

## Best Execution Policy

### Introduction

From 1st November 2007, and in accordance with regulatory requirements set out by the Financial Services Authority ("FSA"), we are required to provide clients with information about the steps we take to obtain the best possible result where we are executing their order. These are set out in our 'Execution Policy', a summary of which is shown below.

### Scope

Our Execution Policy is applicable to all Retail and Professional clients of Cave & Sons Ltd:

- a) to execute on their behalf in respect of financial instruments covered by the Markets in Financial Instruments Directive, or
- b) which we pass on (i.e. transmit) at our discretion to another broker or dealer ("third party") for execution.

### Execution Factors

In considering how we might achieve the best possible result for an underlying client order, we will take a number of factors into account; including price (or total consideration in the case of retail clients), costs, speed, likelihood of execution and settlement, size, nature of the order or any other considerations relevant to the execution of that order.

In determining the relative importance of these factors, we will use our own commercial experience and judgement, taking into account the size and nature of the order, the characteristics of the financial instruments to which the order relates, as well as the possible execution venues to which that order can be directed.

In general, we will regard price as the most important of these factors for obtaining the best possible result. However, we recognise that there may from time to time be circumstances for some clients, particular instruments, or markets, where other factors may be deemed to have a higher priority. In the case of retail clients, we will always regard the most important factors as those that result in the best total consideration in terms of the price combined with the costs of execution.

### Execution Venues & Market Counterparties

In establishing our Execution Policy, we have identified a variety of different execution venues and market counterparties that we intend to use, or transact business with, as we consider these enable us to obtain the best possible result on a consistent basis when executing orders on behalf of clients. It is therefore possible that client orders may be executed on a venue that is not a Regulated Market or a Multilateral Trading Facility ("MTF"). You should also note that some financial instruments might only be traded on one venue (notably if we execute a trade for units in a fund, the venue will be the fund manager or the fund itself).

Below is a list of the execution venues and market counterparties on which we place significant reliance:

### Exchanges – Cave & Sons Ltd is a member of:

The London Stock Exchange

PLUS Markets Group Plc

### Retail Service Providers (RSP) / Market Makers:

Barclays Capital Securities Ltd	Merrill Lynch International
Barnard Jacobs Mellet (UK) Ltd	Monument Securities Ltd
Collins Stewart Ltd	ODL Securities Ltd
Dresdner Kleinwort Securities Ltd	Panmure Gordon (UK) Ltd
Evolution Securities Ltd	Pershing Securities Ltd
HSBC Securities	Seymour Pierce Ltd
IG Markets Ltd	Shore Capital Stockbrokers Ltd
JP Morgan Cazenove Ltd	Teather & Greenwood Ltd
Kaupthing Singer & Friedlander	UBS
KBC Peel Hunt Ltd	Winterflood Securities Ltd

We will regularly assess the execution venues and counterparties available so that we can continue to include those that enable us to obtain the best possible result on a consistent basis. You should, from time to time, refer to our website for the current list of principal execution venues, as changes will not be separately notified.

We may transmit client orders to another broker or dealer (including a retail service provider (“RSP”) for execution. In such cases we may:

- determine the ultimate execution venue ourselves by accessing specific execution venues through such third parties; or
- instruct this other broker or dealer accordingly (having already satisfied ourselves that they have arrangements in place to enable us to comply with our execution obligations to you).

## Limit Orders

If an order has been placed with us with a limit on the price for execution, we may not be able to execute it immediately. Consequently, in accordance with regulatory requirements and unless otherwise specifically instructed, we will publicly disclose details of any unexecuted part of such “limit” order.

## Monitoring and Review

We will monitor regularly our order execution arrangements, as well as the quality of both our execution and that of third parties to whom we have passed orders. Such review will enable us to identify and implement changes to our Execution Policy and execution arrangements as necessary. You should note that it might not always be possible to make an effective comparison of execution performance because reliable data is not always available for some markets.

Clients will be advised of any material changes to our policy as necessary.

## Consent

**Regulations require that we must obtain clients’ prior consent to this Execution Policy. We will deem that you have provided such consent where we receive an order for your account on or after 1 November 2007.**

**We must, however, obtain your express consent, prior to executing an order in an instrument admitted to trading on a Regulated Market or an MTF outside of such a Regulated Market or MTF. Your consent in the form of a letter, signaling your ‘express consent’ must be addressed to our Compliance Officer, since we will otherwise be prevented from achieving the best possible result, where this is achieved by executing your order outside of a Regulated Market or MTF. The firm will then hold a record of your consent for future reference, which must be cancelled by you in writing if required.**

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