



TRADE EXECUTION POLICY

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Glossary

Client: A professional client under MiFID II, possessing the expertise to make independent investment decisions and assess risks. Criteria are detailed in Annex II of MiFID II.

CPRM - Counterparty Risk Management.

Trading services provided by Abet LLC (Company Number 2347 LLC 2022), located at 9 Cassius Webster Building, Grace, Complex, P.O. Box 1330, The Valley, AI-2640 Anguilla. Contact: Support@abetglobal.com.

Execution Venue

Includes regulated markets (RMs), multilateral trading facilities (MTFs), organized trading facilities (OTFs), systematic internalizations (SIs), market makers, liquidity providers, or similar entities in third countries.

Financial Instruments

Refers to financial instruments as defined in Section C Annex I of MiFID, excluding foreign exchange spot contracts.

Market Maker

A person trading Financial Instruments on markets, continuously buying and selling using proprietary capital at self-defined prices.

Material Change

A significant event impacting Best Execution parameters like cost, price, speed, execution likelihood, settlement, size, or other relevant considerations.

MiFID II

Directive 2014/65/EU governing financial markets, including amending directives and regulations.

MTF - Multilateral Trading Facility

An investment firm or operator-run system uniting third-party buying/selling interests in Financial Instruments per Title II of MiFID II.

OTF - Organized Trading Facility

A non-regulated market or MTF with third-party buying/selling interests in bonds, structured finance products, emission allowances, or derivatives leading to contracts per Title II of MiFID II.

OTC - Over The Counter

Non-RM trading, ranging from bilateral deals to structures like systematic internalizers and broker networks.

TCA - Transaction Cost Analysis

Evaluates trade prices to assess if they are favorable.

Policy

This Order Execution Policy aligns with MiFID II, UCITS, and AIFMD.

RM - Regulated Market

A system operated by a market operator, facilitating multiple third-party buying/selling interests in Financial Instruments resulting in contracts. Operates under MiFID II provisions.

RFQ - Request for Quote

An electronic message to solicit quotes for a financial instrument.

SFTs - Securities Financing Transactions

Stock lending and security repurchasing transactions, often carried out through agreements like Global Master Securities Lending Agreement or Repo Agreement.

Specific Instructions

Client-issued order execution details, including price limits, execution time, venue, or other parameters.

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SI – Systematic Internalize

An investment firm regularly deals with its account by executing client orders outside RMs, MTFs, or OTFs without operating a multilateral system.

Investor

An investor in a collective investment undertaking under UCITS or AIFMD.

Fund

A collective investment undertaking subject to UCITS or AIFMD.

Introduction and Scope

Welcome to our comprehensive policy on Best Execution, detailing how ABET diligently adheres to regulatory requirements. This policy outlines our practice of pursuing optimal execution results when carrying out orders for Clients or Funds across Execution Venues, including order transmission or placement with brokers. It applies specifically to transactions in Financial Instruments for Professional Clients or Funds. You can access this policy on our official website: Support@abet-global.com.

Best Execution Obligations

When ABET functions as the Management Company for Funds, we commit to exhaustive efforts in achieving the most favorable outcome while executing decisions on behalf of managed Funds. As an Investment Services Provider, ABET takes all necessary measures to attain the best possible result when executing decisions for Clients. Our commitment to best execution is vital when acting as agents in a discretionary capacity, where the decisions we make significantly impact our Clients' interests. This particularly applies when Clients entrust us with safeguarding their interests concerning transaction pricing and other aspects.

Client-specific Instruction

In instances where a Client provides Specific Instructions regarding order execution while receiving investment services, we meticulously follow those Instructions for execution. By adhering to these Instructions, we ensure that we have fulfilled our Best Execution responsibilities under MiFID II regulations. This holds when an order or specific components of an order are executed by Specific Instructions furnished by the Client. However, it's important to note that any Specific Instruction from a Client may curtail our ability to implement the steps outlined in this Policy to achieve optimal execution results. In such cases, the extent of our ability to provide Best Execution aligns with the Specific Instructions provided by the Client.

Best Execution Considerations

In the pursuit of optimal execution outcomes, our approach is grounded in meticulous steps aimed at achieving the best possible result. This involves a comprehensive assessment of crucial factors, including costs, speed, execution likelihood, settlement efficiency, order size, nature, and other relevant considerations pivotal to order execution.

1. Execution to Obtain the Best Possible Result: Our commitment to consistent excellence drives us to obtain the best possible result when executing or transmitting orders to other firms. This dedication underscores our adherence to the execution factors listed below:
2. Price
3. Costs
4. Speed
5. Likelihood of Execution and Settlement
6. Size
7. Nature
8. Other Relevant Considerations for Order Execution
9. Factor Importance Determination: The relative significance of these execution factors is determined based on several key criteria, encompassing:
10. Order Characteristics
11. Subject Financial Instruments
12. Execution Venue Attributes
13. Current Market Conditions

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In the context of Funds, our approach extends to the objectives, investment policies, and risks outlined in the Fund's prospectus, articles of association, or offering documents. While we generally prioritize price and cost as pivotal factors for achieving the Best Execution, specific circumstances may arise where alternative execution factors hold greater sway in achieving optimal outcomes.

For a comprehensive grasp of our Best Execution approach tailored to specific products, kindly consult the designated sections in the subsequent portions of this document.

Broker and Execution Venue Selection

Our approach to executing orders is underpinned by an assessment of functional and economic merits, prioritizing factors such as liquidity, suitability, certainty, and settlement infrastructure of brokers and venues. The decision on where and how to execute an order is rooted in strategic considerations. Key criteria drive the selection of brokers for order execution, including:

1. Market and Security Expertise
2. Access to Liquidity and Risk Commitment
3. Financial Stability and Settlement Assurance
4. Confidentiality Maintenance
5. Robust Technological Infrastructure and Operations
6. Primary Market Subscription Capability (For New Issues)
7. Client Safeguards and Compliance Controls
8. Execution-Only Service Pricing and Costs
9. Transaction Cost Analysis (TCA) Capability
10. Access to Centralized Risk Book (CRB)
11. Speed of Execution Analysis
12. Interaction Control with Internal and External Systematic Internalizes (SIs)
13. Approach to Double Caps and New Large-in-Size (LIS) Venues
14. Smart Order Routing (SOR) Logic and Algorithmic Strategies
15. Customized Reporting and Performance Data Provision
16. Assisted Trade Reporting Capability

In cases where external brokers are involved with specific expertise or country exposure, additional factors come into play. These include:

Broker Reliance for Best Execution

When relying on a broker for Best Execution, consideration is given to whether the broker adheres to MiFID II-compliant policies and can substantiate Best Execution upon request.

Broker Reliance for Algorithmic Execution

Although we don't host our algorithms, we make use of algorithms provided by brokers. The selection of a broker hinges on the alignment between the broker's offered algorithm and the defined trading strategy, as well as the Execution Venues utilized by the broker.

Our meticulous approach underscores our commitment to achieving the highest standards of execution performance, ensuring your interests remain paramount throughout the process.

Electronic Execution Strategy

We prioritize electronic venues, including Multilateral Trading Facilities (MTFs), Systematic Internalizes (SIs), and Organized Trading Facilities (OTFs), to ensure efficient order execution. By leveraging these platforms, orders are placed on venues as 'request for quote' submissions, reflecting our commitment to achieving optimal execution while minimizing the impact of market fluctuations.

Factors Determining Execution Venue

Our selection of the Execution Venue for each order hinges on meticulous considerations, including:

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1. Instrument Type and Venue Suitability: We identify venues where specific instrument types are actively traded, ensuring competitive pricing is accessible.
2. Market Liquidity and Volatility: We assess the depth of liquidity and market volatility to make informed decisions.
3. Speed and Execution Likelihood: Speed of execution and likelihood of successful execution play a pivotal role in determining the Execution Venue.
4. Counterparty Creditworthiness: The creditworthiness of the venue's counterparty influences our choice.
5. Clearing and Settlement Quality: We evaluate the quality, cost, and reliability of clearing and settlement arrangements.

Reliance on Selected Brokers and Venues

Our commitment to Best Execution is bolstered by a carefully curated list of brokers and Execution Venues, listed in Appendix Sections A and B. While these are our primary go-to sources, situations may arise where specific Client orders necessitate execution outside of these venues. Notably, equities and equity derivatives orders, including cash equity and listed equity derivatives, are typically entrusted to executing brokers who are exchange members with direct access or possess specialized expertise essential for Best Execution.

Our overarching priority is to secure the Best Execution possible, emphasizing the primary execution factor of price. However, instances may demand that other factors take precedence for superior execution outcomes. For instance, during market disruptions or system outages, speed and execution likelihood are prioritized. Furthermore, in scenarios involving illiquid markets or substantial order sizes, execution with market makers or liquidity providers may be pursued to ensure a higher likelihood of successful execution and settlement.

Secondary Criteria and Special Instruments

Secondary criteria, such as the nature of the instrument and order size, dictate our decision-making process on a trade-by-trade basis. These criteria encompass:

1. Nature of the Instrument and Order Size:
Unique features of the instrument and order size guide our broker selection.
2. Execution Likelihood:
The broker's knowledge, exposure, and capability to execute the order influence our choices.
3. Likelihood of Settlement (Settlement Risk):
We consider the broker's ability to ensure timely securities delivery.
4. Broker Willingness and Capacity:
For high-volume transactions, we evaluate the broker's commitment to enter principal trades.
5. Speed: The ability of the counterparty to swiftly process orders is assessed.

ETFs and Fixed Income Instruments

Exchange-Traded Funds (ETFs) are predominantly executed via RFQ directly with brokers on MTF venues. The ETF price discovery process benefits from broker competition on MTFs, with price transparency being pivotal in the execution decision. For certificates, execution may occur directly with the issuer or through a broker for listed instruments.

Debt instruments, often characterized by limited liquidity and transparency, are primarily traded over-the-counter (OTC), except for listed instruments. Competitive quotes are sourced to ensure optimal results based on prevailing market conditions.

Fixed Income Instruments

Trading debt instruments on MTFs involves simultaneous RFQ-based price competition among multiple counterparties, facilitating Fair Pricing.

Comprehensive Consideration

In our pursuit of the Best Execution, we consider various venues and market counterparts before selecting the optimal quote. While price remains paramount, we also factor in order size, speed, complexity, and execution and settlement likelihood, ensuring a comprehensive approach to secure the best outcome for each transaction.

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Large Order Execution Considerations

For substantial orders, prioritizing execution certainty, minimizing market impact, and expediting execution speed can outweigh price considerations. Consequently, our choice of venues, counterparties, and the emphasis placed on execution factors is tailored to each trade to achieve optimal results.

Illiquid Securities and Execution

For illiquid securities lacking electronic trading facilities, execution involves direct communication with potential counterparties via phone or email. This method ensures thorough market screening as electronic venues are unavailable for such securities.

Price Validation in the Absence of Competition

In scenarios without price competition, we validate fairness by assessing the price against related or comparable securities and adjusting parameters like credit rating, maturity, and size. Here, the likelihood of execution becomes the key factor.

Money Market and Short-term Instruments

Highly liquid money market instruments with short maturities are traded similarly to liquid debt instruments, prioritizing price competition via RFQ. The primary focus remains on price unless specific Client instructions dictate otherwise.

OTC Derivatives (Interest Rates and Credit)

When executing OTC derivative orders via RFQ, primary execution factors are the terms agreed upon in counterpart agreements, followed by price validation. Market data and similar products serve as reference points for price fairness assessment.

Additional Considerations For Derivatives

Beyond factors for debt instruments, collateral, associated credit risk, other related costs, trading capacity, expertise/skill, and information flow are evaluated for effective decision-making.

Listed Derivatives (Interest Rates and Credit)

Listed derivative orders are transmitted to registered intermediaries with exchange access. Execution factors include connectivity, financial stability, technological infrastructure, market familiarity, and information flow from brokers.

Foreign Exchange (Currency Derivatives)

In FX instruments (FX futures, options, forwards, swaps, NDFs), Appendix Section B lists trading venues. Multiple competitive quotes are obtained simultaneously, with price as the primary execution determinant.

Non-standard FX OTC Derivatives

Tailor-made FX OTC derivatives require pricing tools for verification, considering parameters like interest rates, volatility, and spread. Multiple market makers' quotes are sought for comparison.

SFTs - Securities Financing Transactions

SFTs adhere to relevant agreements or Fund statutes, executed on an OTC basis without official market prices. Execution hinges on counterpart agreements, lending rates, credit risk criteria, settlement arrangements, trade terms, collateral, and fair allocation processes. Significant reliance is placed on Appendix Section A for consistent execution.

Specific Instructions And Fair Allocation

Client-provided Specific Instructions guide execution in some cases, while a fair allocation process ensures equitable distribution of loans.

Other Assets Execution

When dealing with assets beyond Financial Instruments, our priority remains acting in the best interest of the Funds or Clients. In cases where execution venue options are limited, the execution factors previously outlined, including price, costs, speed, execution and settlement likelihood, size, and nature, might not be applicable.

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Ongoing Monitoring And Review

Our continuous monitoring and review of execution arrangements aim to assess the effectiveness of our overall execution strategies. This ongoing evaluation involves a combination of activities tailored to the product type, including:

- Daily supervisory oversight to ensure adherence to our execution policy for order execution on Execution Venues and by brokers, while non-standard executions maintain the requisite level of decision-making authority.
- Periodic reviews of execution effectiveness using a broker and Execution Venue data, supplemented by third-party Transaction Cost Analysis (TCA) reports that highlight deviations, trade specifics, and justifications.
- Independent reviews of execution arrangements, featuring sample execution analysis supported by TCA data, conducted by our control functions.
- Regular summaries detailing system enhancements, technical functionality, and back-office settlement, along with periodic reporting to governance bodies encompassing all Best Execution-related aspects.

As a result of these reviews, adjustments to our Execution Venues list and top broker list may be made to align with our Best Execution objective. These improvements are managed under the oversight of relevant broker governance forums and specific product-line governing committees.

Broker Assessment

When transmitting or placing orders with external entities for execution, or executing orders directly with counterparties, our priority is ensuring that these entities possess execution arrangements that align with our Best Execution obligations and prioritize the interests of Funds and Investors.

For entities governed by MiFID II, we gather and assess information about their order execution policy, annual top-five reports, and execution arrangements. For entities outside MiFID II scope, we still ensure their execution arrangements comply with our Best Execution standards.

Our control framework and review process are leveraged for periodic broker monitoring, involving:

- Assessment of execution quality through Transaction Cost Analysis (TCA) data from selected brokers.
- Review of broker-provided information, if available, including order execution policy, annual top-five reports, affirmation of policy adherence, and identification of execution quality gaps or losses.
- Analysis of trade concentration by trader and broker.

All our brokers are carefully selected from a pre-approved list supervised by our Counterparty Risk Management (CPRM) team. This team employs a standardized broker onboarding and due diligence process, assessing and managing counterparty risk for all Client transactions.

The broker list undergoes regular review and updates to ensure alignment with our execution goals.

Reviewing Execution Venues

Regular assessment of our chosen execution venues is pivotal to ensuring satisfactory achievement of Best Execution. This entails a comprehensive review that accounts for multiple factors, including:

1. Execution Quality: Evaluating quality metrics published by trading venues.
2. TCA Reports: Analyzing Transaction Cost Analysis (TCA) reports concerning execution performance on the venues.
3. Execution Costs: Considering the cost associated with execution.
4. Clearing and Settlement Infrastructure: Assessing the infrastructure supporting clearing and settlement.
5. Best Execution Governance: Ensuring alignment with our Best Execution governance framework and policy.

We consistently evaluate available Execution Venues to identify those that consistently yield optimal results. Our ongoing reviews might lead to the addition or removal of Execution Venues from our list.

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General Order Handling Terms

Our procedures and arrangements prioritize prompt, fair, and efficient order processing, except when order characteristics or market conditions render this impractical, or Client/Fund interests necessitate a different approach. With independence and professionalism, we exercise judgment, considering all execution factors for applying the Best Execution principles.

We neither receive remuneration nor non-monetary benefits for routing orders to specific Execution Venues or brokers. To manage conflicts of interest, we have a robust policy in place.

We implement procedures to promptly, fairly, and efficiently execute and allocate Client/Fund orders relative to others. This may involve aggregating orders with those of other Clients/Funds to prevent any disadvantage. When partially executing an aggregated order, we allocate related trades in the best interests of relevant Clients/Funds, adhering to our order allocation policy.

Reporting

Annually, for each class of Financial Instruments, we'll publish on our website ([Support@abetglobal.com](mailto:support@abetglobal.com)) lists of the top five execution venues and firms to whom we transmit Client orders. Separate reports will be provided for each ABET legal entity within the MiFID II scope.

Client Notification And Consent

New Clients under MiFID II will receive this Policy as part of their Client agreement or access it on our website (support@abetglobal.com). We will seek prior consent from Clients regarding this Policy. For certain Client orders in tradable financial instruments, consent will be sought for executing outside trading venues.

Reviewing Execution Policy

This Policy undergoes annual reviews. Additional reviews occur when a Material Change impacts our ability to consistently achieve the Best Execution using the venues outlined. If such changes occur, we may adjust Execution Venues or entities in line with the overarching Best Execution requirement, updating this Policy accordingly. This policy will be available on our website ([Support@abetglobal.com](mailto:support@abetglobal.com)) for Fund Investors and Clients of our investment services. Additionally, Clients will receive email notifications of any material changes affecting the execution of their orders.

Appendix

The section below provides a non-exhaustive list of brokers/venues we rely on for executing orders. Only significant reliance brokers/venues are listed here, selected in line with this Policy. Additional brokers/venues used, though not listed, adhere to our Policy's guidelines.

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