

# **Best Execution and Client Order Handling Policy**

## **Introduction and Purpose**

Helix Equities ('Helix') is required to act honestly, fairly and professionally in accordance with the best interest of clients when providing investment services. This is predominately set out in MiFID II, MiFIR and in the FCA's Handbook.

The Best Execution and Client Order Handling Policy sets out how Helix will ensure that sufficient steps are taken to obtain the best possible results for all clients and that their subscriptions or redemptions are handled in a fair, just and timely manner.

## **Definition**

Best execution is the obligation on a firm to take sufficient steps to obtain the best possible result when placing orders with other entities to execute. There are a number of execution factors to consider when delivering best execution including price, cost, speed, likelihood of execution and settlement, size and nature of the order.

## **Application**

As a portfolio manager, the Manager makes and then gives effect to, decisions to deal in financial instruments on behalf of its clients. There are two methods of giving effect to those decisions that are distinguished for the purposes of the FCA rules. First, the Manager may place an order with a third party for that third party to execute on behalf of the Manager's client. Second, the Manager may execute the relevant transaction on behalf of its clients directly with a counterparty or on an exchange or other trading system. The counterparty, exchange or trading system with whom the Manager chooses to execute such a transaction is referred to in this Policy as an "Execution Venue."

## **Policy – Best Execution**

### **General Obligation**

The best execution obligation requires Helix to act in accordance with the best interests of the Fund and investors in the Fund when placing orders with Brokers for execution that result from decisions by the Manager to deal in financial instruments on behalf of the Fund and to take all reasonable steps to obtain the best possible result when directly executing orders with or on an Execution Venue on behalf of the Fund.

The Manager shall take all reasonable steps to obtain the best possible result when directly executing orders with or on an Execution venue on behalf of the Fund.

The Manager shall take all reasonable steps to obtain the best possible result for the Fund and investors in the Fund taking into account the following execution factors:

- Price
- Cost

- Speed
- Likelihood of execution and settlement
- Size
- Nature and
- Any other consideration relevant to the execution of a particular order

In order to determine the relative importance of the execution factors set out above, the Manager will take into account the following factors:

- The objectives, investment policy and risks specific to the Fund
- The characteristics of the particular order
- The characteristics of the financial instruments that are the subject of the order
- The characteristics of the execution venue to which that order can be directed; and
- Prevailing market conditions

The process by which the Manager undertakes this assessment is neither uniform nor directly comparable in each instance. The Manager's execution obligations will be discharged in a manner that takes into account the different circumstances associated with the execution of the order as they relate to the particular financial instruments involved, for example:

- For shares or depository receipts admitted to a centralised trading venue, price and costs would be considered significant factors when routing to a particular venue; and
- For other transaction types, increased emphasis may be placed on the sourcing of liquidity. This may be for fixed income trades or OTC transactions that involve a customised financial element bespoke to the Fund's own contractual requirements.

The Manager shall take all reasonable care to ascertain the price which is the best available for the Fund in the relevant market for the transactions of the kind and size concerned and execution of the order will be at a price no less advantageous to the Fund than the best available price, unless the Manager has taken reasonable steps to ensure that it would be in the best interests of the Fund and investors in the Fund, not to do so. This will apply to any foreign exchange element of a transaction and the manager shall pass on to the Fund the price at which it executes the transaction to meet the Fund's orders. There will be no mark-up or mark-down for the price at which the order is executed.

Best execution obligations will be applied in a manner that takes into account the different circumstances associated with the execution of orders related to particular types of financial instruments. The Manager shall use one or more of the following venue types (subject to \* below) when executing the Fund's order:

- Regulated markets
- Multilateral Trading Facilities
- Systematic Internalisers
- Over-the-counter market networks or
- Market makers (or other EEA approved liquidity providers)

Where the Trustee gives a specific instruction as to the execution of a particular order, the Manager will execute that order in accordance with such instruction notwithstanding this Execution Policy. The Manager shall not induce the Trustee to instruct it to execute an order in a particular way so as to circumvent the application of the other requirements of the Execution Policy. However, the Manager may ask the Trustee to choose between two or more specific trading venues where the use of any of them would comply with the Execution Policy.

The Manager shall continue to monitor the effectiveness of its Execution Policy in order to identify and, where appropriate, correct any deficiencies, and shall review this Execution Policy on at least an annual basis. The Manager shall notify the Trustee of any amendments to the Execution Policy.

\*The Manager may not execute transactions away from a Regulated Market without the prior express consent of the Trustee. For the avoidance of doubt, a statement in an agreement between the Manager and its client that the Manager may execute transactions away from a Regulated Market shall constitute the express consent of the Fund.

## **Client Subscriptions & Redemptions**

### **General Obligation**

Helix will implement procedures and arrangements which provide for the prompt, fair and expeditious execution of client subscriptions to or redemptions from the Fund.

### **Subscriptions**

The initial issue of Units of each Class shall be at an issue price of \$1 per Unit. Following this initial issue, the subsequent issue price shall be ascertained by calculating the Net Asset Value per unit of the applicable class and adding such sum as the Manager may consider represents the appropriate provision for Fiscal and Purchase Charges.

### **Redemptions**

The Client will not be entitled to redeem part of his holding of Units without the approval of the Manager.

The Manager shall at any time during the life of the Fund, on receipt of, or receipt by its duly authorised agent (Caceis) of a redemption request by a Unit holder pay a sum equal to the Redemption Price of the Units on the Dealing Day next following the receipt of such request or on such other day as the Manager at the request of the Holder may agree.

Such realisation shall be affected by the cancellation of the Units and the payment of the Redemption Price out of the Fund.

The Redemption Price shall be ascertained by calculating the Net Asset Value per unit of the applicable class and deducting such sum as the Manager may consider represents the appropriate provision for Fiscal and Sale Charges.

On a redemption, if the Manager and any Unit Holder requesting the realisation of Units so agree, the Manager may satisfy the Redemption Price wholly or partly by transferring investments out of the Fund to or to the order of the Holder and if does so the following provisions apply:

- All fiscal charges costs fees and expenses arising in connection with such transfer shall be paid by the Holder whose Units are being realised
- The Investments to be transferred shall be Investments of the Fund selected by the Manager and having a value which, when the Manager deducts such amount as it may consider represents the appropriate allowance for the Fiscal and Sale Charges which would be involved in the disposal of such Investments by sale for cash on a Recognised Stock Exchange, is equal to the Redemption Price of the Units concerned.
- The Manager must be satisfied that such transfer shall not be contrary to any exchange control or other applicable laws or regulations
- The Trustee and the Manager must be satisfied that the terms of such transfer shall not be such as are likely to result in any prejudice to the interests of the remaining Unit Holders.

If on any Dealing Day, request have been received by the Manager relating to more than 10 per cent of the total number of Units is issue, or deemed to be in issue, the Manager shall have the right, instead of realising all such units, to elect to realise part only. The following provisions shall apply to any exercise by the Manager of such right of election:

- Subject to the below, the Manager shall ensure that on such Dealing Day 9or on the completion of the sale of Investments agreed to be sold) there shall be included in the Fund a cash sum not less than an amount (the 'Minimum amount') equal to 5 per cent of the Net Asset Value on such Dealing Day after deducting such sum as the Manager may consider represents an appropriate allowance for Fiscal and Sale Charges.
- The Manager shall distribute the minimum amount among the relevant Holders in proportion to the value of Units comprised in their requests. As from such Dealing Day that number of Units of the Holder as is equal to the amount so distributable to him divided by the aggregate Redemption Price of the Units comprised in his request (calculated on such Dealing Day) shall be deemed to have been cancelled and
- Units which are not deemed to have been so cancelled shall be carried forward to the next Dealing Day and aggregated with the Units comprised in the requests actually received by the Manager on such succeeding Dealing Day. Units so carried forward shall for all the purposes of this sub clause be deemed to be comprised in requests received by the Manager on such succeeding Dealing Day.

In order to exercise the right conferred on it by this sub clause, the Manager shall within 5 business days after such Dealing Day give written notice of the exercise of such right to each

Holder whose request was received, or is deemed to have been received, by the Manager on such Dealing Day.

The Holder shall have the right (in respect of each Dealing Day in respect of which the Manager received or is deemed to have received from such Holder a request to realise Units) to withdraw such request in so far as it relates to all or any Units which are not deemed to have been cancelled on such Dealing Day. Such option shall be exercisable by written notice received by the Manager on the Dealing Day in respect of which the Manager exercised such right of election.

### **Procedures**

Helix will adopt the following procedures to monitor the effectiveness of its order execution arrangements and this policy as well as be able to demonstrate to clients that it has acted in accordance with this policy.

### **Front Office Monitoring**

The systems necessary to record and monitor orders and executions as well as the links with the brokers lie within the front office. Therefore, all orders must be made through the front office.

It is solely the job of the front office to monitor the quality of the executions and ensure compliance with the FCA regulations and to also ensure proper control. The Managing Director is the only authorised trader. He is primarily responsible for keeping copies of orders and trade confirmations, although confirmations are also saved and recorded by the operations department.

### **Compliance Monitoring**

The compliance monitoring process will involve a periodic review by compliance of a random sample of transactions to ascertain whether the best possible result was obtained in respect of those transactions.

For example, for transactions where price was the most important execution factor, this will involve a review of prices that were available around the time of the trade as well as prices from comparable brokers.

Where another execution factor was the most important, compliance will consider whether the best possible result was achieved in terms of that factor.

The monitoring of the adherence to this policy and the record keeping forms part of the Compliance Monitoring Programme performed by Compliance.

### **Review**

At least annually, Helix will review this policy to ensure it is capable of delivering Best Execution on a consistent basis and ensure that client subscriptions and redemptions are handled in a fair and timely manner. Helix will also review this policy and/or its execution arrangements

whenever a material change occurs that could affect its ability to obtain the best possible results for the execution of its trade orders. What is material will depend on the nature and scope of any change. The reviews will be supervised by compliance and this requirement has been incorporated into Helix's compliance monitoring process.

## Appendix 1: Detailed Requirements of the Execution Policy for each Instrument Class.

Instrument Class	Execution Factors
<p><b>Cash Equities</b></p> <p>This Instrument Class includes equities, warrants and depositary receipts and equity CFDs.</p>	<p>The firm uses JPMorgan and Credit Suisse as brokers.</p> <p>The portfolio manager will on many occasions considers that price is the most important execution factor. Other execution factors are permitted to be taken into account at the discretion of the relevant portfolio manager as is appropriate for the size and nature of the relevant order (and one or more of these other factors may displace price as the most important factor).</p> <p>The trade order is passed to a Broker for execution, the portfolio manager will select a Broker from among the list that, in the portfolio manager’s view, has a track record of achieving the best result in terms of the relevant execution factors (taking into account the various Brokers’ geographic and product coverage). As an additional safety measure, Helix makes extensive use of limit orders to ensure that its orders are executed at desirable prices.</p>
<p><b>Bonds</b></p> <p>This Instrument Class includes corporate and government bonds, convertible and exchangeable bonds, commercial paper, asset-backed securities, mortgage-backed securities, certificates of deposit and structured debt securities.</p>	<p>In relation to transactions in bonds, the portfolio manager considers that price (including costs) is the most important factor. Other execution factors are permitted to be taken into account at the discretion of the relevant portfolio manager as is appropriate for the size and nature of the relevant order.</p>
<p><b>OTC Derivatives</b></p> <p>This Instrument Class includes OTC options, OTC forward transactions, OTC swaps (including credit default swaps, total return</p>	<p>Trading derivative contracts off-exchange will be affected by Helix with Execution Venues that act as principal under master documentation. All such transactions are affected on a request-for-quote or negotiated deal basis.</p>

<p>swaps, variance swaps interest rate swaps and currency swaps).</p> <p>Helix invests in OTC derivative instruments to hedge against market risk or to gain exposure to an underlying asset. Such derivatives will be either standard contracts or will be structured contracts.</p>	
<p><b>Exchange Traded Derivatives</b></p> <p>This Instrument Class covers exchange-traded futures and options contracts and exchange traded contracts for differences.</p> <p>Helix invests in exchange-traded derivative instruments to hedge against market risk or to gain exposure to an underlying asset.</p>	<p>The firm uses JPMorgan and Credit Suisse as brokers.</p> <p>The vast majority of exchange-traded derivatives transactions will be affected by passing an order to a relevant Broker. The portfolio manager/ trader will on many occasions consider that price (including costs) is the most important factor. Other execution factors can be taken into account at the discretion of the relevant portfolio manager as is appropriate for the size and nature of the relevant order.</p> <p>Where the order is to be passed to a Broker for execution, the portfolio manager will select a Broker from among the list that, in the portfolio manager's view, has a track record of achieving the best result in terms of the relevant execution factors (taking into account the various Brokers' relevant exchange memberships, geographic and product coverage). As an additional safety measure, Helix makes extensive use of limit orders to ensure that orders are executed at desirable prices.</p>
<p><b>Collective Investment Schemes</b></p>	<p>For the vast majority of CIS's there is no secondary market and it is almost invariably the case that Helix will place an order for the purchase or sale of units with the operator or manager or administrator of the fund. The "Broker" or "Execution Venue" for such transactions would therefore always be the operator /manager /administrator (as appropriate). Transactions are affected at the net asset value of the CIS. Certainty of execution (i.e. the ability to execute the order) is the most important factor.</p>



## Appendix 2: Identification of transactions requiring further investigation.

Price, Cost and Speed are the most important factors Helix takes into account when determining whether it has achieved best execution. Below are examples of the triggers that are used to identify transactions where further analysis is required.

<b>Execution Factor</b>	<b>Triggers for further Investigation</b>
<b>Price</b>	Executed price varies significantly from prices recorded throughout the trade date.
<b>Cost</b>	Brokerage cost is significantly more than expected in comparison to historical or similar trades.
<b>Speed</b>	Transaction was not executed in a timely fashion, following decision to trade.