.

Armajaro may be permitted, providing a Client has given prior express consent, to execute a transaction for a Client outside a Regulated Market or MTF. For example, Armajaro may match / cross the Client order with another Client order or deal through a Systematic Internaliser.

Where there is no choice of Execution Venue or broker, the Best Execution Obligation shall not apply, provided that Armajaro is able to demonstrate that there is no such choice.

1.5 Aggregating Client Orders

Armajaro may carry out a Client order in aggregate with an order of another Client, or with an order made when investing its own funds, where:

- i. it can be reasonably expected that the aggregation of orders will not work overall to the disadvantage of any Clients whose order is to be aggregated; and
- ii. an order allocation policy is established and implemented, providing in sufficiently precise terms for the fair allocation of aggregated orders, including how the volume and price of orders determines allocations and the treatment of partial executions.

Where Armajaro aggregates a transaction in an investment on behalf of Client with other orders, the Client may agree that Armajaro shall only be required to allocate the investment concerned within 5 Business Days of the transaction to the extent that:

- i. only AIFs or clients within the meaning of the FCA Rules are concerned and each of them has agreed to allocation of investments within such period; or
- ii. the same may otherwise be permitted by the FCA Rules from time to time.

Where Armajaro aggregates an Client order with one or more orders of other Clients and the aggregated order is partially executed, it shall allocate the related trades in accordance with its allocation policy.

Clients may agree that Armajaro shall not be required to despatch to them written confirmations of transactions executed by Armajaro for the Client.

1.6 Allocating Client Orders

Armajaro has prepared an order allocation policy to ensure any allocations are made fairly and will not work overall to the disadvantage of those AIFs or clients whose order is subject to the aggregation.

At present Armajaro has AIFs and Clients for whom it trades in futures and options on commodities as well as physical soft commodities. These AIFs and Clients may follow the same (or a substantially similar) strategy. Where this is the case Armajaro will endeavour to allocate trades on the following basis:

- i. AIF / Client 1 always receives the highest buy and the highest sell price of each trade.
- ii. AIF / Client 2 always receives the next highest buy and the next highest sell price of each trade.
- iii. AIF / Client 3 always receives the next highest buy and the next highest sell price of each trade.
- iv. And so on until all allocations have been made.

Armajaro will endeavour to keep the allocation ratio at a level reflecting assets under management. Where there is some overlap in the commodities traded across strategies orders for the strategies are not aggregated.

1.7 Client Instructions

Armajaro will, where possible and permitted by relevant law, follow specific Client instructions with regards to the execution of a Client order. In following specific Client instructions, Armajaro may be prevented from following part or all of its order execution policy and as a result Armajaro will be unable to guarantee that the best possible outcome will be achieved.

Armajaro shall elect not to follow certain Client instructions where it is considered that execution may amount to or appear to be an abuse of the market proscribed by any regulatory authority. In these circumstances, Armajaro will nevertheless be deemed to have satisfied any requirement for best execution.

1.8 AIF requests

Armajaro will, on request from an AIF, demonstrate that it has executed orders on behalf of that AIF in accordance with the Best Execution Obligation.

Armajaro shall elect not execute orders that may amount to or appear to any relevant regulatory authority to constitute an abuse of the market.

1.9 Monitoring

Armajaro will monitor compliance with this order execution and allocation policy and review the effectiveness of the execution arrangements in place on an on-going basis. Such reviews will include the appropriateness of execution venues and brokers utilised.

Armajaro will notify Clients of material changes to its order execution policy by placing a copy of the policy on its website.