

## SOMMERVILLE ADVISORY MARKETS

### ORDER PLACING POLICY

#### 1 PURPOSE

- 1.1 Following the implementation of the Markets in Financial Investments Directive, when placing an order with, or transmitting an order to, another entity for execution, for Retail Clients and Professional Clients (each within the meaning of the rules of the Financial Services Authority (the "FSA")), Sommerville Advisory Markets is required by the FSA to take all reasonable steps to obtain the best possible result for its clients taking into account the execution factors (see section 5 below).
- 1.2 In addition, Sommerville Advisory Markets must, when providing discretionary investment management services, comply with the obligation to act in accordance with the best interests of its clients when placing orders with other entities for execution that result from decisions by Sommerville Advisory Markets to deal in financial instruments on behalf of its client.
- 1.3 Sommerville Advisory Markets is required to establish and implement effective arrangements for complying with its obligations to take all reasonable steps to obtain the best possible result for its clients.

#### 2 SCOPE

- 2.1 Sommerville Advisory Market's order placing policy applies only to Professional Clients and Retail Clients.
- 2.2 Sommerville Advisory Market's order placing policy applies where Sommerville Advisory Markets receives and transmits client orders to another entity, such as a third party broker, for execution.

#### 3 SPECIFIC INSTRUCTIONS

- 3.1 Sommerville Advisory Markets offers the services of arranging trades, discretionary investment management and, on occasion, the provision of advice.
- 3.2 In relation to the arranging of trades or provision of advice, the execution of a client order will be with a broker nominated by the client (an "**Executing Broker**") pursuant to a specific instruction. Sommerville Advisory Markets satisfies its obligation to take all reasonable steps to obtain the best possible result for the client when it transmits an order to an Executing Broker nominated by the client pursuant to a specific instruction. Sommerville Advisory Markets reserves the right to not to accept specific instructions to pass orders to particular Executing Brokers where there are logistical reasons that make such arrangements impractical.
- 3.3 Where Sommerville Advisory Markets transmits orders to Executing Brokers with whom the relevant client has an account, the Executing Broker nominated by the client pursuant to specific instructions, may owe the client regulatory obligations, which may include a duty of best execution. However, Sommerville Advisory Markets will not be under any duty to ensure best execution is provided by the Executing Broker nominated by the client. **Clients should ensure that their Executing Brokers are able to offer them best execution when executing orders on their behalf.**

- 3.4 Where a client's specific instructions relate only to part of the order, Sommerville Advisory Markets will continue to apply discretion to those aspects of the order not covered by the client's specific instructions. In such circumstances Sommerville Advisory Markets will take all reasonable steps to obtain the best possible result for its clients taking into account the execution factors as described below.

#### **4 RECEPTION AND TRANSMISSION OF ORDERS**

- 4.1 If, on a rare occasion, Sommerville Advisory Markets does not transmit an order to an Executing Broker on the specific instruction of the client where, for instance:

- (a) the client has more than one nominated Executing Broker and does not nominate a broker for the particular trade; or
- (b) Sommerville Advisory Markets provides a discretionary investment management service where, for instance, the client has more than one nominated Executing Broker and does not nominate a broker for the particular trade,

Sommerville Advisory Markets may transmit an order that it may receive from a client to a broker for execution in its discretion. In doing so, Sommerville Advisory Markets will act in the client's best interests and comply with section 5 and section 6 below.

#### **5 THE EXECUTION FACTORS**

- 5.1 In seeking to obtain the best possible result for its clients, Sommerville Advisory Markets will take steps to ensure that a broker with which it places orders takes into consideration a range of different factors which include not just price, but also other factors such as the cost of the transaction, the need for timely execution, the likelihood of execution and settlement including the liquidity of the relevant market (which may make it difficult to execute an order), the size of the order, the nature of the financial transaction including whether it is executed on a regulated market or over-the-counter or any other consideration relevant to the reception and transmission of the order.
- 5.2 Where Sommerville Advisory Markets receives and transmits an order on behalf of a Retail Client, the best possible result must be determined in terms of the total consideration, representing the price of the financial instrument, the costs of the broker, Sommerville Advisory Markets' costs, execution venue fees, clearing and settlement fees and any other fees which are directly related to the execution of the order.
- 5.3 When dealing with Professional Clients, price will ordinarily merit a high relative importance in obtaining the best possible result. However, in some circumstances, for some clients, orders, financial instruments or markets, Sommerville Advisory Markets may appropriately determine that other execution factors are more important than price in obtaining the best possible execution result.
- 5.4 In the absence of express instructions from a client, Sommerville Advisory Markets will exercise its own discretion or rely on the direction of a broker in determining the factors that it needs to take into account for the purpose of providing a client with "best possible result".

## 6 EXECUTION CRITERIA

When determining the relative importance of the execution factors, Sommerville Advisory Markets will take into account, or take steps to ensure an Executing Broker takes into account, the characteristics of:

- (a) the client;
- (b) the order;
- (c) the financial instruments that are the subject of the order; and
- (d) the execution venues to which the order can be directed by a broker.

## 7 EXECUTING BROKERS

7.1 Sommerville Advisory Markets has identified, in respect of each class of instruments, the Executing Brokers to whom Agincourt may transmit orders received from a client. Details of these Executing Brokers can be found in the Appendix to this document.

7.2 Each Executing Broker has execution arrangements in place that enable Sommerville Advisory Markets to comply with its obligations under this order placing policy when it places an order with, or transmits an order to, the Executing Broker for execution.

## 8 MONITORING AND REVIEW

8.1 Sommerville Advisory Markets will monitor the effectiveness of its order placing arrangements and policy with a view to identifying, and where appropriate, correcting any deficiencies. In particular, Sommerville Advisory Markets will assess on a regular basis whether each Executing Broker to whom Sommerville Advisory Markets transmits orders, allows Sommerville Advisory Markets to achieve the best possible result on a consistent basis or whether Sommerville Advisory Markets needs to make changes to its order placing arrangements.

8.2 Sommerville Advisory Markets will also review its order placing arrangements and order placing policy annually and whenever a material change occurs that affects Sommerville Advisory Markets' ability to continue to achieve the best possible result on a consistent basis using the Executing Brokers included in Sommerville Advisory Markets' order placing policy. Sommerville Advisory Markets' will notify clients of any material changes to its order placing arrangements or order placing policy.

## 9 FIDUCIARY RESPONSIBILITY

Sommerville Advisory Markets commitment to provide clients with the best possible result in accordance with Sommerville Advisory Markets' order placing policy does not mean that it owes clients any fiduciary responsibilities over and above the specific regulatory obligations placed upon Sommerville Advisory Markets or as may be otherwise contracted between Sommerville Advisory Markets and a client.

Sommerville Advisory Markets is a trading name of Agincourt Financial Limited.

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## Appendix 1: Executing Brokers as at 15/02/2012

| <b>Class of instrument</b>                       | <b><i>Executing Brokers/Primary Service Providers</i></b>     |
|--|---|
| Spread Bets, Forex, CFDs                         | <i>Worldspreads &amp; IG Index</i>                            |
| Exchange Traded Futures and Options, DMA<br>CFDs | <i>Interactive Brokers &amp; IG Markets</i>                   |
| Exchange Traded Options                          | <i>FXCM UK &amp; Interactive Brokers</i>                      |
| Shares \$ SIPP CFDs                              | <i>Saxobank</i>   |
| Institutional Agency Business                    | <i>Societe Generale &amp; Global Prime<br/>Partners (GPP)</i> |