ADG Financial Products LLP – Best Execution Qualitative Disclosure

To fulfil our obligations under the Markets in Financial Instruments Directive 2014/65/EU ("MiFID II"), ADG Financial Products LLP ("ADGFP") is required to provide the following summary of the analysis and conclusions from our monitoring of the quality of execution obtained on Professional Client orders in the previous year (1st January to 31st December 2018), in accordance with the Regulatory Technical Standards 28 supplementing MiFID II ("RTS 28").

The summary below covers the asset classes of interest rate derivatives and equity derivatives. ADGFP did not trade any other class of instrument captured by RTS 28.

A summary of the analysis and conclusions the firm draws from its detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders in the previous year.

In consideration of achieving best execution, ADGFP takes into account various execution factors, including the price, costs, size, likelihood of execution, the characteristics of the order and the execution venue to which the order could be directed.

During the relevant period, Compliance conducted regular reviews of the quality of execution obtained by the trading desk in relation to interest rate derivatives and equity derivatives, and is satisfied that sufficient steps were taken to obtain best execution.

An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution

ADGFP's delivery of best execution is a key element in its commitment to act in the best interests of its clients, as well as being a regulatory requirement. The Firm prioritises taking all sufficient steps to obtain the best possible result for its clients when it executes, places or transmits orders on their behalf. This means taking into account the 'execution factors' such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

The relative importance of the execution factors is judged on an order-by-order basis in line with the Firm's industry experience and prevailing market conditions, as well as any specific instructions issued by the client accompanying the order. Where ADGFP determines that, due to current market conditions, a client may favour one execution factor over another this is discussed with said client. In addition, common key factors for relevant asset classes have been identified as follows:

As a result of ADGFP's typical business, trading in listed option instruments on behalf of professional clients, the determining execution factors are generally price and market impact. However, this may vary with each individual transaction. For example, size will be a key determinant of best execution in a situation where size relative to available liquidity is high, where the ability to complete the trade with a counterparty may take priority over price or cost. It should be noted that if specific instructions are received from or on behalf of a client, ADGFP will give priority to that instruction over the provision of this policy. Where derivatives are executed at the Firm's discretion, key factors considered are price, observed volume on exchange, and overall transaction costs.

A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.

Where ADGFP executes orders on the Eurex exchange and liquidity is a key consideration, ADGFP will source prices from the Eurex Central Order book or ADG Market Making LLP ("ADGMM", an affiliated firm). In order to determine the best execution solution, ADGFP will consider the available liquidity, price and market impact. If ADGFP decides that ADGFP is likely to achieve a better result for the client order by dealing through ADGMM then the client's order will be executed by ADGMM and subsequently commuted to the client utilizing the Eurex Block Trade facility. This is deemed to ensure better or equivalent pricing to the market while protecting order anonymity, as ADGMM is one of the largest market makers in the instruments it trades with ADGFP and, therefore, can execute large orders without disclosing the presence of the order to the market. It should be noted that order anonymity provided by ADGMM is often a determining priority for ADGFP's clients when executing with ADGFP.

A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

ADGFP has not entered into any arrangements with its execution venues regarding payments made or received, discounts or non-monetary benefits that would compromise its ability to meet its obligations in regards to best execution, conflicts of interest or inducements.

ADGFP may on occasion receive or provide minor non-monetary benefits from or to execution venues. They must be received/provided in accordance with the Firm's Inducements policy and in no way affect ADGFP's prioritisation of best execution for its clients.

An explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred

The list of execution venues contained within the Best Execution policy did not change during the period under review.

An explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements.

While ADGFP does take the characteristics of its clients into account when judging the relative importance of the execution factors, the Firm's professional clients are treated with a consistent approach.

An explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.

Not applicable. The Firm does not execute retail client orders.

An explanation of how the Firm has used any data or tools relating to the quality of execution, including any data published under Commission Delegated Regulation (EU) 2017/575.

ADGFP completes regular monitoring of the quality of execution for trades executed by the Firm. Our monitoring has been designed to analyse all execution factors that are required to be considered by law, as well as any other consideration relevant to the execution of the particular order. Where possible, monitoring is customised by asset class to reflect differences in the execution factors and their priorities as well as the characteristics of the markets in which these asset classes are traded. Monitoring is

continuously performed, from daily checks to quarterly reviews. We will ensure that we analyse our order execution policy on at least an annual basis in accordance with the rules. As part of our best execution monitoring procedures we have considered the available data published under Commission Delegated Regulation (EU) 2017/575 by the trading venues we have used.

Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

This is not currently applicable as the services of a Consolidated Tape Provider were not available during the period to which this disclosure relates.