

Order Execution Policy

Capital at Work Group

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1. Introduction

As referred to in the General Terms of Business of CatW, this document provides further insight on our order execution policy.

1.1. The purpose of this Policy

This Policy is issued to reflect compliance with the European Directive 2004/39/EC of 21 April 2004 on Markets in Financial Instruments implemented in Luxembourg by the law dated 13th July 2007 on markets in financial instruments ("MiFID"). It describes the arrangements by which the Capital at Work Group ("CatW") will endeavour to meet its obligations to take all reasonable steps to obtain the best possible result for our clients when executing orders on their behalf in relation to financial instruments and act in their best interests when placing orders with, or passing orders to, others for execution, taking into account the execution criteria and factors as detailed below.

In this Policy we refer to both these obligations as our obligation of best execution.

This Policy constitutes an overview as to how trades and orders are executed, the factors that can affect an execution's timing and the way in which market volatility can impact the handling of orders when buying or selling financial instruments.

Notwithstanding, whenever you issue a specific order instruction CatW will execute this order in accordance with such instructions. In such a situation the specific order instruction may diverge from the steps described within this Policy and prevent CatW from taking all reasonable steps to obtain the best possible result for the order execution.

1.2. Application of this Policy

This Policy applies to all private and professional clients but not to clients classified as Eligible Counterparties. This Policy applies when we accept an order to execute on your behalf or in other circumstances where we have expressly agreed that you are relying on us to protect your interests. It also applies where we receive and place orders with, or pass orders to, others for execution.

MiFID sets out two separate obligations depending upon how your orders are actually executed. Where we:

- Buy or sell financial instruments for you, we owe the execution obligation in paragraph 2.1. below; or
- Where we receive and transmit your order to an external broker-dealer, which itself executes your order, we owe the receipt and transmission obligation.

1.3. Products covered by this Policy

This Policy applies to Equities, Fixed Income, Money market instruments, Derivatives and Units in Collective Investment Schemes or Unit Trusts and other financial instruments as detailed in Appendix II.

1.4. Implementation

This Policy is effective as from 1st November 2007.

2. CatW's approach to Best Execution

2.1. Execution of orders

In meeting our best execution obligation to you, we will seek to obtain the most favourable terms reasonably available when executing a buy or sell order for you while taking into account the following execution criteria and factors.

Execution Criteria

We will take into account the following criteria when determining the respective importance of the execution factors in relation to any particular trade:

- Your investor characteristics (including your client classification);
- The characteristics of the financial instruments to which the order relates;
- The nature of the order;
- The selection of execution venues to which the order can be directed.

Execution Factors

In the absence of specific instructions from you, we will consider as execution factors the price, the costs, the speed, the likelihood of execution and settlement, the size or any other considerations that are deemed relevant for the purposes of order execution. We will determine the relative importance of each of the execution factors as detailed below for each instrument type.

However, we will not limit our assessment to the above listed quantitative factors but we will also take into consideration qualitative factors relating the service provision. The latter may include such factors as the quality of the communication, the availability of staff, the access facilities, the after sale commitment etc.

However regarding MiFID provisions, price remains the main factor to consider for CatW, as it classifies most of its clients as private by default.

- **Equities** – The factors of price, cost, liquidity, likelihood of execution and settlement, speed and size are important and the relative importance of each of them may differ depending on each individual order.

The centralised dealing desk will utilise its dealing experience to determine the relative importance of each factor and execute the order accordingly. Should conditions change or other considerations become evident in relation to any aspect of the order, our dealers may re-assess the situation and decide to re-prioritise the above considerations.

- **Fixed Income** – The factors of price, liquidity, likelihood of execution and settlement size, credit risk, rating and maturity are important and the relative importance of each of them may differ depending on each individual order.

- **Money Markets** – The factors of yield, size, liquidity, credit risk, likelihood of execution and settlement, rating and maturity are important and the relative importance of each of them may differ depending on each individual order.
- **Derivatives (Exchange Traded & Over-The-Counter)** – The factors of size, likelihood of execution and settlement, liquidity, counterparty, credit risk, rating and maturity are important and the relative importance of each of them may differ depending on each individual order.

The centralised dealing desk will utilise its dealing experience to determine the relative importance of each factor and execute the order accordingly. Should conditions change or other considerations become evident in relation to any aspect of the order, our dealers may re-assess the situation and decide to re-prioritise the above considerations.

- **UCITS, collective investment schemes or trusts** – The factors of price, liquidity, and likelihood of execution and settlement, counterparty, credit risk are important and the relative importance of each of them may differ depending on each individual order.

Execution Venues & Process

We have selected a number of execution venues that meet our criteria that enable us to obtain on a consistent basis the best possible result for your orders. The execution venues CatW routes the majority of its orders through are listed within the Appendix I of this document. We may use other execution venues where we deem it appropriate in accordance with this Policy.

The execution process for each instrument type is detailed as follows:

- **Equities** - transactions are routed through a variety of venues including agency brokers, electronic trading platforms, electronic crossing networks, alternative markets and anonymous market entry, together with traditional forms of order execution.
- **Fixed Income** – Pre enquiry price discovery utilising screen based information assists in determining the best venues to be targeted. Ongoing dialogue is also maintained with execution venues to ensure that CatW has the choice of directing trades to the most appropriate venue(s).
- **Money Markets** – best execution is achieved through either a spread of money market assets and/or through a relevant fund. For direct cash management, CatW aims to have a diverse placement strategy with monies generally only placed with approved counterparties. It should be noted, however, that the client's Statement of Investment Principles, or relevant portfolio guidelines, agreed with the client, can dictate where money market assets are utilised, which credit ratings apply and what concentration is appropriate.
- **Derivatives (Exchange Traded and Over-The-Counter)** – transactions are routed through clearing brokers, Systematic Internalisers and other liquidity providers.
- **UCITS, collective investment schemes or trusts** – transactions are routed to the transfer agents, a broker network or via Euronext.

Details of other execution venues CatW utilise on a less frequent basis for the execution of client orders can be provided upon request. Such venues are selected in line with the requirements of this Policy.

2.2. Placing of orders - Reception and transmission of orders

Where we place orders in the frame of discretionary portfolio management or where we receive and transmit orders to external broker-dealers for execution we will act in your best interests.

We will take all reasonable steps to obtain the best possible result by selecting the most appropriate broker-dealers. In doing so, we will take into account the factors and criteria set out in paragraph 2.1 above.

As a result, we will achieve best execution by placing orders with, or transmitting orders for execution to, other entities which can meet the MiFID best execution obligation:

- We will select an entity or entities most likely to deliver the best possible result for our clients. Where the entity selected is itself a firm subject to the best execution obligation as introduced by EU directive 2004/39/EC, we will place a high degree of reliance on that entity. We will ensure that the intermediary's execution policy is consistent with our own as specified in this document.
- Where the entity selected is not a firm subject to the best execution obligation introduced by EU directive 2004/39/EC, we have in place formal arrangements with the entity to procure equivalent best execution standards.
- We will monitor and review the execution quality delivered and correct any deficiencies.

Where we specify a venue to a third party broker-dealer when transmitting your order, or where we give a specific instruction to an executing broker-dealer as to how to execute a financial instrument on your behalf, we will have the execution obligations set out in 2.1. above.

3. Specific Situations:

3.1. Order Handling

In some specific cases, we may at our sole discretion, but we are not required to, aggregate orders or transactions from several clients ("grouped orders") or permit the broker with whom the order is placed, in accordance with applicable rules of any regulated market or multi-lateral trading facility, to combine or aggregate your order with other orders.

CatW ensures that the aggregation of orders and transactions will not work to the disadvantage of any client whose order is to be aggregated.

The following principles are applied:

- CatW only aggregates orders from clients or transactions from clients. Orders or transactions related to CatW's own account are never aggregated with orders or transactions from clients.
- In case of the grouped order is totally or partially executed, the related trades are usually allocated proportionally between the involved clients.

- The costs associated to the trades concerned by the aggregation are the same as the one mentioned in the tariff for non aggregated orders.
- CatW has put in place internal procedures designed to ensure that orders are aggregated and allocated regarding the principles mentioned above.

3.2. Dealing on request for quote

CatW will not be executing orders on client's behalf (and so will not owe best execution under this Policy) where it publishes a quote or provides a request for quote service and the client transacts with CatW on the basis of that quote.

3.3. Less liquid products

If a lack of liquidity on the venue offering the optimum conditions prevents us from executing the order completely and immediately, it may be executed on several venues if the delivery/receipt versus payment terms are in the same currency, if transactions costs remain reasonable and with the best possible result, if the client has not stipulated a particular venue and if the client's instructions do not prohibit a multi-venue execution.

3.4. Single execution venue

In certain financial instruments, there may only be one execution venue, and in executing a trade in such circumstances we will presume that we have provided the best possible result in respect of these types of instruments.

3.5. Transactions executed outside a regulated market or a MTF

In respect of financial instruments which can be traded on a Regulated Market, or a Multilateral Trading Facility, the Client acknowledges and expressly consents that some of the orders may be executed outside these venues where CatW believes that it can achieve the best possible result for execution of clients' orders by doing so.

3.6. Abnormal market conditions

This Policy will not apply at a time of severe market turbulence, and/or internal or external system failure where instead the ability to execute orders on a timely basis, or at all, will become the primary factor.

4. Structure of Commission Charges

We do not structure or charge commissions in such a manner that discriminates between different execution venues.

5. Specific Instructions

Where we receive a specific instruction from a client, CatW will carry out the execution of that order in line with those instructions. The client should be aware that by following his/her specific instructions, we are deemed to have satisfied our obligation to seek for the best possible result, however, CatW will continue to act in his/her best interests and follow this Policy for all aspects not specified by the client.

6. Monitoring and Review

We will frequently monitor and assess the effectiveness of our execution arrangements to determine whether the execution venues CatW is directing orders to are delivering the best possible result. We will review this Policy at least annually. You should refer to the list of execution venues at the internet address aforementioned from time to time for the current list of execution venues. You will not be notified of any changes to these venues separately.

7. Aftercare

Upon request, we will demonstrate to you that we have complied with this Policy for any transaction we have executed on your behalf. If you would like us to do so, please inform us in writing.

8. Client Acceptance

As per General Business Terms, by submitting an order for execution to CatW, the Client confirms its agreement with the Best Execution Policy.

Tacit acceptance through the GBT is eligible except for the situation under 3.5 where an express consent is needed.

9. Appendices

Appendix I – Principal List of Venues / Network of Brokers.

Please note:

This list is not exhaustive. We may use other execution venues where we deem it appropriate in accordance with our order execution policy.

Equities

We have direct access to the following regulated markets and MTF's:

- Denmark – OMX Helsinki Exchange
- Finland – OMX Helsinki Exchange
- France – NYSE Euronext Paris Stock Exchange
- Germany – Frankfurt Stock Exchange (including Xetra trading platform)
- Italy – Borse Italia
- Netherlands – NYSE Euronext Amsterdam Stock Exchange
- Norway – Oslo Stock Exchange
- Spain – Madrid Stock Exchange
- Switzerland – Virt-X
- Sweden – OMX Stockholm Exchange
- UK – London Stock Exchange
- Canada – Toronto Stock Exchange
- USA – American Stock Exchange
- USA – NASDAQ
- USA – New York Stock Exchange

We have indirect access to the following regulated markets via established broker relationships :

- (1) Belgium – NYSE Euronext Brussels Stock Exchange
- (2) Luxembourg – Transfert Agents

Listed Derivatives (Options)

Equity and Fixed Income Options

We have direct access to the following regulated markets and MTF's:

- Chicago Board

We have indirect access to the following regulated markets via established broker relationships :

- EDX London
- EUREX Deutschland / EUREX Zurich
- Euronext Derivatives Market :
 - Amsterdam Derivatives
 - Brussels Derivatives
 - Paris Derivatives

Fixed Income (Bonds)

We have indirect access to the following regulated markets via established broker relationships:

- Luxembourg Exchange
- London Exchange

Appendix II – Financial instruments

Best Execution applies to the following 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 derivatives contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
5. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash and may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event);
6. Options, futures, swaps, forward rate agreements and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market and/or an MTF;
7. Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in 6. and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls;
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, emission allowances and 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 (otherwise than by reason of a default or other termination event), as Capital at Work 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 or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.