

Allocation Policy

- It is not permissible to aggregate a customer order with an own account order, or with an order from a eligible counterparty, or with another customer order, unless:
 1. it is likely that the aggregation will not work to the disadvantage of each of the customers concerned; and
 2. we have disclosed either orally or in writing to each customer concerned, either specifically or in the terms of business, that the effect of aggregation may work on some occasions to its disadvantage
- Clause 5.8 **Aggregation of orders** in the Client Agreement meets the disclosure requirements in 2. above.
- Given that the company is not a proprietary trader, the only likely aggregation of a client order with an own account order would be in the event of an error arising and the correction thereof. In such a situation the customer must be given an execution which is at least as good as that he would have obtained should his order have been executed correctly.
- Where orders have been aggregated and part or all of the aggregated order has been executed the allocation of fills should be made promptly (and in any event, by the close of business the same day). If, for any reason, we are not able to allocate the fills concerned promptly, the reason for the delay should be fully documented and recorded by the person responsible for making the allocation.
- Where an aggregated order is executed, in the subsequent allocation procedure unfair preference must not be given to own account orders or to any of those for whom we have dealt; and where a customer order and an own account order have been aggregated, priority must be given to satisfying the customer order if the aggregate total of all orders cannot be satisfied, unless we can demonstrate on reasonable grounds that without our participation we would not have been able to execute those orders on such favourable terms, or at all.
- A revised allocation may be made in respect of an aggregated order where an error is identified in either the intended basis of allocation or the actual allocation; in such a situation a record of the reason for and basis of the re-allocation must be made and recorded in the error log and the re-allocation must be completed within 1 business day of the error being identified. A revised allocation may also be made where an order is only partially executed resulting in an uneconomic allocation to some customers; in such a case we must take reasonable steps to ensure that a re-allocation is in the best interests of the customers for whom it has dealt.

- Where an aggregated order has been executed which includes one or more customer orders a record must be retained of the identity of each client concerned and whether the transaction is to be transacted in whole or in part for a managed account, and if in part, the relevant proportions. In addition a record must make a record of the intended allocation as soon as is practicable (where an own account order is aggregated with an order for one or more customers, a record of the intended basis of allocation must be made before the transaction is executed).
- When allocating an aggregated transaction which includes one or more customer orders a record must also be made of the date and time of allocation, the relevant product, the identity of each customer and eligible counterparty concerned, and the amount allocated to each respective customer, eligible counterparty and to the firm.
- When allocating an aggregated transaction which includes one or more customer orders, the company must allocate the order on a pro-rata basis. Thus giving the fairest possible outcome in regard to the prices involved in order to ensure best execution in line with the companies best execution policy.
- Any records made in respect any aggregated order must be retained for a period of at least 5 years from the date of allocation or subsequent re-allocation.