

IB UK Order Execution Policy

Approach

IB UK's order execution policy is premised upon the principle that, for the combination of clients served and products offered, a Retail client order is most likely to be executed at the optimal price, at the greatest speed and with the highest levels of accuracy and certainty of completion (i.e. "best execution") if that order is submitted via direct access to a fully automated market venue. Moreover, to the extent that an order is associated with a product listed on multiple market venues, "best execution" is achieved by reviewing the bids and offers at each of those venues in an automated manner and directly routing the order to the venue having either the most favorable price or the most favorable price net of execution costs. While automatically executed orders may not have an opportunity to be executed at a price better than the execution venue's posted bid or offer, they are not subject to being held by a market maker or specialist and executed at an inferior price or declined execution if the market moves in the client's favor while the order is pending.

Given this background, IB offers Retail clients two primary methods of routing orders to the market for execution. First, IB UK Retail clients may provide specific instructions to directly route their orders through the IB trading platform to the order book of a particular venue of their choice. When this method has been selected, IB UK will be deemed as having satisfied our best execution obligation to the client. Second, for products which are multiply listed, IB UK offers SmartRoutingSM a proprietary computerized routing algorithm which is designed to optimize both speed and price of execution by continuously scanning competing execution venues and automatically seeking to route the order to the best venue. Clients may select SmartRoutingSM based upon two criteria, the first being the most favorable price, and the second the most favorable price after taking into consideration execution costs. A general description of SmartRoutingSM including details as to how this execution method considers factors such as quote prices, speed and likelihood of execution, quote size, and nature of order along with the execution venues covered may be found at: www.interactivebrokers.com.

Execution Venues

IB UK provides Retail clients with direct access to a number of execution venues which have been selected based upon the level of relevance they maintain within their particular region in addition to factors such as product breadth, liquidity, electronic access, costs and speed and likelihood of settlement. These considerations, in the aggregate, are intended to provide a range of execution venues most likely to provide clients with best executions. While these venues will typically fall into the classification of Regulated Markets, they may also include other exchanges, Multilateral Trading Facilities, Systemic Internalisers, and third-party investment firms, brokers and/or affiliates acting as a market maker or liquidity provider. IB UK continuously monitors for the emergence of new venues or changes to existing venues which are currently unavailable, with the objective of expanding product offerings as well as the number of competing venues. A list of execution venues accessible to Retail clients may be found at: www.interactivebrokers.com.

Monitoring & Review

IB UK will monitor the effectiveness of this order execution policy to identify and, when applicable, correct any deficiencies. A review of the policy will be conducted at least annually or whenever a material change takes place to

ensure that Retail client orders continue to obtain the best possible results. We will notify clients of any material changes to this order execution policy.

Important Notice Regarding Best Execution

It should be noted that IB UK cannot and does not warrant or guarantee that every Retail client order will be executed at the best posted price. Among other things: (a) IB UK may not have access to every market at which a particular product may trade; (b) other orders may trade ahead of a Retail client's order and exhaust available volume at a posted price; (c) execution venues or market makers may fail to honor their posted prices; (d) execution venues may re-route Retail client orders out of automated execution systems for manual handling (in which case, execution or representation of a Retail client's order may be substantially delayed); or (e) execution venue Rules or decisions or systems delays or failures may prevent a Retail client's order from being executed, may cause a delay in the execution of a Retail client's order, or may cause a Retail client's order not to be executed at the best posted price.