Best Execution Policy

Introduction:

This document ("the Policy") sets out the approach taken by Finalto Trading Limited (the "Firm", "FT", "we" or "us") in ensuring that the best outcome is obtained for its clients on consistent basis when executing client orders and transmitting orders to third parties for execution. FT is registered in England and Wales (Company Number: 08663212) and is authorized and regulated by the Financial Conduct Authority (FCA reference number: 607305).

This Policy has been updated to take into account new rules arising as a result of the implementation of the Markets in Financial Instruments Directive 2014/65/EU ("MiFIDII") that came into force on 3 January 2018. Other FCA Rules and Guidance have been taken into account in designing this Policy, as have other EU regulations and ESMA Guidance where appropriate.

This Policy applies only to the execution or transmission of client orders in Financial Instruments, as defined in MiFID II, except where noted otherwise. It also reflects the fact that the Firm deals with both professional and retail clients.

The obligation to take all sufficient steps to obtain the best possible results for clients applies where a firm owes a client contractual or agency obligations. This Best Execution obligation applies to all business the Firm executes for Retail clients and will apply for Professional clients where the client places legitimate reliance on the Firm to provide best execution

This Execution Policy should be read in conjunction with FT's Client Agreement. When a client agrees with our Client Agreement, they agree to our Best Execution Policy as well. This Policy applies to the execution of all products and services offered by FT. Depending on the region, some products are not available due to regulatory restrictions. Please contact FT for more information regarding these restrictions.

All clients are advised that trading spot foreign exchange ("spot FX")*, Contracts for Difference ("CFDs"), Spread Betting, and any other investment products which are also leveraged, carry a high level of risk. These products are not suitable for all investors. It is possible to lose more than your initial investment. The risks of trading must be understood prior to trading.

*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.

Best Execution Policy:

When executing transactions in financial instruments FT will take all sufficient steps to obtain the best possible result for you on a consistent basis taking into account market factors, namely: price, costs, speed, likelihood of execution and settlement, size, nature and/or any other consideration relevant to the execution of the order. In determining best execution, priority is placed on the price and speed of the execution unless the client specifies otherwise.

Auto-generated reports are sent to the Dealing desk and Compliance every day comprising of trades triggered that are flagged as being outside of what is deemed to be a normal market price.

When trading spot FX*, Contracts for Difference ("CFDs"), Spread Betting, and any other investment products which are also leveraged, FT acts as a principal and not as an agent on your behalf unless we inform you otherwise. That means that all of your orders are executed directly with FT who are the counterparty to all transactions. Subject to prior written agreement, trading charges may be incorporated as an addition to bid/offer price (the difference between the price at which we take a principal position and the transaction execution price with you). FT may alternatively agree to charge a commission or a combination of commission and mark-up or mark-down. FT charges are not taken into account in determining best execution prices. We are required to take a number of factors into account when considering how to give you best execution including price, costs, size, liquidity of the underlying market, speed and likelihood of execution and settlement. The way in which we will ensure that you obtain best execution is by ensuring that in our calculation of our bid/offer prices we pay due consideration to the market price for the underlying referenced product. We have various different data sources through which we ascertain the fair market price that we use to form a fair, tradable FT bid/offer.

A detailed breakdown of FT's pricing conventions follows.

FT derives its prices for Spot FX from liquidity providers in the wholesale market. FT uses this liquidity as guidance in determining bid/offer prices but is not bound to use this liquidity in any particular manner. FT's bid/offer spread may be tighter or wider than these wholesale prices and is dictated by overall liquidity and demand in the market as well as in the FT flow. The bid/offer price of a particular price feed is universal for all clients who subscribe to that feed. Some price feeds display a discounted spread and subscribers to some of these discounted feeds may be charged a commission, which is disclosed to those clients using that specific price feed.

FT's prices for futures-based Indices are derived from the underlying futures of the instrument. In the case of cash Indices, an adjustment called a fair value adjustment is made to take account of financing costs and dividends anticipated to occur during the period between the present, and the maturity date of the underlying future.

Where FT continues to quote prices outside of the market hours of the underlying index future, FT creates its cash and futures index prices by taking into account such factors as the current prices of other worldwide indices, commodities or Spot FX markets as well as client flow, and may be subject to restrictions in maximum size and increased spreads, as well as, maximum size at which execution will be automated and not referred to dealing desk. A mid-price is derived from these prices, then an FT spread is added to the mid-price to create a bid and offer price.

FT's prices for futures-based Commodities are derived from the underlying futures prices to which they relate. In the case of spot Commodities, a fair value adjustment is made to take into account costs such as, but not exclusively, financing and storage that may occur during the period between the present and the maturity date of the relevant underlying future. In some cases, variations of future based cash instruments will be quoted, this information can be found in our Market Information Sheets ("MIS"). A mid-price is derived from these prices and then an FT spread is added to the mid-price to create a bid and offer price.

FT derives its prices for bonds futures instruments from the underlying futures prices to which they relate. FT's pricing convention might be slightly different from that of the relevant underlying exchange, for further information refer to the MIS, but the pricing itself is in line with underlying market. A mid-price is derived from these prices and then an FT spread is added to the mid-price to create a bid and offer price.

FT derives its prices for interest rate futures from the underlying futures prices to which they relate. A mid-price is derived from these prices, and FT spread is added to the mid-price to create a bid and offer price.

FT derives its prices for single stock CFDs/Spread Bets from the underlying equity prices to which they relate. In the case of CFDs, a bid/offer price is derived from these prices and passed on to the client and then FT's commission is added to the trade to create overall execution price. In the case of Spread Bets, a bid/offer price is derived from these prices, FT's spread is then added to this bid/offer price and passed on to the client.

FT derives its prices from one or more data sources that reflect the underlying exchange's prices. Where this data is unavailable, FT will base its prices on the last traded price of the underlying instrument. All cash instruments are subject to daily financing (this does not apply to futures contracts).

In relation to some financial instruments, at the time at which you submit an order there may be no functioning or open market, or exchange on which the reference product is traded. In such cases, we set out to determine a fair underlying price based on a number of factors such as price movements on associated markets and other market influences and information about our clients' orders. Also, at such times when the market may be illiquid, trade halted or suspended and it is not reasonable to expect fair derivation of the price, we reserve the right not to execute your order. All execution is symmetrical which means if the price is not available on a stop order and the order is executed at next available price, same will happen to limit orders and they will be improved. Regular reviews of execution levels are conducted by FT.

Order Types

FT order types include:

- Market Orders: Market Orders are executed at the best available, market price. The price that appears on client's screen prior to submission is the last price only and does not constitute the actual execution price. Once the submitted order is received it will be executed at the market rate at the time.
- Instant execution: Instant execution orders are typically price specific. Orders are executed at requested price or the order is rejected. A slippage tolerance can be set on instant execution orders.
- Stop Orders: Stop Orders are executed at the price designated by the client or, in the case of gapping, the first available price. Buy Stop orders are executed at the next available offer price and Sell Stop orders are executed at the next available bid price.
- Limit Orders: Limit Orders are executed at the client requested price or better, if the price is available.
- AFTched Stop Orders and AFTched Limit Orders: the user may specify the aFTched order level by indicating the price at which the aFTched order should be booked or the number of points from the parent order level at which the aFTched order should be booked. In the latter case, if the parent order is a Market Order, Stop Order or Limit Order, the aFTched order will be booked the specified number of points away from the price at which the parent order was submitted and not from the price at which the parent order was executed.

FT's descriptions of the various types of orders are summaries and do not describe all aspects of each order. If you have any questions as to how any of the types of orders will be executed, please call an FT representative for an explanation.

Execution Venues

As mentioned above, FT acts as a principal on all client trades and therefore execution sits with FT. We allow clients to execute through various venues: our proprietary platforms (desktop, web and mobile versions), the MT4 platform, phone orders to our dealing desk or through some chat functions (Bloomberg, Reuters, etc.). Each client is responsible for all orders placed by that client, or on behalf of the client by an agent, and should fully understand the mechanics and method of execution of each order before placing it.

FT uses automated systems to route and execute client orders. FT will act as a principal to client orders, including where orders are directly routed to FT's liquidity providers, whereupon client execution may depend on the execution FT receives from its liquidity providers. We will use liquidity providers that we consider to be of the highest quality and that provide best execution in-line with the terms of this Best Execution Policy. These liquidity providers will be reviewed regularly, and any potential issues will be reported to senior management and reviewed in detail.

In some rare circumstances, there may be delays in execution of orders, including orders placed through on-line trading systems. Some orders placed through on-line trading systems may be handled manually in circumstances where high traffic in electronic orders causes a back log due to, but not exclusively, excessive volatility causing illiquidity in underlying markets. In such circumstances FT may discontinue normal automatic execution procedures and turn to manual execution, leading to possible delay in execution. In order to minimise such a risk, FT has in place procedures and arrangements which to the furthest extent possible provide for the prompt, fair and expeditious execution of client orders.

Clients should be aware of the following risks associated with volatile markets, especially at or near the open or close of the standard trading session:

- Slippage or execution at a substantially different price from the quoted bid or offer, as well as partial executions or execution of large orders in several transactions at different prices. The possibility of slippage increases during fundamental announcements, at illiquid times, and at times of extreme market volatility. The release of fundamental data and extreme world events may cause increased volatility in the market. When economic data or world events are announced, the market may "gap" in a particular direction. This means that there are no tradable prices between the actual price at which the market was trading prior to a fundamental announcement, or world event, and the price available after the market has adjusted, following the announcement or event. Prices move very quickly, and orders are executed in some cases at prices very far away from the stop price. As mentioned above, all execution will be symmetrical, and market and limit orders will be treated in the same way as stop orders. This means that gaps in the market may work against the client as well as in client's favour.

- Delays in executing orders for financial instruments that are directly routed to FT's liquidity providers, and manually routed or manually executed orders. Prices at which orders are executed may be different from that requested, but FT will always aim to act in client's best interest and achieve the best fill possible.

- If positions and orders are left overnight, opening prices may differ substantially from the previous day's close, depending on where the underlying instruments opens on the following day.

- "Locked" (the bid equals the offer) and "crossed" (the bid is higher than the offer) markets on the exchange or other market participants, which prevent the execution of client trades are also a risk. This includes limit up/down situations on some underlying futures markets and suspension of shares due to an imminent news announcement. This also includes technical issues with underlying exchanges.

- Price volatility is one factor that can affect order execution. When clients place a high volume of orders with brokers, order imbalances and backlogs can occur. This implies that more time is needed to execute the pending orders. Such delays are usually caused by the occurrence of different factors:

  a) Number and size of orders to be processed (usually due to major economic announcement);

  b) Speed at which current quotations (or last sale information) are provided to FT; and/or

  c) System capacity constraints applicable to the given exchange, as well as to FT.

FT does not permit the practice of arbitrage, nor does it allow clients to take advantage of price latency due to internet delays (See Invalid Prices and palpable errors, below). Transactions that rely on price latency or arbitrage opportunities may be revoked. FT reserves the right to make the necessary corrections or adjustments on the Account(s) involved, including, but not limited to, withholding any profits made by clients while using these trading tactics. Accounts that rely on arbitrage strategies may at the sole discretion of FT be subject to FT's intervention and manual approval of all orders.

FT will take sufficient steps to consider the execution venues upon which we place reliance to consistently achieve the best possible result for the execution of our client orders. The below comprises a non-exhaustive list of venues which we may consider and may be updated from time to time:

FT Price Providers	FT Executing Brokers
FX:	**FX:**
BNP	BNP
UBS	UBS
BARCLAYS	BARCLAYS
GOLDMANS	GOLDMANS
JP MORGAN	JP MORGAN
DEUTSCHE	DEUTSCHE
CREDIT SUISSE	CREDIT SUISSE
XTX	XTX
CITADEL	CITADEL

Bullion:	Bullion:
XTX	XTX
JUMP	JUMP
CITADEL	CITADEL
CREDIT SUISSE	CREDIT SUISSE
DEUTSCHE	DEUTSCHE
GOLDMANS	GOLDMANS
JP MORGAN	JP MORGAN
UBS	UBS

CFD Indices & Commodities (includes Bitcoin Futures)	CFD Indices & Commodities (includes Bitcoin Futures)
CME	Macquarie
COMEX	UBS
ICE	
EUREX	
EURONEXT	
HKEX	
SGX	
AEX	
BME	
WSE	
Direct Exchange agreements and priced through Quant House / MDD	

EQUITIES:	EQUITIES:
Bats Chi-X	CIMB
	Maybank
	Cowen
	Winterfloods
Direct Exchange agreements and priced through Quant House / MDD / ACTIV	

Cash OIL:	Cash OIL:
GOLDMANS	GOLDMANS

CRYPTOS (Excludes Bitcoin Futures):	CRYPTOS (Excludes Bitcoin Futures):
B2C2	B2C2
FT Price Feed Vendors:	
Quant House Primary	
Quant House Back-up	
MDD	
MDD Frankfurt	
Activ	
CFH	

Invalid Prices and Palpable Errors

Invalid prices occur when incorrect price information is entered into the trading platform. Internet, connectivity delays, and price feed errors may create a situation where the prices displayed on the trading platform do not accurately reflect market rates. Invalid prices are removed from the price charts to alleviate confusion. Should any orders be executed basis an invalid price, the resultant trades will be invalid and reversed so that no P/L occurs, and commissions (if any) credited back to the client's account.

Palpable error is defined as a clear mispricing of any instrument by FT. When declaring a palpable error, FT will act reasonably and may, without limitation, take into account the exchange price of the underlying asset at the time of the error, and/or any error or lack of clarity within any pronouncement or information upon which FT relied in order to derive a bid/offer price.

In case of palpable error, any trade that resulted due to an order being filled basis such palpable error, will be invalid and reversed so that no P/L occurs, and commissions (if any) credited back to the client's account.

Aggregation of orders

FT will execute client orders in a timely manner and comparable client orders promptly and sequentially unless the characteristics of the order or prevailing market conditions make this impossible or the interests of the client dictate otherwise. When appropriate, FT may need to aggregate buy or sell orders in the same asset for execution. The rationale behind aggregating orders is to reduce the time it takes to get all orders to market. For example, the execution of many small orders one at a time could 'signal' to the market that this pattern may continue which may result in our client getting worse fills than if FT has sent one, single order to the market. Whilst it is unlikely to work overall to our client's disadvantage, on occasions, aggregation may result in obtaining a less favourable price in relation to a particular order. FT will only aggregate orders if it reasonably believes that doing so would benefit all clients when taking into due consideration the Best Execution factors.

Extreme Market Conditions and Market Events Outside FT Control

In an event of extreme market conditions and unusual trading circumstances caused by, but not limited to, central bank interventions, natural catastrophe, or war, FT will endeavour to provide bid and offer prices, and if able, as close to normal market conditions as possible. We cannot however guarantee that we will be able to provide pricing if liquidity in the underlying markets is suspended or for some other reason not available. We will mimic, as close as possible, underlying market conditions and come back online as soon as reasonably possible. Prices, execution and trading times will often depend on those that the FT is getting from its liquidity providers.

Fees and Commissions & Mark-Ups

If a client holds the following overnight positions (i.e. at 5pm EST), including weekends and public holidays, then FT shall calculate a Financing Charge for the following products:

- Cash/Equity SpreadBet
- Spot Forex position
- Cash CFD

The Financing Charge will normally be debited or credited to cover the cost of funding. Information regarding overnight finance charges can be found on in the Market Information Sheet, available in the documents library on our website under:

- MIS - SB – Retail
- MIS - CFD - Retail

Additionally, FT discloses to its retail clients any fees, commissions and mark ups the client is likely to be charged via Introducing Brokers ("IBs"). It is at the discretion of FT and the IB to set fees and commissions at the level it chooses, however all provisions will be made that this is in line with TCF. It is important to note that when selecting who to place an order with, FT does not consider these fees and commissions.

Consent to execute away from a Trading Venue

FT may execute all or part of your order outside of a Trading Venue. In accordance with FCA requirements, FT has requested your consent to execute such orders in this manner. The request to provide such consent is included in our Terms of Business which has previously been provided to you. In the absence of an explicit response from you to the contrary in relation to this information, if you place an order with us, we will treat you as having provided us with consent to trade outside a Trading Venue, as we believe it is in your best interests for us to do so (e.g. it allows us to tap into greater liquidity with counterparties willing to act as principals like ourselves).

Please note that there are various consequences resulting from an order being executed outside of a Trading Venue, including counterparty credit risk potentially resulting from facing a counterparty rather than, say, a clearing house of the Trading Venue. If you would like additional information about such consequences, please let us know in writing.

Furthermore, in addition to the above FT is also required under the rules of the FCA to obtain your express consent when exercising our discretion to decide whether or not to publish unexecuted limit orders. The request to provide such consent is included in our Terms of Business which is provided to all clients. In the absence of an explicit response from the client in relation to this information, if the client places an order with FT. they will be treated as having provided consent to not publish any unexecuted limit orders, as FT believe this is in the client's best interest.

Review and monitoring of the policy

We will monitor the effectiveness of this Policy. We will assess, from time to time, whether the venues used by us in pricing of our instruments and executing transactions on your behalf allow us to achieve best execution on a consistent basis or whether we need to make changes to our execution arrangements. If any changes are made, the Best Execution Policy will reflect them.

We will execute trades only for retail clients. In the event that any trades are executed for Professional clients, our approach to Best Execution for both types of client are set out below:

Retail clients
FT's approach for 'retail clients' is that the best possible result for execution will be determined in terms of the total consideration payable in relation to the execution of the order. The total consideration represents the price of the financial instrument and the costs relating to the execution, including all expenses incurred by the client which are directly related to the execution of the order. This will include venue fees, clearing and settlement fees and any other fees paid to third parties.

Professional clients
FT owes Best Execution to 'professional clients' where it can be said that the professional client in question is legitimately relying on us to protect their interests. This will depend on the specific nature of the transaction and we believe this is likely to be the case in most instances. Total consideration paid by the client is also likely to be of relatively high importance when considering Best Execution for professional clients.

We will also review our order execution arrangements and this Policy in respect of material changes either in respect of one of our chosen pricing venues or that otherwise affect our ability to continue to achieve best execution. Should there be any material changes to our order execution arrangements or order execution policy, we will notify you.