

# ORDER EXECUTION POLICY

## 01 PURPOSE AND SCOPE

The purpose of this policy is to outline how trading is carried out across all London and Capital subsidiaries. All trading is undertaken by London and Capital Asset Management Ltd (LCAM). London and Capital Wealth Advisers Ltd (LCWA) outsources its trade execution to LCAM. London and Capital Wealth Management Europe A.V., S.A (LCE) uses LCAM as an intermediary to execute orders in connection with its clients. LCAM seeks to provide Best Execution for its clients as required by the Markets in Financial Instrument Directive 2014/65/EU (MiFID II) and the Financial Conduct Authority's Conduct of Business Sourcebook. LCAM, LCWA and LCE are referred to as "L&C" where the order execution policy applies to all entities. The expressions "we", "us" and "our" are taken to mean L&C.

## 02 BEST EXECUTION CRITERIA

L&C is required to take 'sufficient steps' to obtain the best possible results when executing transactions for our clients. Factors that must be considered include price, speed, likelihood of execution and settlement, costs, order size, nature of transaction and any other considerations relevant to the efficient execution of the clients' order such as the nature of the relevant market, prevailing market conditions and the attempts to minimise market impact.

L&C is also required to determine the relative importance of each of the Best Execution factors set out above by taking into account the following general criteria:

- The characteristics of the client
- The characteristics of the client order
- The characteristics of the financial instruments that are the subject of that order
- The qualitative and quantitative characteristics of the execution venues/ broker to which that order can be directed such as the quality of the execution or access to the executed orders' information, etc

As part of their normal functions, Traders will consider the execution quality of each trade. Any unexpected deviations in price, commission rate, market impact, execution speed, or other aspects of execution quality will be promptly reported to the CIO/Compliance.

As part of our fiduciary duty to clients, L&C has an obligation to seek the best price and execution of client transactions when L&C is in a position to direct brokerage transactions. L&C will always trade on the client's behalf only.

From a U.S. SEC perspective, whilst not defined by statute or regulation, "best execution" generally means the execution of client trades at the best net price considering all relevant circumstances. L&C takes sufficient steps to ensure that the appropriate processes and procedures are in place to obtain Best Execution.

### 03 ORDER EXECUTION IN RELATION TO CLIENT CATEGORISATION

The Order Execution Policy is applied to our clients who have been classified as either Retail or Professional and where we have received an order or made a discretionary management decision in connection with the discretionary management services to trade in respect of financial instruments: such as shares, bonds, financial instrument, collectives, or which we pass on or transmit at our discretion to another broker or dealer (third party) for execution.

#### RETAIL CLIENTS

When executing an order for a Retail client (unless specific instructions from the client are obtained), L&C will consider both price and the costs to the client as the most important factors. The other Best Execution factors may only be given precedence over immediate price and cost if they contribute towards delivering the best possible result in terms of the total consideration to a Retail client. This categorisation of client relies on the firm to execute their transactions and protect their interest under the Best Execution requirements for which L&C will strive to always achieve.

#### PROFESSIONAL CLIENTS

When dealing with Professional clients there is more flexibility to give priority to other Best Execution factors (other than price and cost e.g. speed and likelihood of transaction). In these circumstances L&C will strive to satisfy requirements under Best Execution in relation to the relevant part of the transaction to which the specific instructions apply.

### 04 CONFLICTS OF INTEREST

Given the potential materiality of this factor L&C takes all appropriate steps to identify and prevent and/or manage any conflict of interest that may occur. After careful review L&C can confirm that there are no close links, conflicting, or common ownerships maintained that could affect our obligations to provide Best Execution for our clients. L&C will never deal on our own accounts and therefore will never quote a price to a client, again removing any conflicts of interest when achieving Best Execution.

### 05 VENUE/BROKER ARRANGEMENTS

As a MiFID regulated firm L&C is not permitted to receive any remuneration, discounts or non-monetary benefits for routing client order gained through trading venues or brokers which could breach the Conflicts of Interest policy and/or the Gifts and Hospitality policy. Such payments create clear conflicts of interest and are unlikely to be compatible with Best Execution requirements.

If any payments, rebates, or non-monetary benefits are received by any execution venue/broker, L&C will ensure that this is remitted back to the applicable client account and under no circumstances will the firm retain any of these benefits for ourselves.

### 06 VENUE/BROKER SELECTION

L&C owe Best Execution when executing orders on our client's behalf. We also owe Best Execution when we are transmitting orders on our client's behalf to third party broker for execution. Currently L&C does not use connected parties for order execution and therefore relies on third party Best Execution and order handling policies to deliver Best Execution to our clients. L&C have implemented a suitable monitoring scheme to continuously enable us to assess whether the chosen third party brokers/venues are consistently meeting Best Execution obligations. L&C reviews venues/brokers and will evaluate the performance metrics of these service providers to such a degree that L&C is satisfied of our continued ability to obtain Best Execution for our clients. See Top 5 Venues (Retail and Professional) for a description of the top venues utilised for each asset class as required by firms under Best Execution.

#### 07 AGGREGATION AND ALLOCATION OF CLIENT ORDERS

We will where possible aggregate client orders, where L&C believes it is in the client's best interest. We cannot guarantee that aggregation of orders will always provide clients with the best price, and therefore at times may place a client at a disadvantage than if their order was executed separately.

L&C believes that substantial efficiency and scalability can be achieved by the selective aggregate of orders (factors such as liquidity and the clients underlying tax position as an example may determine how orders are aggregated). Equity transactions which are part of L&C's overall discretionary strategies and where the aggregation of orders is permissible are usually moved through to the execution desk periodically through the day.

This approach can also assist in providing price uniformity and prevent proceeding orders from impacting the price of subsequent orders. The bulking of bonds as an example should also benefit the client, due to more favourable price realisation.

#### 08 MONITORING

Best execution monitoring is conducted on a regular basis, all findings are reported to the Chief Compliance Officer, Chief Investment Officer, the Investment Governance Committee and for LCE to its Board of Directors.

#### 09 USE OF CONSOLIDATED TAPE PROVIDERS (CTP)

L&C utilises services through several CTPs either on a continuous or intermittent basis. The firm utilises a Request for Quote (RFQ) system by which several ongoing subscription services for live pricing are facilitated. These quotations are provided by a number of MiFID II compliant stock exchanges (e.g. London Stock Exchange, Euronext) and Multilateral Trading Facilities (MTFs) such as CHIX and BATS. We also employ a third-party Transaction Cost Analysis (TCA) provider, this allows us to identify gaps or slippage in the bid/offer spreads. We currently subscribe to 52 exchanges to ensure that we efficiently and competently trade securities and achieve the best price for our clients.

#### 10 LIST OF EXECUTION VENUES

Below is a non- exhaustive list of execution venues on which L&C places significant reliance in meeting our obligations for Best Execution and obtaining, on a consistent basis, the best possible execution results for our clients. Our counterparties are reviewed regularly and may be subject to change at L&C discretion. (See our Top Five Venues Report' by transaction for more details on execution)

#### EQUITIES - SHARES & DEPOSITARY RECEIPTS (UK AND OVERSEAS)

- Northern Trust – CTIM
- Stifel Nicolaus
- Marex
- Shore Capital
- Canaccord
- Cavendish (FinnCap/Cenkos merged)
- N+1 Singer
- TD Cowen
- Sanford Bernstein
- Winterfloods
- Peel Hunt
- Jefferies
- BNP

**DEBT INSTRUMENTS- BONDS (UK AND OVERSEAS)**

- Northern Trust – CTIM
- BofAML
- Liquidnet
- Banco Santander
- RIA Capital
- Lloyds Bank
- NatWest
- Millennium Capital
- National Bank Financial
- Barclays Capital
- DNB
- CIBC
- BNP Paribas
- Deutsche Bank
- Goldman Sachs
- Northern Trust – CTIM
- Morgan Stanley
- Daiwa
- UBS
- Jefferies
- JP Morgan
- RBC Capital
- Mizuho
- Ediphy

**EQUITY DERIVATIVES (UK AND OVERSEAS)**

- Interactive Brokers
- Bank Julius Baer

**CURRENCY DERIVATIVES (UK AND OVERSEAS)**

- Interactive Brokers
- Northern Trust – CTIM
- Equity Derivatives – Please include:-
- Interactive Brokers
- Bank Julius Baer

**COMMODITIES DERIVATIVES (UK AND OVERSEAS)**

- Interactive Brokers
- Bank Julius Baer

CONSENT

L&C are required to obtain our clients prior consent to our Order Execution Policy. Clients will be deemed to provide this consent when they instruct us to execute orders on their behalf or, if the client appoints us to provide ongoing discretionary portfolio management services. We are required to obtain clients prior to express consent before we execute any orders transmitted to trading on regulated markets, or MTFs.

Our clients can freely request a copy of this Order Execution Policy at any time by contacting either their L&C Adviser or downloading it from [www.londonandcapital.com](http://www.londonandcapital.com).

The value of investments and any income from them can fall as well as rise and neither is guaranteed. Investors may not get back the capital they invested. Past performance is not indicative of future performance. The material is provided for informational purposes only. No news or research item is a personal recommendation to trade. Nothing contained herein constitutes investment, legal, tax or other advice.

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