

# Order execution policy

We are required by the FCA to establish and implement an Order Execution Policy and to provide appropriate information to our customers as to how we take all sufficient steps to obtain the best possible outcome on the execution of your orders.

This policy applies to all orders received from, and executed on behalf of, our customers. It must be read in conjunction with our terms and conditions.

## Consent

Having had access to review this policy via our website, or having been provided with a copy previously, you are confirming your consent to this policy when asking us to deal for you.

## General principles

When executing or routing orders on your behalf we take into account certain criteria for determining the relative importance of the 'execution factors'. This means that we have policies and procedures which are designed to obtain the best possible execution result, subject to and taking into account:

- your characteristics as a customer
- your customer categorisation (e.g. retail or professional)
- the characteristics of the order and the security that is the subject of that order
- the execution venues to which that order can be directed

Our commitment to provide you with 'best execution' does not mean that we owe you any fiduciary responsibilities over and above the specific regulatory obligations placed upon us, or as may be otherwise contracted between us.

## Execution factors

We take into account various execution factors to determine how the order is dealt to achieve the best possible outcome:

- **Price** - we will always strive to achieve the most advantageous price for an order and it is usually the highest priority factor in attaining best execution.
- **Costs of the transaction** - when assessing which venue to execute an order on we will take into account any charges which may be passed onto the customer and ensure the total consideration of the order is the best outcome, this may lead to executing the deal at a worse price than the best available. This will be a high priority for securities listed on multiple venues.

- **Speed of execution** - in liquid securities where prices can move quickly, the speed of execution can be the highest priority as delays in the execution process can lead to a detrimental execution price being attained.
- **Likelihood of execution and/or settlement** - for illiquid securities, the likelihood of execution can be the overriding factor in the absence of competing prices from multiple venues. As the majority of orders are executed 'on exchange' this reduces settlement risk due to the settlement rules of the exchange and is therefore low priority in the execution factors, the priority may increase if competing quotes are retrieved for same security both 'on and off exchange' as the settlement risks increase if trades are executed outside of a regulated exchange.
- **Size, nature and complexity of the order** - the best price displayed on execution venues is for a particular size; orders which are over this size will be executed in line with our processes and we will employ the best strategy we consider would lead to the most advantageous price being attained. Some strategies employed could lead to delays on the execution of the full order given the impact any immediate execution may have on the price.
- In some circumstances the other execution factors, including market impact may also be taken into account.

## How we achieve best execution

Orders received from you will follow the processes as set out in this policy.

## Specific instructions

Acting on specific instructions from you may prevent us from taking the necessary steps set out in the document to achieve best execution. Where specific instructions are provided and we are able to comply with those instructions, we will execute the order in accordance with those instructions. Where the instructions relate to only part of the order, we will continue to apply our order execution policy to the aspects of the order not covered by your specific instructions.

## Orders in UK listed securities

### Equities, Covered Warrants, Exchange Traded Products

Our website and electronic order management systems are connected to a range of internally approved Retail Service Providers (RSPs). When you request a quote, our system will simultaneously poll a quote from these providers and return the best price available for the number or value of shares you have requested.

The RSPs can alter the quantities which they are prepared to deal in without notice, and so you may not always be able to receive an online quote. If you are unable to deal online you will be prompted to either place a limit order or to call us to place the order.

It is not uncommon for stock prices on exchanges to widen throughout the trading day, particularly leading up to the release of key economic indicators and also when stock markets are enduring a period of increased volatility. Under these circumstances it is likely the RSP will continue to provide quotes.

For securities traded in multiple currencies we will receive quotes and trade against the sterling priced line where one exists.

Online quotes from the RSP are not guaranteed and may be cancelled at any time during the quoting period.

No RSP quotes will be received in a security during any opening, intra-day or closing auctions.

### Limit orders

By placing an order with a 'limit' you are requesting us to either sell or buy the security at the specified price or better. Upon submission the order will enter our limit minding system, which will monitor the price of the security on the Primary Exchange. At the point at which our limit minding system receives notification that the Bid (or selling) or Offer (or buying) price matches your limit price or is better, our system will poll the RSPs for automatic execution. If no quote is returned the order will be routed for manual execution.

Please note that share prices can change rapidly, especially in volatile markets, and if a share price has changed by the time we attempt to place your order it may not be executed at the limit price you have set, or at all. If the order has not been executed it will remain in the Limit Minding system until it re-triggers or expires.

Where we are unable to execute the full amount of your order we may make a partial execution.

By leaving a limit order with us you are providing your express consent to us not being required to make public details of your limit order.

As Limit Orders are managed within the limit minding service they are not routed onto the London Stock Exchange for execution.

### Stop losses

By placing a 'stop loss' you are requesting us to sell when the price of the security reaches the trigger price specified or lower. Upon submission the order will enter our limit minding system, which will monitor the price of the security on the Primary Exchange. At the point at which our limit minding system receives notification that the Bid (or selling) price matches your trigger price, or lower, the system will poll the RSPs for automatic execution. If no quote is returned the order will be routed for manual execution.

Please note that share prices can change rapidly, especially in volatile markets, and if a share price has changed by the time we attempt to place your order it may not be executed at the stop loss price you have set, or at all. If the Bid price moves higher after your stop loss order has been triggered your order may still be executed.

Where we are unable to execute the full amount of your order we may take a partial execution.

By leaving a stop loss order with us you are providing your express consent to us not being required to make public details of your stop loss order.

### Risks of Limit and Stop Loss orders

Some stocks occasionally display abnormally wide spreads between the Bid and Offer price, these may only last for a very short period of time but at that point any affected orders may still be executed.

We will use best endeavours to execute a limit or stop loss order but may not be able to (even if the specified price is met) because of market conditions at the time or other factors outside of our control. In these circumstances the order will remain within our Limit Minding System until it re-triggers or expires.

### Telephone orders

For orders which cannot be placed online or where you choose to place an order over the telephone you will speak with our Dealing Services Team. They will take the order from you and provide a non-binding price indication for the requested security. The price provided will be the current price displayed on the Stock Exchange on which the security is traded and will not take into account any characteristics of your order, such as size/value. They will attempt to obtain a price from the RSPs but in the absence of a quote they will route the orders for manual execution.

### Manual execution

If no RSP quote is available we may negotiate the order with a Market Maker, taking into account the size of the order and best price displayed either on the London Stock Exchange or on any Multilateral Trading Facility on which the security is traded such as Bloomberg.

In order to achieve the best result for you, we may be required to telephone more than one Market Maker.

We may also route your order onto the Primary Exchange of the listed security or to an alternative execution venue.

## International Orders

### Equity orders

Where an overseas market supports settlement as Crest Depository Interests (CDIs) in CREST, we will only accept orders in securities which can settle as CDI.

For overseas markets which do not support CDIs, all orders should be telephoned through to the Dealing Services Team. We do not currently have any electronic links for execution in these markets therefore all trades are placed manually with a Market Maker.

### Online execution

Orders are routed to competing RSPs who provide execution at the best available international market price and then convert that price into sterling. An FX charge will be applicable as detailed in our Charges and rates and this will be shown on the contract note.

The RSPs can alter the quantities which they are prepared to deal in without notice, and so you may not always be able to receive an online quote.

Where an online quote is not available you should telephone our Dealing Services Team.

### Limit orders

Limit orders in international securities are taken at our discretion and must be placed over the telephone.

Limit orders if accepted will be valid for a single trading session only.

Where we are unable to execute the full amount of your order we may make a partial execution. Any unexecuted part of the order will be cancelled at the end of the trading day and you will be required to submit a new trade for any outstanding balance.

By leaving a limit order with us you consent to us not being required to make public details of your limit order.

### Risks of Limit orders

We will use best endeavours to execute a limit or stop loss order but may not be able to (even if the specified price is met) because of market conditions at the time or other factors outside of our control.

### Stop losses

We will not accept stop loss orders in international securities.

### Telephone orders

For orders which cannot be placed online or where you choose to place an order over the telephone, you will speak to our Dealing Services Team. They will take the order from you and provide a non-binding price indication for the requested security. The price provided will be the current price displayed on the Stock Exchange on which the security is traded and will not take into account any characteristics of your order, such as size/value. They will attempt to obtain a price from the RSPs, but in the absence of a quote they will route the orders for manual execution.

Dependant on the opening hours of the exchanges on which an international order is placed, there may be instances where you will be unable to amend or cancel an order, as the exchange on which the order is based operates different opening hours to ourselves.

### Manual execution

Where no RSP quote is available we will place the order through to a UK-based Market Maker which offers execution in international securities to negotiate a price.

Upon execution you may be provided with the local market price together with the exchange rate used to convert the price to sterling, or you may just receive the sterling equivalent price, with the local market price having already been converted to sterling.

An FX charge will be applicable as detailed in our Charges and rates and will be shown on the contract note.

## Government and Corporate Bonds

Orders in UK Government Bonds and a small number of Corporate Bonds can be input online. Any orders which are unable to be placed online will need to be placed over the telephone to our Dealing Services Team. They will take the order from you and provide an indicative price for the requested security. The price provided will be the current price displayed on the Stock Exchange on which the security is traded and will not take into account any characteristics of your order, such as size/value.

The order will be executed via the RSP where possible. In the absence of an RSP quote the order will be executed through the Market Maker that has provided the best price from a range of competing quotes from either the Bloomberg MTF or Tradeweb MTF.

In the absence of liquidity via the MTFs, the order will be executed from competing quotes received over the telephone.

### Unit trusts/OEICs

Orders will be passed to the respective fund provider directly or via our fund custodian for dealing forward to the next applicable Valuation point.

The applicable Valuation point is determined from the time we receive your order versus the specified cut-off time for Dealing which applies to next Valuation point.

Orders which are placed after the specified cut-off time but prior to the Fund Managers Valuation Point will still be sent to the executing venue for trading, trades placed during this period could therefore still execute at next valuation point.

Dealing Cut-off times are detailed on the Research pages of the respective fund.

When placing orders for funds which are traded in currency we will place the order in the currency of the underlying fund, we will convert the underlying account currency of the instruction to the fund currency prior to the placing of a purchase instruction or upon receipt of the currency proceeds for a sale instruction. Where a currency conversion is required an FX charge will be applicable as detailed in our Charges and rates and this will be shown on the contract note.

### Structured products

Structured products will be executed manually, directly with the issuer.

### Execution venues

There is no differential in the costs incurred through the selection of execution venues therefore the best outcome, taking into the account the execution factors, is the primary consideration for venue selection.

We may execute orders via regulated markets, multilateral trading facilities, systematic internalisers, Market Makers for their own account, other liquidity providers or Non-EU entities performing similar functions.

For certain transactions, such as those where execution in the security is offered by a limited number of entities, we may use alternative venues where we consider it is in your best interests to do so.

Where execution takes place outside of a regulated venue the trade will not be subject to the rules of a trading venue and increased risks may apply, for example (but not limited to), Settlement Risk and Counterparty Risk.

Further details of the additional risks and potential consequences involved when trading outside of a regulated venue can be obtained upon request to our Dealing Services Team.

The below table lists the execution venues on which we place significant reliance;

Instrument	Execution venue
UK equities	Canaccord Genuity Ltd Cavendish Capital Markets Ltd Deutsche Numis Goldman Sachs International Investec Bank Plc Jane Street Financial Ltd Jefferies International Ltd Joh. Berenberg, Gossler & Co. KG JP Morgan Securities Ltd London Stock Exchange Optiver V.O.F Stifel Nicolaus Europe Ltd Panmure Liberum Capital Ltd Peel Hunt Ltd Shore Capital Stockbrokers Ltd Singer Capital Markets Virtu Ireland Ltd Winterflood Securities Ltd
Exchange Traded Products	Bloomberg – MTF Flow Traders BV Goldman Sachs International Jane Street Financial Ltd Jefferies International Ltd Optiver V.O.F Peel Hunt Ltd Winterflood Securities Ltd
Covered Warrants	Societe Generale
International equities	Peel Hunt Ltd Winterflood Securities Ltd Canaccord Genuity Ltd
Government and corporate bonds	Bloomberg – MTF Bridport & Cie SA Canaccord Genuity Ltd Goldman Sachs International Guy Butler Ltd HSBC Bank Plc Jane Street Financial Ltd Jefferies International Ltd Lloyds Bank Plc NatWest Markets Peel Hunt Ltd RBC Europe Ltd Singer Capital Markets The Toronto-Dominion Bank Tradeweb MTF Winterflood Gilts Ltd
Unit trusts and OEICS	Fund Custodian Fund Provider
Structured products	Primary Issuer – as sole liquidity provider

We will regularly assess our execution venues against our order execution policy and related criteria to ensure we are satisfied with their performance. We do this by benchmarking the prices achieved for each trade vs the price on the Primary exchange, taking into account the execution factors, to ensure the execution prices are in-line with the market quoted prices.

Action may be taken against any venue which could lead to the suspension of access via the RSP and the MTFs.

When selecting a new Execution Venue we will perform due diligence on the venue by considering the size, financial performance, regulatory status and market coverage of the venue.

By agreeing to our terms and conditions and this order execution policy, you are providing your express consent to your order being executed outside a regulated market or Multilateral Trading Facility, even where that order could be executed on a regulated market or Multilateral Trading Facility, where a better outcome can be achieved.

### Execution timings and priority

Once we receive your order, we will execute it as soon as reasonably possible, unless we believe that postponing your order is in your best interests.

Orders will be executed in the order they are received, except where there are special conditions such as limited liquidity, price limits or where conditions exist that may require additional time to ensure we achieve the best possible results.

### Order aggregation and allocation – Single Order

We may choose to aggregate your order with those from other customers, but will only do so where none of the aggregated orders will be disadvantaged.

In the event that your order forms part of an aggregated order which we have been unable to complete, our policy is to allocate on a pro-rata basis.

### Order aggregation and allocation – Programme Orders

We will aggregate your order with those from other customers where the order is created as part of a programme. This may lead to you receiving a worse price upon execution due to the size of the aggregated order when compared to an execution price of a single order.

### Monitoring of this policy

We monitor all of our customer deals on a regular basis for timely execution and benchmark the prices executed against the Primary Exchange for any listed securities. Trades which are executed at a worse price than available on the exchange, given consideration to the execution factors and that have not been executed in compliance with this execution policy will either be corrected in terms of an improved execution price, a refund of charges or an account credit to provide for any shortfall in monetary difference.

## Policy review

This policy is reviewed annually or where there is any material change to our arrangements. We will notify you of any material changes to our execution policy or arrangements by providing an updated version by email or by publishing it on our website.

## Further Information

Any reasonable and proportionate requests for further information about our execution policy and how we monitor our execution venues can be made to our Dealing Services Team. We commit to respond within a reasonable time and in a clear and concise manner.

## Definitions

**Best execution** – Our regulatory obligation to provide the most advantageous order execution for our customers.

**Business hours** – As detailed on our Contact Us and Help page.

**Counterparty Risk** – A risk that the selling or buying broker to whom we have contracted fails to deliver on its obligations.

**CREST** – A central securities depository for the UK markets, operated by Euroclear UK and International Ltd. Euroclear operates an electronic settlement system which can be used to settle deals in both UK and international securities.

**CREST Depository Interest (CDI)** – A UK security that represents a security traded on an exchange outside the UK.

**Execution venue** – A regulated market, MTF, systematic internaliser, Market Maker or another liquidity provider where trades can be executed.

**FCA** – Financial Conduct Authority.

**Funds custodian** – An FCA-authorized firm to whom we outsource dealing and custody of collective investments (e.g. unit trusts and OEICS).

**Fund provider** – The issuer of a collective investment fund with whom we hold investments.

**Liquidity** – The measure of how easy it is to trade securities. For example, a security which trades just a couple of times a day or a couple of times a week could be described as lacking liquidity.

**Market counterparties** – Another regulated firm with whom we transact business.

**Market Maker** – A firm which is obligated to continually make two-way prices for the securities in which they are registered to make markets.

**Multilateral Trading Facility (MTF)** – A system operated by an investment firm or a market operator, which brings together multiple third parties buying and selling interests in securities.

**Partial execution** – Where it has been possible to trade only part of the total order quantity, due to lack of liquidity or movement in the security price.

**Primary exchange** – The main securities exchange where a publicly traded company's stock is listed and bought and sold, as measured by both volume and value.

**Programme Orders** – Orders generated by our system as part of a scheduled programme, for example Regular Investments or Dividend Re-investments.

**Regulated market** – A securities exchange which is regulated by the relevant authority in the country in which the exchange operates.

**Retail Service Provider (RSP)** – A firm that provides an electronic quoting service which facilitates electronic trade executions.

**Settlement Risk** – A risk that the selling or buyer broker to whom we have contracted fails to deliver some or all of the stock or cash due as part of the transaction. This type of risk could lead to **Counterparty Risk**.

**Systematic internalisers** – An investment firm which, on an organised, frequent and systematic basis, deals on its own account by executing customer orders outside a regulated market or on an MTF.

**Total consideration** – This is determined by the price of the security and the costs related to execution, including all expenses incurred which are directly related to the execution of the order; this may include, but is not limited to, venue charges, clearing and settlement charges and other charges paid to third parties involved in the execution of the order.