**Execution Policy**

*Last updated: 21 December 2017*

This document sets out Chatham Financial Europe’s (“Chatham”) execution policy and approach to providing best execution (“Execution Policy”) as required by the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) when dealing in financial instruments as defined in Section C of Annex I of MiFID II and set out in Appendix A of this policy. This Execution Policy applies where Chatham either:

1. Executes an order on behalf of a client, or
2. Receives and transmits an order from a client for execution by another entity.

In both cases, Chatham must take all sufficient steps to obtain the best possible results for its clients.

Regarding option 1, please note that, unless otherwise noticed in writing and agreed by Chatham, does not execute orders on behalf of clients, and does not expect to execute any orders on behalf of clients.

Regarding option 2, in receiving and transmitting an order to another entity for execution, Chatham will consider the characteristics of the client (including the client’s categorisation as a professional client); the characteristics of the client order; the characteristics of the financial instruments that are the subject of that order; and the characteristics of the execution venues to which that order can be directed.

When arranging or transmitting an order on behalf of a client, Chatham is obligated to follow a client’s instructions. When Chatham is following specific instructions from a client regarding an order, Chatham satisfies the obligation of best execution by arranging, transmitting or executing the order (as applicable) as directed by the client and to the extent that such instructions cover all aspects of arranging, transmitting or executing the order. The best execution obligation will continue to apply to any other parts or aspects of the order that are not covered by such instruction. As noted above, Chatham does not plan to execute client orders. Regarding arranging and transmitting orders, Chatham’s general practice is to arrange and transmit orders only subject to client instructions.

Were Chatham’s practices regarding executing orders or arranging and transmitting orders to change, Chatham would notify its clients of the change and update this policy to reflect such changes.
Appendix A to Chatham’s Execution Policy

Markets in Financial Instruments Directive II (MiFID II), Annex 1, Section C

Financial instruments

(1) Transferable securities;

(2) Money-market instruments;

(3) Units in collective investment undertakings;

(4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;

(5) Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event;

(6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;

(7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of this Section and not being for commercial purposes, which have the characteristics of other derivative financial instruments;

(8) Derivative instruments for the transfer of credit risk;

(9) Financial contracts for differences;

(10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market, OTF, or an MTF;