

# ORDER EXECUTION POLICY (formerly Best Execution Policy)

## Introduction

The EU Markets in Financial Instruments Directive ('MiFID') and corresponding rules of the Financial Conduct Authority ('FCA') require that investment firms establish an Order Execution Policy and take all sufficient steps to obtain the best possible results for their Clients when executing a Client Order.

This policy outlines all of the sufficient steps taken by Rowan Dartington ('RD' or 'we' or 'us') to ensure that 'best execution' is achieved – that is obtaining the best possible results for you when undertaking transactions on your behalf.

We will take steps to achieve the best execution of client orders, subject to different factors which are dependent on the financial instrument and the type of market on which the order is executed.

## Client Classification

Our Clients are classified as Retail Clients unless they opt-up to either Professional or Eligible Counterparty status<sup>[1]</sup>, but regardless of classification we will treat all Clients the same for the purposes of achieving best execution, or getting the best possible result for you when carrying out trades. We always aim to achieve best execution on a consistent basis as outlined in this Order Execution Policy.

<sup>[1]</sup> The definitions of Professional and Eligible Counterparties can be found in the FCA Handbook

## Execution Factors

When dealing for you we will consider the following:

- Your characteristics (including your regulatory Client categorisation as mentioned above)
- The characteristics of the financial instrument concerned and of your order
- Where such orders can be carried out (i.e. the 'execution venues').

In assessing the most appropriate route to carry out your order we will consider the following criteria which we have ranked in order of importance:

Execution Factor	Asset Classification				
	Equities	Bonds	FX*	Funds	OTC**
Price of the instrument	3	3	3	2	3
Execution Venue / Broker	2	2	1	0	3
Overall cost of the transaction	3	3	3	3	3
Need for timely execution	2	2	2	3	2
Likelihood of execution	2	2	2	2	2
Size and nature of the order	2	2	1	1	2
Speed of execution and settlement	3	3	3	1	1

\*FX – A stand-alone foreign exchange transaction

\*\*OTC – Any security which needs to be traded bilaterally with a counterparty, but not conducted over an exchange.

Best Execution Criteria	Rank
Critical	3
Important	2
Not important	1
Not applicable	0

This explains how we would normally behave when placing client orders, but of course, each order will be considered as it arrives and will be processed as market conditions and our experience dictate.

If you are a Retail Client, the best possible result will normally be determined in terms of the **total consideration**, being the price of the instrument and the costs of the transaction, those costs being all expenses incurred which are directly related to the execution of the order. However, there may be circumstances in which this is not the primary consideration. Where the instrument is illiquid or the size of the order unusual relative to the normal, then other factors may take precedence, although we will also have to use our judgement in assessing whether particular trading strategies may move the market (incur implicit costs). Alternatively, we may have to execute the order over the course of a number of working days in order to complete it. Likewise, the characteristics of an order may require us to transmit an order to a counterparty to execute on our behalf, rather than dealing directly with that counterparty (for example, orders in securities traded on overseas markets).

When placing Execution only or Advisory deals which have been discussed with Clients, we will be careful to ensure that any quotes given to the Client are current, taking into account changing market conditions.

## Execution Venues

For each instrument we execute on behalf of Clients, it is our policy on an ongoing basis to consider the variety of trading venues or sources of liquidity available from time to time. This enables us to obtain on a consistent basis the best possible result for the execution of transactions. In satisfying this policy, we may consider the use of one or more of the following venue types:

- Regulated Markets (e.g. London Stock Exchange or overseas equivalent)
- Multilateral Trading Facilities (e.g. Non-Exchange Financial Trading Venues)
- Systematic Internalisers (e.g. Market Makers)
- Third party investment firms and/or affiliates acting as Market Maker or other liquidity providers
- Non-EU entities performing similar functions

We regularly assess the execution venues available and may add or delete venues in accordance with our obligation to provide you with the best possible execution result on a consistent basis. An up to date list of significant execution venues is attached in Appendix 1. As Members of the London Stock Exchange (LSE), a very large proportion of our trades in direct securities take place using LSE counterparts.

The selection of counterparties and trade routing mechanisms is based on an assessment of factors such as market coverage, liquidity access, trading competitiveness and competence and operational capability, it is known as “ex-ante” selection.

Where we believe that best execution can be achieved on Clients’ behalf outside Regulated Markets or Multilateral Trading Facilities, it is our policy to do so. By agreeing to our terms and conditions you are also agreeing to our Order Execution Policy, and as such you are giving your express consent to this requirement.

Exposure to different financial assets can be achieved directly, by purchasing the actual securities, or indirectly, by purchasing a collective investment of these securities. The venue and method chosen will be dependent upon which of the routes is chosen.

In certain financial instruments there may only be one execution venue. Each fund manager is usually the order execution venue for transactions in their own funds, for example. In executing a trade in such circumstances, we will presume that we have provided the best possible result in this respect for these types of instruments. We will often deal through a trading platform, such as Cofunds, since these intermediaries have access to the widest range of fund venues. Since there are no competing venues for such trades, our obligation is to submit the required trades to the platform in a timely fashion.

## Costs and Charges

We use a variety of different channels and counterparties to execute orders on behalf of Clients and to facilitate the investment of Clients' portfolios. RD's own fees and commissions, where levied, are deducted from client portfolios as determined by the service to which the Client signs up (e.g., custody and execution fees for Execution only business, advisory fees for Advisory business and management fees for Discretionary business). In addition, Clients will pay taxes (stamp duty) as they accrue, and fund management expenses embedded in the dealing prices of the collective vehicles in which we invest.

The different channels we use to execute transactions will have different explicit costs associated with them. But, with the exception of transactions in foreign listed securities, these costs will be absorbed by RD and are not passed on to the Client.

We do not accept any form of non-monetary benefit from routing orders through certain execution venues and do not structure charges or commission in any way that would favour or discriminate unfairly between execution venues. Gifts and hospitality may be permitted but only if they comply with both our Conflicts of Interests Policy and Gifts and Hospitality Policy. Under FCA rules we are not allowed to receive investment research in exchange for dealing commission paid to brokers.

## Order Handling

We are committed to the prompt and fair treatment of all Clients' orders. As soon as a client order has been accepted or the manager has made a decision to deal on behalf of a discretionary client, the order will be passed immediately to a dealer to be executed as soon as reasonably practicable. However, it is acceptable to postpone execution of an order if this, is considered to be in the Client's best interests.

Having assessed the relevant criteria and any specific instructions provided by you, we will select the most appropriate venue(s) from those available and execute your order accordingly.

You are able to give us specific instructions regarding the execution of an order, or part of an order and we will execute in accordance with those instructions.

Warning: Giving specific instructions may prevent us from following our execution policy to obtain the best possible results in respect of your instructions. We will apply our policy to all other aspects of the trade.

## Limit Orders

Typically, we will deal 'at best', using prices at the prevailing price in the market. However, if you give us an investment instruction at a specified price limit and for a specified size (a 'limit order'), then it may not always be possible to execute that order under the prevailing market conditions. If we receive clear instructions from you as to how to execute your order, we will not prioritise the execution factors we would usually consider except that we would have to follow market etiquette.

Unless the order is large in scale compared with normal markets, where the limit order is not immediately executed under prevailing market conditions, we are required to make your order public (i.e. show the order to the market) unless you expressly request otherwise.

## Order Aggregation

We may combine (or 'aggregate') an order for our Clients with orders of other Clients. We would only aggregate a Client order if it was unlikely to work to the overall disadvantage of the Client. However, the effect of aggregation may on some occasions work to the Clients' disadvantage and may on occasions result in our Clients obtaining a less favourable price than if their order was executed separately.

If an order has been aggregated, but not been allocated in full, then generally the distribution of assets will be allocated on a proportionate basis. In these circumstances, it may be more costly to the Client as we have to fulfil the order over several transactions, each subject to our minimum charges. We do not aggregate client orders with transactions undertaken for our own account.

## Review and Monitoring

We will review our execution arrangements and venues on at least an annual basis or whenever a material change occurs that affects our ability to obtain the best possible result for our Client orders. We will inform you of any material changes to our execution arrangements or our Execution Policy. We will also periodically monitor the quality of our execution against the factors detailed in this Policy to identify and, where appropriate, enhance our arrangements.

These procedures include discussions between our traders and counterparties on an order by order basis; information as published by the Execution Venues; the use of Transaction Cost Analysis tools to assess trading performance; and a formal review of counterparty financial strength and operational efficiency.

RD will actively monitor compliance with the Order Execution Policy and annually review the Order Execution Policy against the FCA's rules and guidance annually, and ad-hoc, driven by regulatory requirements/changes.

The firm has established a Best Execution Committee as part of its governance of the investment process. This Committee meets monthly, receives and observes upon management information regarding our Best Execution performance, implements corrective actions where required and is responsible for the development and implementation of proper policies and procedures.

## General

RD operates on the basis that all Retail Clients would be legitimately relying on the firm to deliver best execution for all transactions, regardless of how they arise.

By signing or agreeing to the declaration in the account opening form, you (or your authorised intermediary) consent to our Order Execution Policy including those sections that require your prior express consent.

Please note that if you do not provide your consent to our Order Execution Policy you may be limiting our ability to execute your orders on the most advantageous terms for you. Accordingly, if you do not consent to this Order Execution Policy we will be unable to open an account for you.

You have the right to request that RD demonstrate to you how we have executed your order in line with this policy.

From 2018, Rowan Dartington publishes execution quality information on its top 5 execution venues and brokers.

## Appendix 1

### Execution Venues and Counterparties

Instrument	Main Venues Used	Main Constituents (N.B. these lists are not exhaustive)
<b>UK Stocks and Shares/Warrants</b>	London Stock Exchange, ISDX/PLUS and approved member firms of these venues. We may also use Multilateral Trading Facilities.	Winterfloods, Peel Hunt, Investec Bank, Numis Securities, Cenkos, Canaccord, Shore Capital, Singer Capital, Stifel Nicolaus
<b>Foreign Stocks, Warrants and Depository Receipts</b>	Regulated exchanges	Peel Hunt, Winterfloods, Cannacord, Liberum Capital.
<b>Investment Trusts</b>	London Stock Exchange	Cantor Fitzgerald, Panmure Gordon, Winterfloods, Cenkos, Cannacord Adams, Invesco, Investec, Numis Securities.
<b>Fixed Interest/Bonds (non-UK Government and Corporate)</b>	Major liquidity providers and brokers	Winterflood GILTS, Bridport, Barclays, Investec, Morgan Stanley, Peel Hunt, Rabobank, UBS, Société Générale, Guy Butler
<b>Unit Trusts/Exchange Traded Fund's (ETF's)</b>	Managers of the funds, Cofunds or regulated markets for exchange traded funds.	
<b>UK Treasury Bonds</b>	London Stock Exchange	Winterflood GILTS, Cantor Fitzgerald, Guy Butler, Peel Hunt

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