



Order Execution Policy

April 2019

1. Overview

The purpose of this document is to provide clients of Stocktrade (a brand name of Alliance Trust Savings Limited) (hereafter “we”, “us”, “our”) with information regarding our Order Execution Policy. We will act in your best interests when placing orders and will take all sufficient steps to obtain the best possible results for you (“Best Execution”) when executing these orders on your behalf. You will be classified either as a retail client or a professional client depending on your client classification.

We will take all sufficient steps to obtain the best result for you, including:

- Designing policies with the intended client outcome in mind and strengthening front office accountability;
- Strengthening systems and controls with detection capabilities that are able to identify any potential deficiencies; and
- Monitoring not only the execution quality obtained but also the quality and appropriateness of our execution arrangements and policies on an ex-ante and ex-post basis to identify circumstances under which changes may be appropriate.

We deal on an execution only basis and we are committed to achieving Best Execution. Treating customers fairly is also central to our corporate culture and ethos. We will take all reasonable steps to execute trading fairly and ensure that good outcomes for our customers are met.

2. Types of Financial Instrument

This Order Execution Policy is applicable where you ask us to place an order on your behalf in the instrument types below:

- Equities and Exchange Traded Products (“ETP”s);
- Fixed Income;
- Structured Products; and
- Shares or Units in Collective Investment Schemes (OEICs/Unit Trusts)

3. Execution Factors

When executing your order we will take into account the following criteria to determine the relevant importance of the execution factors.

- The characteristics of the client including the categorisation of the client as a Retail Client or a Professional Client;
- The characteristics of the client order;
- The characteristics of the financial instruments that are the subject of the client order; and
- The characteristics of the execution venues to which that order can be directed.

We take into account the different execution factors when determining the most appropriate way to ensure the best possible outcome for clients.

These are set out below:

- Price;
- Costs;
- Likelihood of execution and settlement;
- Size and nature;
- Speed; and
- Any other relevant factors

We have detailed below some further information regarding the importance of the execution factors.

3.1 Price

For the majority of instruments, price will be the overriding factor in obtaining best execution. This will be the case for the vast majority of orders for retail clients where the size of the order does not restrict our choice of execution venue (i.e. where the transaction will be carried out). Certain financial instruments such as units or shares in a Collective Investment Schemes may have a single price and only one execution venue.

3.2 Costs

In circumstances where costs, for example execution venue fees or settlement costs, may make the overall consideration of an execution prohibitive then this may become the most important factor to consider.

3.3 Likelihood of Execution and Settlement

In certain less liquid instrument types the ability to actually execute the order may be the most important execution factor. Application of the 'total consideration' requirement may mean that this factor is given precedence over the immediate price and cost consideration of a financial instrument where this will, in our opinion, deliver the best possible overall result for the client.

3.4 Size and Nature

The size of an order may be a significant factor depending on the liquidity profile of an individual instrument. Where orders are large compared to the usual quoted sizes then the price to trade the portion of the order above the usual quoted size may be at a less favourable price. In these circumstances we will exercise our discretion as to how to attain the best possible outcome for you. We will attempt to source the best dealing terms available when executing large or illiquid orders having regard to prices offered by a variety of market participants and the liquidity profile of the instrument. Such orders may require to be executed over a longer time frame with overall order execution being expressed as an average of the individual executions. These factors may take precedence over the immediate price and cost consideration insofar as they are instrumental in delivering the best possible result in terms of the total consideration to retail clients.

3.5 Speed

Speed may be an important factor for some types of order or client, particularly in fast moving, liquid instruments or markets. This may take precedence over the immediate price and cost consideration insofar as it is instrumental in delivering the best possible result in terms of the total consideration to retail clients.

3.6 Any Other Relevant Factors

Other factors may be taken into account where we believe that they may have an influence on our ability to deliver the best possible outcome. Examples of such factors might be the particular transaction type (i.e. whether it is a buy or a sell), price limits or if the order is part of a contingent trade.

We will assess the general importance of the execution factors on at least an annual basis. Appendix 2 of this Order Execution Policy details the current weightings we place on each factor; these weightings are reviewed on at least an annual basis.

3.7 Total Consideration

For retail clients, best execution is primarily determined in terms of a trade's 'total consideration'. Total consideration is the price of the instrument, plus the associated costs related to the execution, including any costs incurred by our clients that are directly related to the execution of the order such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

4. Specific Instructions

If we receive a specific instruction from you regarding how you wish an order to be placed on your behalf, for example if an order is to be directed to a certain broker, we will proceed in line with that instruction. However, if you provide us with a specific instruction, it may prevent us from taking some of the steps in this Order Execution Policy to obtain the best possible result for you. Where we follow your specific instructions in relation to the execution of an order, we shall be deemed to have satisfied our best execution obligations in respect of the part or aspect of the order to which your instruction relates.

5. Execution Venues

We will select and maintain a list of execution venues and authorised market counterparties (including those approved Retail Service Providers) which we use to obtain the best possible result for the execution of client orders. The different types of execution venues we use include, Regulated Markets, multilateral trading facilities ("MTF"), organised trading facilities ("OTF"), systematic internalisers and market makers.

Retail Service Providers ("RSP") are market makers who receive order flow from our Order Management System to enable electronic trading in UK listed securities. The RSP model consolidates price data from the market data feeds of the Regulated Markets and MTFs in order to build a consolidated best bid/offer across those venues.

We may deem it appropriate or advantageous to execute your order outside a Regulated Market, MTF or OTF even where the instrument concerned is trading on a Regulated Market, MTF or OTF, on an 'Over The Counter' (OTC) basis with a market participant rather than on a centralised exchange. We are required to obtain your consent before executing orders outside of a Regulated Market including MTFs or OTFs. By agreeing to our terms and conditions and this Order Execution Policy, you are giving us your express consent to this requirement. Should you trade in financial instruments that are outside of a regulated market, you must be prepared to accept increased credit risk should the market counterparty that we trade with on your behalf fail.

A list of our available authorised market counterparties and the regulated markets on which we place significant reliance for the execution of trades is detailed in appendix 1 of this Order Execution Policy.

On an annual basis we will summarise, and make public, information detailing the top five investment firms, in terms of trading volumes, on which we have transmitted or placed client orders for execution in the preceding year and will add further information on the quality of the execution obtained.

6. Execution of Differing Instrument Types

6.1 Equities and Exchange Traded Products (ETP's)

In normal market conditions we will use our automated electronic technologies to request quotes and identify the best available terms available on a variety of execution venues, including RSPs. On receipt of the quote our systems will ascertain the best price available for the order size and upon acceptance of this quote the system will automatically transmit the order to the appropriate counterparty for execution. Where this is not possible and for some large or illiquid orders, these may be traded manually utilising the skills of our in house dealing team who will source the best available terms from market counterparties (including market makers) and refer to available market data to ensure the fairness of any proposed prices.

6.2 Fixed Income

The Fixed Income instrument market is not centralised and some debt instruments may be of an illiquid nature. UK Government (gilt) orders and London Stock Exchange listed retail bonds may be executed via our automated electronic technologies in a similar manner to equities as set out above. Again, where this is not possible and for some large or illiquid orders, these may be traded manually utilising the skills of our in house dealing team who will source the best available terms from a variety of market counterparties and refer to available market data to ensure the fairness of any proposed prices.

6.3 Structured Products

Structured products are executed on an OTC basis with the product provider directly rather than on a centralised exchange. In such cases an execution only client is solely responsible for accepting the terms offered by the product and we cannot accept these terms on your behalf.

6.4 Collective Investment Schemes (OEICs/Unit Trusts)

Client orders will be routed to the respective fund provider/operator and may be routed either electronically or manually. For orders routed electronically we use automated systems to send orders to the relevant fund provider/operator who will place the orders for the next available valuation point. Manually placed orders may be routed either by telephone or by fax for the next available valuation point. Fund providers/operators to whom orders are routed will deal with the order in line with their own best execution arrangements.

7. Limit Orders and Market Orders

Where we accept an order to buy or sell an investment at a particular price for a specified size (a "limit order"), it may not always be possible to execute the trade immediately under market conditions at that time. Where you place a limit order that is not immediately executed, we will not make public your unexecuted limit order unless we believe it is in your interests to do so, or you expressly request otherwise. By agreeing to this Order Execution Policy you agree that we may make your orders public where we consider it to be in your best interests.

A “market order” is an unpriced client instruction to execute a trade of a certain size. We are required to execute market orders without regard to price changes. Therefore, if the market price moves significantly during the time it takes to fill an order, the order will most likely be exposed to the risk of execution at different price from the price when the order was entered.

If we receive an order when the relevant market is closed on a particular day, we will execute the order on the next day that the market is open at the prevailing market price.

8. Aggregation of Orders

We may aggregate an order from a client with that of other clients. We will aggregate orders only where we feel this is unlikely to disadvantage our clients as a whole, however we acknowledge that, on some occasions, this may result in a client receiving more favourable terms or less favourable terms than if an order was executed separately. Where orders are aggregated we will attempt to fill the order as a whole, however where this is not possible allocations will be made on a pro-rata basis, in these circumstances the firm follows a documented order allocation process.

This we will disclose orally or in writing to each client concerned, either specifically or in the Terms & Conditions.

9. Payment for Order Flow and Research

We do not receive any payment from approved market counterparties or execution venues in return for generating order flow.

We provide execution only trading facilities to you and do not provide advice. We do not charge you for the use of any research tools via our website or other medium, nor do we execute trades through the providers of these tools.

10. Execution Quality Monitoring

10.1 Market Counterparty Approval and Monitoring

We measure the quality of our execution arrangements through regular review of the executed prices against the market price at the time of execution and currently use a third party tool to assist us in this process. Additional examination of the output generated by these checks takes place internally through the firm’s trading governance framework

We only execute trades through approved brokers and other counterparties who can be used for trading. A documented process is followed for all new brokers and counterparties. This will typically include, but is not limited to, appropriate regulatory checks on the proposed broker and a review of relevant documentation including their execution policy. These are monitored on an ongoing basis.

10.2 Provision of Information to Clients, Policy Review and Updates

We are required to provide appropriate information to our clients about our Order Execution Policy which is designed to highlight key aspects of our policy. A copy of our Order Execution Policy will be provided to clients on account opening.

We will monitor the effectiveness of our order execution arrangements and this policy at least annually to identify and, where appropriate, correct any deficiencies. We will advise you of any material change to our order execution arrangements or this policy by publishing the revised policy on our website or by writing to you. By signing the declaration in the account opening form, you consent to our Order Execution Policy, including those sections which require your express prior consent.

11. Conflicts of Interest and Inducements

In recognition of potential conflicts of interest which could arise where dealing arrangements include reliance on the use of a connected party, we ensure that such arrangements do not undermine our obligations under the order execution policy. We do not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading or execution venue.

12. Exceptional Circumstances

In exceptional circumstances we may be required to take specific measures when executing or transmitting orders. These exceptional circumstances could include: (i) a sudden loss in market liquidity or at times of market disorder or the impact of political or economic decisions, (ii) the temporary suspension of the trading of the relevant financial instrument caused by actions of a government, supervisory authority or the Execution Venue.

Particularly when they are unforeseeable, exceptional circumstances can have severe impact on the achievable quality of execution or even the ability to execute orders itself. This may make it difficult for ATS to deliver on a client's traditional expectation of the quality of execution that can be expected in normal market conditions.

In order to obtain the best possible result for our clients under such exceptional circumstance, we may follow execution or transmittance procedures other than those described in this Policy. In such eventuality, we shall not be in breach of this Policy.

Appendix 1: List of Authorised Market Counterparties

UK and Irish Equities

Arden Partners
BMO Capital Markets
Canaccord Genuity
Cantor Fitzgerald Europe
Cenkos Securities
Fidante Partners Europe
FinnCap
Goodbody Stockbrokers
Investec
J&E Davy
Jefferies International
JP Morgan
Joh. Berenberg, Gossler & Co. KG
Liberum
Numis Securities
N+1 Singer
Panmure Gordon
Peel Hunt
Shore Capital
Susquehanna International
Stifel
Stockdale Securities
Virtu Financial
WH Ireland
Winterflood Securities

International

Cantor Fitzgerald (Australia and Asia Pacific)
Peel Hunt
Stifel (Europe and North America)
Winterflood Securities (Europe and North America)

Fixed Income

Bridport
Canaccord Genuity
Peel Hunt
Shore Capital
RIA Capital
Winterflood Securities

Structured Products

Barclays
BNP Paribas
Commerzbank
Credit Suisse
HSBC
JP Morgan
Morgan Stanley
RBS
Societe Generale
Tradition
UBS

Regulated Markets

We place significant reliance on the below regulated markets for order execution.

Australian Stock Exchange
Canadian Venture Exchange
Frankfurt Xetra
Hong Kong Stock Exchange
London Stock Exchange
Nasdaq
New York Stock Exchange
Singapore Stock Exchange
SIX Swiss Exchange
Toronto Stock Exchange
Organised Trading Facilities (OTFs)
Multilateral Trading Facilities (MTFs)

Appendix 2: Execution Factor Weightings

	Price	Costs	Likelihood of Execution and Settlement	Size	Speed	Any other factors
Equities (Automated)	1	1	2	2	2	2
Equities (Manual)	1	1	2	1	2	2
Fixed Income	1	1	2	2	2	2
Structured Products	1	1	2	2	2	2
Collective Investment Schemes	1	2	2	2	2	2

1 – Considered as most important factor.

2 – Also considered.

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