



Order Execution Policy

Version 1.00 UK MIFID II
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Compliance Officer

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1. Order Execution Policy

This document provides a summary of the Creditscript UK Limited (“Creditscript”) Order Execution Policy (“Policy”), which Creditscript will adopt when executing orders on behalf of clients. By giving Creditscript orders for execution after receiving this document, clients will be deemed to have consented to having their orders handled by Creditscript in accordance with the Policy, save for situations where Creditscript has received specific instructions or to the extent that express consent is required in accordance with applicable law (but has not been received). Clients should note that where Creditscript acts as arranger to notes issued by Creditscript Luxembourg, Creditscript is operating in an OTC marketplace.

2. Scope & Application

This document applies only to trades executed by European Economic Area (“EEA”) and UK sales or trading employees of Creditscript. This document applies to orders executed on behalf of Professional Clients in accordance with the Applicable Rules and only to dealings in financial instruments under the Markets in Financial Instruments Directive (“MiFID II”).

Creditscript owes a duty of best execution to its client when it has either: (i) Received and accepted an order in respect of a financial instrument (as defined in Section C of Annex I of MiFID II and set out in Appendix A to this Policy) and Creditscript is either:

- (i) Executing the order on behalf of the client, either by dealing as principal or as agent; or;
- (ii) Arranging transactions, including passing the order or acting as manager and placing the order to a broker for execution.

The Best Execution obligation applies to all business the we execute for Retail clients and will apply for Professional clients where the client places legitimate reliance on the us to provide best execution. The considerations to take into account when determining whether a client is placing legitimate reliance on the Firm are set out in section 5 (‘When will Best Execution not apply?’).

Although it is assumed that Professional clients do not rely on Creditscript to provide Best Execution we accept that there are certain circumstances where they may place such reliance upon us. Indications that Professional clients may be legitimately relying on us to provide Best Execution include:

- (i) Where we execute their order by dealing as riskless principal or on a matched principal basis;
- (ii) Where we deal on their behalf on an agency basis;
- (iii) Where we are given discretion by you in relation to the execution of your order;
- (iv) Where your order is worked by the Firm’s sales desk as opposed to the platform; and

3. What is best execution and order handling?

When executing transactions in financial instruments Creditscript will take all sufficient steps to obtain the best possible result for you on a consistent basis taking into account price, costs, speed, likelihood of execution and settlement, size, nature and/or any other consideration relevant to the execution of the order.

4. Financial instruments in scope for the Best Execution obligation

The asset classes in which Creditscript executes client transactions (or passes orders for execution to a third party) and that are within scope of the Best Execution requirement include the following:

- (i) Debt including private asset backed bonds

Please note that spot FX transactions are not within the scope of MIFID II unless they are linked to a specific transaction which is itself within scope, in which case they may be taken into consideration as part of the overall costs of the transaction.

5. When will Best Execution not apply?

The Best Execution obligations will not apply in the following circumstances: Orders carried out with or for Eligible Counterparties (“ECP”). If you are an eligible counterparty, you do not benefit from the Best Execution provisions of MiFID II which only apply to Professional and Retail clients.

Professional clients

If you are a Professional client we will not provide you with Best Execution on your order unless it is reasonable for us to assume that due to your knowledge and experience you are relying on us to protect your best interests. In determining whether you are placing legitimate reliance on us to provide Best Execution we will take the following matters into consideration:

- (i) Which party initiated the transaction – where you initiate a transaction with us, including following receipt of research and marketing material from us, we will consider it less likely that you will be placing reliance upon us;
- (ii) The relative levels of price transparency within a market – in markets where pricing is transparent and it is reasonable to believe that you have access to this information we will consider it less likely that you will be placing reliance upon us;
- (iii) The information provided by the firm and any agreement reached – absent any contractual terms agreed between us we will provide execution services in accordance with this document.

If you are a Retail client, you will always be due Best Execution on your orders.

Financial instruments out of scope for MIFID II

The financial instruments not within the scope of MIFID II traded by the Firm include loans, claims and spot FX.

6. What are the best execution factors?

As part of taking all sufficient steps to obtain the best possible result for you when executing your order, we will take into account the following factors:

- (i) Price – this is the price at which a transaction in a financial instrument is executed;
- (ii) Size – the size of the order or transaction to be executed, which may impact the execution price we obtain for you depending on the liquidity of the financial instrument;
- (iii) Speed – the length of time it takes to execute your order or transaction;
- (iv) Costs – including internal and external costs such as venue costs and the Firm's own commission;
- (v) Likelihood of execution and settlement – the probability that your order or transaction can be completed;
- (vi) Nature – the type of order you have placed eg limit order, at best etc; and
- (vii) Other – any other considerations relevant to the execution of your order, for example particular characteristics of your order or transaction.
- (viii) Although we are obliged to deliver the best possible result when executing client orders in all MiFID financial instruments, a uniform procedure for Best Execution should not and cannot be applied owing to differences in market structures and the different characteristics of each financial instrument. The application of any Best Execution obligations will therefore take into account the different circumstances surrounding the execution of your orders for particular types of financial instruments (for example an Over The Counter ('OTC') execution as opposed to an execution on a trading venue).

7. Selection of execution factors in the execution of a Client Order

When executing your order, we take into account the following criteria to determine the relative importance of the execution factors:

- i. Your client categorisation (Professional or Retail) – for Professional clients price is likely to be the primary execution factor whereas for Retail clients the price and the depth of liquidity available at that price (see section 1.8 'Client categorisation and Best Execution') are likely to be most important;
- ii. Your specific instructions – you may give a specific instruction that will have an impact on how we execute your order, for example you may instruct that an execution factor

other than price (such as the likelihood of execution or the diversification factor, or portfolio characteristics) should have priority;

- iii. Characteristics of your order – there are various characteristics of your order, such as whether it is a purchase or sale, its size, the type of order (fractional market, whole loan market, duration, strategy etc.), that may impact how we decide to execute it.
- iv. For large in size orders the likelihood of execution is likely to be more important than price;
- v. Characteristics of the financial instrument that are the subject of your order – for illiquid financial instruments (such as the Creditscript Luxembourg Notes market) the likelihood of execution is likely to be more important than price to the client.
- vi. Any other circumstances relevant to the execution at the time – for example your ability to settle trades in a particular market, brokerage rates, time, availability of prices etc.
- vii. Internal Order Processing of Client Orders via Random Selection

Our Firms policy is to ensure Client orders are processed fairly with best execution in the context of alternative credit markets and Clients must be confident that ‘competing’ client orders are dealt with fairly and transparently;

In order to address the ‘equitable’ treatment of Client accounts bidding on the same loans, our Execution Policy is to use a random selection routine, to scan competing orders and allocate loan bidding matches at random, to ensure all Client Orders and Client Categories (retail or institutional to the extent they are competing) are dealt with equitably and our Firm allows each client to given a fair chance to fill open market orders;

A random selection is equitable and easily understood by our Clients;

Client orders are routed to the appropriate venue (E.g. Institutional orders are routed to whole loans and retail orders to Fractional loan markets only) are kept segregated;

Fractional loan markets enable multiple retail investors to gain exposure to the same loan via the maximum bid amount field (either in default setting or amended) thereby filling multiple client orders;

Where institutional investors participate in retail markets, they are subject to the same random selection for loan fill and the retail investor, ensuing equitable treatment for all clients (retail or institutional);

Where institutional clients are competing or bidding on the same loans in the Whole loan market, the random selector ensures fair treatment for institutional clients.

8. Ranking of Execution Factors for OTC Asset Backed Securities

Below is the ranking/ priority of execution factors for Asset Backed Securities:

1 (Most Important)	2	3	4 (Least important)
Size	Price	Speed	Settlement

9. Private Assets

For deals where assets are either of a not publicly listed and/or illiquid (in terms of market availability) e.g. Creditscript Luxembourg notes market, best execution in MiFID instruments will be demonstrated by the investment process principles used throughout the negotiation process between the arranger and issuer and the procedures followed by the Team in question and the principles of 7(vii) above.

10. Client categorisation and Best Execution

Professional clients – if you are a Professional client, price will normally merit a high relative importance in obtaining the best possible result for you. However, in some circumstances other execution factors may be more important in obtaining the best possible execution, e.g. likelihood of execution or settlement for orders in illiquid financial instruments;

Retail clients – Note we do not currently offer our services to retail clients. However if in the future we do and if you are a Retail client, what constitutes the best possible result will be determined in terms of ‘total consideration’. This represents the price of the financial instrument and all costs related to execution, including all expenses incurred by you which are directly related to the execution of the order, such as Execution Venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of your order. The Firm’s own remuneration for the transaction, internal commissions and costs will not be taken into account in the Best Execution consideration when we quote a price to you. For Retail clients speed, likelihood of execution and settlement, the size and nature of the order, market impact and any other implicit transaction costs may be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration.

Eligible Counterparties – as previously stated, best execution obligations do not apply to eligible counterparties.