

Macquarie



MACQUARIE EUROPE

INFORMATION ABOUT OUR ORDER EXECUTION POLICY

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MACQUARIE ORDER EXECUTION POLICY

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1 APPLICATION & SCOPE OF THE POLICY

This document explains the order execution policy of Macquarie, in accordance with regulatory obligations in the Financial Services Authority (FSA) Conduct of Business Sourcebook (COBS). Macquarie is required to establish and implement an Order Execution Policy (the **Policy**) which ensures it obtains the best possible result for its clients when dealing in financial instruments (as defined in COBS).

This document sets out information about the Policy.

“**Macquarie**”, “**we**”, “**us**” or “**our**” for the purposes of the Policy means any of:

- Macquarie Capital (Europe) Limited;
- Macquarie Bank International Limited; or
- Macquarie Bank Limited, London Branch.

The operating divisions within Macquarie to which the Policy apply are the Macquarie Securities Group (**MSG**) and the Fixed Income Currencies & Commodities (**FICC**) Group.

1.1 When the Policy Applies

The Policy applies where we have classified you as a professional client and you have placed an order in financial instruments which we have agreed to execute on your behalf.

1.2 When the Policy Does Not Apply

The Policy does not apply in the following circumstances:

- we have categorised you as an Eligible Counterparty;
- you provide us with a specific instruction as to the execution of an order (or part-order) that we accept. In these circumstances, we will execute the order (or part-order) in accordance with those specific instructions. This may prevent us from taking the steps that we have implemented to obtain the best possible result for execution of your order (or part-order). Where the specific instruction only applies to part of that order, the remaining parts of the order will be subject to the Policy; or
- you have accepted a quote provided by us or we negotiate the terms of a transaction with you and you decide to execute an order on that basis. In these circumstances, this Policy will only apply where you request that the Policy apply and we agree to that request.

2 OUR OBLIGATIONS UNDER THE POLICY

When executing orders on your behalf, we will take all reasonable steps to achieve the best possible result for you subject to and taking into account the nature of your order, the priorities you give us in filling those orders and the market in question.

2.1 Best Execution Factors

Specifically, we will take into account a range of different factors in deciding how to execute your order. These include:

- price;
- the cost of execution;
- the need for timely execution;
- the execution venue;
- the likelihood of executing and settling your order;
- the size of your order;

- the nature of the financial instrument including whether it is executed on a regulated market, multi lateral trading facility (MTF) or over-the-counter (OTC);
- the market impact of the order; and
- any other factors that may be relevant to the execution of your order.

Where we aggregate orders of different clients, such aggregation will occur fairly and proportionately, in accordance with our policy on order handling, execution and allocation.

2.2 Best Execution Criteria

In the absence of express instructions from you, we will exercise our own discretion in determining the factors that we need to take into account for the purpose of providing you with best execution, based on our experience and in light of the available market information at the relevant time.

Generally, the highest priority is placed on price. From time to time, we may also prioritise other factors such as the impact on market prices of displaying and executing your order and the availability of price improvement, or the speed and likelihood of execution and settlement.

There may also be occasions where we prioritise other factors including the nature of your order, the characteristics of the financial instruments that are subject to that order and the characteristics of the venue to which that order can be directed. In particular, we may prioritise other factors:

- where there is insufficient liquidity available on a particular execution venue which prevents us from executing your order in full;
- where you have requested that we work your order by reference to a benchmark calculated over a period of time (e.g. VWAP – Volume Weighted Average Price), or work your order over a particular period of time;
- where other circumstances exist such that obtaining the best immediately available price may not provide the best possible result for you; or
- where we execute a programme trade where there is an appropriate basket of securities to trade in order to reduce overall transaction costs.

3 EXECUTION VENUES

The Policy includes details of execution venues in respect of each class of financial instruments which we access when we execute your orders. These execution venues have been selected as we consider that they enable us to obtain on a consistent basis the best possible result for the execution of your orders.

Subject to applicable local laws and regulations, we may seek to execute all or part of an order by netting/crossing it 'internally' with a matching order for another client if we believe that we can trade to the advantage of (or at no disadvantage to) the clients.

Otherwise, external execution venues we select include:

- EEA Regulated Markets;
- EEA MTFs;
- Systematic internalisers;
- Electronic Communication Networks (ECNs);
- Market makers; and
- Other liquidity providers (which includes non EEA entities that perform a similar function to the other execution venues listed above).

It should be noted that:

- there may be one or more trading methods or execution venues to fill one order; and
- we may take steps to ensure that we do not structure or charge our commissions in such a way as to discriminate unfairly between execution venues.

4 USE OF OTHER BROKERS - RECEPTION AND TRANSMISSION OF ORDERS

We may transmit your order to, or place your order with, another firm for execution. The other firm may be connected to or affiliated with us. In choosing the other firm, we have taken into consideration the following factors relating to that other firm:

- Access to alternative markets and trading venues;
- Commission rates and prices/spreads provided;
- Execution speed/latency;
- Quality of execution and service, both historical and current;
- Clearing and settlement efficiency and capabilities; and
- Risk profile, credit worthiness and reputation.

When we transmit your order to another firm, we will take all reasonable steps to ensure that the other firm has arrangements in place to enable us to comply with our obligations under the Policy.

5 MONITORING, POLICY REVIEW AND UPDATES

5.1 Monitoring and Policy Review

We will monitor the effectiveness of our order execution arrangements and the Policy to identify and, where appropriate, implement any enhancements. We will assess, on a regular basis, whether the execution venues included in the Policy and the entities to whom we transmit orders for execution provide for the best possible result for you or whether we need to make changes to our execution arrangements.

We monitor our relationships with other brokers, including the applicability of strict counterparty exposure limits and the reputational risk of those brokers on an ongoing basis.

We will review our order execution arrangements and the Policy at least annually or whenever a material change occurs that affects our ability to obtain the best possible result for the execution of your orders on a consistent basis using the venues included in the Policy.

5.2 Policy Updates

We will notify you of any material changes to our order execution arrangements or the Policy in accordance with our Terms of Business.

The Policy and any updates are also available to you in hard copy upon request.