BEST EXECUTION AND ORDER HANDLING POLICY

2019

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INTRODUCTION

AVA Securities Limited is required to take all reasonable steps to seek and obtain, when executing orders on behalf of clients, the best possible results for its clients, taking into account the criteria and factors set out in this policy.

This policy outlines the reasonable steps to be taken by AVA Securities Limited (AVA) to ensure weachieve best execution for all clients and handle clients' orders in a fair, just and timely manner.

1. PURPOSE

This policy sets out the firm's execution procedure and approach regarding clients' order execution in accordance with the requirements of the appropriate regulatory bodies, and best practices.

ASL is also required to execute a client's order in a prompt, fair and expeditious manner, relative to other orders or the trading interest of the firm. This policy will also address ASLs' approach in respect of the aggregation and allocation of orders.

2. SCOPE

This policy applies to all trades in financial instruments executed or placed by Cordros on the Nigerian Stock Exchange (NSE), NASD, FMDQ or any other capital market trade point recognizedand authorized by the Securities and Exchange Commission.

3. BEST EXECUTION

In general, the concept of best execution is the act of obtaining a combination of price and commission (if any) in a transaction that is most favorable to the client under prevailing market conditions.

When executing trades on behalf of our clients, the traders have a duty to select brokers, dealers, or banks that will enable the Company obtain best execution for clients and comply with any applicable regulatory or legal requirements. Consequently, the trader must, when executing trades, exercise due care, skill, judgement and consideration for execution criteria (as detailed below) when handling clients' orders.

i. Best Execution Criteria

ASL will take into account the following factors in determining how to execute clients' orders, and make decisions to deal or place orders with a counterparty, to achieve the bestpossible result for clients:

a) Price of the Financial instruments offered by the Execution Entity or ExecutionVenue;
b) Thedirect and indirect costs related to the execution of such Financial Instrumentssuch as
    - Allexpenses incurred which are directly related to the execution of the order;
    - Execution Venue costs
    - Clearing and settlement fees; and
    - Any other fees paid to third parties involved in the execution of the order
c) Speed (how quickly the order can be executed)
d) likelihood of execution and settlement
e) Size of the order relative to other trades in the same financial instrument
f) Nature of the order (impact on the market); and
g) Other relevant factors

The relative importance of these factors will be determined based on our commercial experience and judgement in light of available market information, taking into account the characteristics of the client, the order, the financial instruments that are the subject of the order, and the execution venues to which that order can be directed.

ii. **Specific Client Instructions**

Where a client provides specific instructions as to execution, the order will be executed in accordance with those instructions. This may prevent the company from taking the stepsdesigned in this policy to obtain the best result possible for the execution of those orders in respect of the elements covered by those instructions.

Where there is no specific client instruction as to how an order should be executed, this policy will be applied to obtain the best result possible for each order that we place for execution inthe market or execute ourselves on behalf of our clients taking into account all available marketinformation at the time of execution.

The Portfolio Manager and Traders must ensure that all client orders are jobbed in the order books immediately and continue to pursue the execution of the order to buy/sell within 10 business days or as detailed in the client's order. If after this period, thetrade has not been executed, the Portfolio Manager should seek to revalidate the order unless expressly advised otherwise by the client in the initial order.

iii. Execution Venue

Execution venue means a regulated market or any other trading facility that performs a similar function. ASL is a member of, and places significant reliance on the following venues when executing orders:

- Nigerian Exchange Group (NGX)
- X-Gen Trading Platform
- NASD Trading Platform

ASL evaluates the available execution venues to identify the suitable one for achievement of purpose when executing or placing orders on behalf of our clients.

The factors below are considered in the choice of execution venue and methodology for all financial instruments:

- Where we believe, we can trade to the advantage of the client in terms of one or more of price; speed of likelihood of execution impact or any other relevant consideration, we will do so.
- When placing orders on a regulated market through an executing agent, orders willgenerally be executed on the execution venue assessed to be the most appropriate.

ASL shall select its executing agent primarily based on their execution capabilities and always exercise due diligence.

All relevant facts to be considered when selecting an executing agent include:

- Ability to comply with the terms of ASL's execution policy, including costs and fees, wheresuch policy is available.
- The ASL's procedures to ensure that best execution is attained.
- ASL's assessment and use of trading venues in order to consistently achieve the best result possible when executing client orders.
- The approach of the ASL to the aggregation of Client orders.

FIX Direct Trading

Concerted effort will be made to migrate major clients to the FIX-Order Management System (FIX-OMS) system such that they could place order directly by them self and thereby reduce interference by our personnel as much as possible.

Dispute Resolution

If any dispute arises out of inappropriate execution of clients' orders, the Chief dealer will be empowered to resolve the dispute to the satisfaction of the client if the company is found to have erred. Cases that could not be resolved will be escalated to the correct internal channels for resolution.

ORDER HANDLING

I. General Principles

i. ASL shall take all reasonable steps to provide prompt, fair and prompt execution of orders, relative to orders of the trading interests of the company. This must allow for the execution of otherwise comparable orders in accordance with the time of the receiving the order.

ii. When carrying out orders, we must:

a. Ensure that orders are executed as promptly as possible and subject to any client instructions. Clients' order must be executed within 2 hours of receipt. When orders are not executed within 2 hours, a record of the reason must be made in writing and retained.
b. Ensure that executed orders are promptly and accurately recorded and allocated;
c. Ensure all orders are received in writing (hardcopy or electronic mail) or taken through recorded telephone line registered with client's account only.
d. Carry out otherwise comparable orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impractical, or the interests of the client require otherwise.

iii. Order received through multiple and different media will be handled as practically possible with the aim for sequential treatment wherever possible.

iv. ASL will not trade on its own account ahead of a client order unless the company immediately executes the customer order at the same or better price than it traded for its own account.

v. The company will not aggregate a client order with a trade for her own account (Proprietary trade)

II. Equities, Fixed Income, and related securities

Achieving best execution for Fixed Income and related securities will depend on the transaction strategy type being entered into. ASL shall request for three market prices for each asset and if possible, at least two of these prices should be executable and the third may be a reference. All prices obtained are recorded on a trade sheet regardless of whether it was obtained by telephone or electronic trading (i.e. trade system). The trade will then be concluded through the venue that provides the best price.

For Equities, ASL will seek the most favorable bid/offer price available in the market at the time of executing the trade. The trader will record the rationale for accepting the market level and make a note in the trade sheet of the trade to capture their assessment.

III. Order allocation

Where a clients' order is completed in full i.e. if the ASL is able to buy or sell thedesired quantity specified by the client, the order should be allocated in accordance with the clients' order. However, in some instances, the company may combine orders from different clients on the same security and execute it as one trade, this is commonly referred to as aggregating orders.

Client orders will not be executed in aggregation with another Client orders unless:

a. Aggregation of orders and transactions does not have negative impact on any client whose orders is to be aggregated.
b. The provisions relating to order allocation set out below are complied with.

In aggregating trade orders and allocating available securities (i.e. securities available in the market to fill the order during trade), the company shall provide fair and equitable treatment to all clients.

With respect to Market orders and Limit orders, ASL will not withdraw or withhold client orders for its convenience or any other person.

Order Allocation procedure for aggregated orders

a. Allocation of completely-filled order

Where an aggregated orders is filled completely i.e. the company can buy the exact quantity desired (the total order is 50,000 units and the company executed successfully), then each client must be allocated the exact amount they requested.

An example is provided below:
Clients A, B and C have requested 10,000, 15,000 and 40,000 units of security X respectively (i.e. a total of 65,000) and the company successfully buy 65,000, each client must be allocated the exact units requested.

b. Allocation of a part filled aggregated order

Where an aggregated order is a partly filled i.e., the company is unable to buy all the quantity required, the company must have a clearly documented procedure for allocating the order fairly to all the affected clients.

IV. Potential conflicts of interest

No account should be favored over another in the allocation of trade orders. Similarly, accounts are to be treated in a non-preferential manner such that allocations are not based on client's account size and/or identity, account performance, fee structure, or the portfolio manager.

V. Determining the Initial Allocation prior to trade allocation (Pre-trade allocation)

The initial order must be verified and determined prior to executing the trade, clearly indicating the participating client's accounts and allocated quantity for each account.

VI. Determining the appropriate Allocation

Pro-Rata allocation assures equitable treatment. Trades would be allocated on a pro rata based on the size of the pending order. However, there are various determinants and other factorsas described below which may support non-pro rata allocations.

VII. Non-Pro-rata allocations

Certain factors may affect a Portfolio Manager's decision to allocate on a pro rata basis.

Factors such as the need to sell out an account's entire position before selling out other client's position due to the client's cash flow, exposure to the security/sector, cash flow (accounts liquidity needs, availability of cash) may form the basis of a non-pro rata allocation.

In these situations, the Portfolio Manager must use reasonable fiduciary judgement in making a non-pro rata allocation that is in the best interest of all the affected clients. This should also be fully documented to demonstrate the rationale behind the decision and subsequent allocation.

VIII. Filling orders according to initial allocation (post-trade allocation)

All orders must be filled in line with the initial order as set out above. If the entire order is filled, then every client should have his/her entire order size allocated. If the order is partially filled, the executed trade should be allocated pro rata among the clients in the same proportions as the initial order size. Any deviation or reallocation of share from the initial allocation is permitted for up to two hours and thirty minutes (2.30hrs) from when the trade was executed, however, this must be fully documented, clearly citing the circumstance and rationale for the deviation.

IX. IPO offerings allocation (New Issues)

The company maintains a strict policy on ensuring fair and equitable treatment of all clients when purchasing and allocating new issues.

For all new issues, the Portfolio Manager will consider, the necessary factors such as the client's investment objectives, investment guidelines (any advance indications of client interest for new issues), and the risk profile of the client, the security itself and the size of the order. The Portfolio Manager will have the responsibility for ensuring that, no special arrangement or any inducement scheme exists where the company agrees to trade more with an executing agent as a result of a greater allotment of a new issue from a book runner.

The Portfolio Manager looking to subscribe to the new issue must have a written record indicating the requested volume. The Pre-trading allocation must also be completed, as above, on a pro-rata basis with consideration for the size of the client's account, adjustment for rounding lots, the ordered type, permissibility of the new issue for the client and cash availability. After filling the order, the Portfolio Manager must record on the trade ticket the actual new issue allocation made to each client/strategy. The rationale for any allocation decision other than strictly pro rata and adjustment for round lots must be clearly documented and provided on request to the Compliance Department.

X. Cross Trades

Where the Portfolio Manager has two clients with opposite needs in the same security and it is in the interest of both clients to transact with each other instead of both going to the market, the Portfolio Manager/Trader may cross the trade at the agreed price of the security.However, the Portfolio Manager must ensure that this is not done to the advantage or detrimentof either party participating in the cross.

The rationale for Crossing should be fully documented and supported with relevant additional information i.e. evidence of Bid/Ask offer obtained from the market, which sufficiently allows compliance have clear oversight of the process.

Monitoring and Review of Our Best Execution and Order Handling Policy

ASL will monitor processes to identify transactions that fall short of order execution requirements as outlined in this policy through surveillance is undertaken mainly by the second and third lines of defense i.e. Compliance and Internal Control & Audit Department departments.

Monitoring will also cover the fair and equitable allocation where they occurred, as well as cross trades during the period. Any opportunities for improvement that are identified will be reported to the Board and Investment Committee, so resulting actions may be incorporated into the process and policy.

ASL reserves the right to correct any deficiencies. Clients will be always able to find the updated version of the Best Execution policy on our web site and will be notified by ASL if changes and amendments are to affect them.

Record Keeping

ASL will maintain records in enough detail to show particulars of all transaction undertaken in line with local regulatory requirements. Subject to regulatory requirements, the following records will also be retained for each trade executed:

1. Competitive quotes and best bid/offer price at the time of executing the trade (Fixed Income)
2. Price
3. Time order received
4. Execution time
5. Order Allocation records

Approval

Approved this 22nd day of June 2019

DIRECTOR **DIRECTOR**