

## Calibrate Management Ltd Best Execution Policy 2021

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### Introduction

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Calibrate Management Ltd (“Calibrate” or “Firm”) is a ‘Small Authorised UK Alternative Investment Fund Manager’ (“Small AIFM”) with MiFID ‘top up permission’. Calibrate manages the Calibrate Master Fund Limited (“Fund”). Calibrate Management Ltd is also an Investment Manager for UHNW clients

The Firm recognises its duty to act in the best interests of clients when executing orders.

In this policy, any reference to ‘client’ or ‘clients’ should be taken to mean a **Fund** that Calibrate manages, or an Investment Management client.

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### Meaning of ‘best interests of each client’

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Calibrate is required to take all “reasonable steps” to obtain the **best possible result** for our clients, taking into account the following ‘**execution factors**’:

- Price
- Costs
- Speed
- Likelihood of execution
- Likelihood of settlement
- Order size and nature
- Any other consideration relevant to the execution of the decision to deal

When determining the relative importance of these execution factors the following ‘**execution criteria**’ must be taken into account:

- The objectives, investment policy and risks specific to the client, as indicated in its prospectus or instrument constituting the fund
- The characteristics of the order
- The characteristics of financial instruments that are the subject of that order
- The characteristics of the execution venues to which that order can be directed

It should be noted that the Firm will satisfy its obligation to take all reasonable steps to obtain the best possible result for a client to the extent that the firm executes an order following specific instructions from a client relating to that order, notwithstanding the fact that following such instructions may prevent the Firm from obtaining the best possible result.

The best execution obligations apply to all financial instruments, irrespective of whether they are traded on trading venues or OTC (including bespoke products). In the latter case, relevant market data will be used to check whether the OTC price offered for a client is fair and delivers on the best execution obligations.

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### **Prioritisation of execution factors**

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The firm considers the following to be the most important execution factors in order of prioritisation:

- Net Price (price including execution costs)
- Likelihood of execution
- Size
- Speed
- Other considerations

In certain circumstances the Firm may deem an alternative order of prioritisation is more appropriate. The prioritisation of execution factors is reviewed annually by the Board.

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### **Investor consent**

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It is a requirement that the Firm makes available this Best Execution policy on request. Furthermore, the Firm will make it available on its public website.

The execution of a transaction within a fund may on occasion take place outside of a regulated market or a multilateral trading facility.

Consent to Best Execution is given via the Investment Management Agreement.

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### **Effectiveness**

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The effectiveness of this policy and arrangements in delivering the best possible result for clients will be regularly monitored by the firm to enable identification, and rectification, of any deficiencies.

As part of the daily review of trades undertaken, the Head of Trading / Head of Risk and Compliance will also look for 'outlier trades' where the price appears inconsistent with similar trades.

A more formal, and independent, review is undertaken by the compliance function monthly in which a random selection of trades is identified and reviewed for 'best execution'. The Compliance Officer will liaise with the relevant members of the team, as necessary, as part of this review. Apart from the Compliance's normal reporting lines, any inconsistencies identified from the review of sample trades

will be reported to the Head of Trading for review and comment to the compliance function, and consideration of any necessary escalation.

This policy and the arrangements in place will be reviewed:

- a) whenever the firm assesses that a material change has occurred which would affect the firm's ability to continue to obtain the best possible result for clients. A 'material change' would include a significant event that impacted upon the **execution factors** or the **execution criteria** (see above); and
- b) at least annually.

Any material change will be notified to the Fund.

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### **Entities used in compliance with the Firm's obligations when it passes orders to other firms for execution**

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Outside of any specific instructions provided on behalf of a fund, the firm has identified execution entities to execute trades in order to ensure the best possible result for the client on a consistent basis. The execution entities are selected by the Board and are subject to ongoing review (see 'Effectiveness' above). The selection criteria includes, but not necessarily limited to, the execution entity's:

- Own Order Execution Policy
- Monitoring of the need to obtain 'the best possible result'
- Prioritisation of the execution factors