

## **Platform Securities LLP**

### **Order Execution Policy**

#### **Introduction**

Platform Securities is authorised and regulated by the FCA to execute and transmit, on an agency basis, both retail and professional customers' orders on behalf of our clients.

When offering this service, Platform Securities has an obligation to take all sufficient steps to obtain, when executing those client orders, the best possible results taking into account certain execution factors including price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order.

Platform Securities is required to establish and implement an order execution policy that details how those orders will be executed and the arrangements that are in place to monitor and ensure that the best possible results are achieved taking into account the various execution factors.

#### **What is Best Execution?**

Best Execution is taking all sufficient steps to obtain the best possible results when executing client orders and this applies to all types of financial instruments. As each type of financial instrument has different characteristics these need to be considered when looking at the importance of the execution factors.

The execution factors we consider are:

- the price of the financial instrument;
- the costs related to execution;
- the speed of execution;
- the likelihood of execution and settlement;
- the size of the order and associated liquidity in the market for the instrument;
- the credit worthiness and performance of the institution with whom we ultimately place your order;
- the nature of the order; and
- any other consideration relevant to the execution of an order.

When executing client orders the FCA state we must take into account the following criteria for determining the relative importance of the above factors:

- the characteristics of the client including the categorisation of the client as retail or professional;
- the characteristics of the client order;
- the characteristics of financial instruments that are the subject of that order; and
- the characteristics of the execution venues to which that order can be directed.

Due to the nature of the orders we receive we consider price to be the most important factor with the other factors given equal importance after price.

For retail and professional clients obtaining the best possible result will take into account 'total consideration' which consists of the price of the financial instrument and the costs relating to execution including expenses 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.

The execution venues which we may use include a Regulated Market (RM), a Multilateral Trading Facility (MTF), an Organised Trading Facility (OTF), a Systematic Internaliser (SI), a market maker or other liquidity provider or an entity that performs a similar function in a third country to the function performed by any of the foregoing.

In certain circumstances Platform Securities, where it feels it is in your best interests, may execute client orders outside of a Regulated Market (RM), Multilateral Trading Facility (MTF) or an Organised Trading Facility (OTF), and by agreeing to this policy you are providing prior express consent.

It is our policy to have processes to ensure that every client's order is treated in a way that aims to maximise the chance of getting the best possible result when being executed.

Platform Securities treats each of our clients separately and does not aggregate one client customers' orders with another client customers' orders.

Platform Securities execute the majority of our clients' UK orders ourselves but in certain circumstance, where we feel it would be appropriate to achieve the best possible result for the customer, we may transmit the order to one of our partners. Our partners may use several differing tools such as algorithms and smart order routers to execute the orders and we monitor their performance by benchmarking the price achieved against prevailing exchange prices.

For UK orders these will typically be the very large trades where our partners will have access to specific tools and liquidity that we do not. The circumstances when we may use our partners for these types of trades has been discussed with our corporate clients.

### **How do we treat specific instruction and Limit orders?**

Whenever there is a specific instruction from our clients or their underlying customers, we will carry out the order in accordance with that specific instruction and we will be deemed to have complied with the best execution requirement to the extent of that instruction.

However, please note that by acting on your specific instructions, we may be prevented from executing your order in accordance with our execution policy and achieving the best possible result.

If you place an order with a specified limit in terms of price and, or size, we may not always be able to execute that order immediately under the prevailing market conditions. We are required to make your order public (i.e. show the order to the market) in such a case unless you expressly instruct us otherwise. By consenting to this policy, you agree to our not making your orders public.

## Types of Financial Instrument

### UK Equities

The London Stock Exchange (LSE) remains the dominant UK exchange for retail order flow and our Order Management System (OMS) routes UK order flow to the Retail Service Providers (RSP) network for onward electronic trading. Platform Securities connect to a number of RSP providers to ensure that any concentration risk is mitigated by having a number of firms and liquidity providers contributing to the execution process.

Our OMS will request quotes from those RSPs that we have chosen to connect to based on competitive pricing and financial stability. Based on the quotes returned our OMS will trade at the best available price.

If the order cannot be executed this way, then it will be routed to our dealers and they will place the order with the market. Our dealers will use their experience and reference any available electronic pricing information to determine the most appropriate route to market based on the size and nature of the order.

Our dealers have access to the RSP network, the Stock Exchange Trading System (SETS) order book and a number of approved market counterparties to achieve the best possible result based on the above execution criteria.

The counterparties we execute with via the RSP and directly in the market all go through an approval process to ensure that they are able to fulfil and complete the order, the process looks at their financial position, regulatory status including news and a further negative media search. The counterparties are regularly monitored to ensure that they continue to meet our requirements.

The counterparty approval process does not guarantee that a counterparty will fulfil their obligations, but it ensures we only trade with those who we feel are most likely to meet the execution criteria.

### Venues

The UK order flow will be primarily executed on the following venues:

<u>Venue / Counterparty</u>	
London Stock Exchange	Shore Capital
Winterflood Securities	Canaccord Genuity
Peel Hunt	Numis
Investec	

Regular governance meetings take place with the top five counterparties we execute the majority of our business with to assess the quality of the execution we receive by considering the various execution factors and this includes both quantitative and qualitative assessments.

### Exchange Traded Products

Exchange traded funds, notes and commodities are included in the process for UK equities and will either be executed via the RSP network or with an approved market counterparty.

## Foreign Equities

We route international orders to Counterparties who we consider to be established market leaders in the markets in which they operate. They will either trade directly on the primary exchange(s) or MTF(s) that offer the best price and liquidity for your order.

Where we transmit orders to other entities for execution we will monitor the execution quality of such entities.

We transmit a majority of our overseas orders to UBS as it is our reasonable expectation (having regard to our experience) that they will enable us to obtain at least as good results as may reasonable be expected from using alternative entities for execution. Clients should be aware that UBS are our global custodian and while this simplifies and aids the settlement process it does not exclude them from the other execution factors assessed under the Best Execution requirements.

As part of the governance and review process regular meetings take place to ensure that their execution process and the tools they use allow us to meet our requirements to clients and their customers. When we transmit orders for execution our partners may use several differing tools such as algorithms and smart order routers to execute the orders and we monitor their performance by benchmarking the price achieved against prevailing exchange prices.

UBS execute most of the orders on the primary exchanges in the countries involved and a breakdown of potential venues is shown below:

Exchange		
NEW YORK STOCK EXCHANGE	EURONEXT BRUSSELS	LUXEMBOURG
NASDAQ – ALL MARKETS	NASDAQ COPENHAGEN	BATS EUROPE
TORONTO STOCK EXCHANGE	NASDAQ HELSINKI	TOKYO STOCK EXCHANGE
XETRA (Germany)	IRISH STOCK EXCHANGE	ASX – ALL MARKETS (Australia)
MERCADO CONTINUO ESPANOL (Spain)	HONG KONG EXCHANGES	

One of the counterparties we use for foreign trades is FIS Brokerage and Securities Services which is owned by our ultimate parent company, this relationship is an arm's length relationship and operates on an identical basis as other market counterparties and does not exclude them from execution factors assessed under the Best Execution requirements.

## Fixed Income / Government Securities

Fixed income and Government securities have differing criteria to equities and are executed using different counterparties and strategies depending on the asset class involved.

These securities can be executed in several differing ways depending on the instrument itself, the size of the order and the liquidity available at the time. For more liquid fixed income instruments (e.g. UK Gilts and UK retail bonds listed on the London Stock Exchange Order Book for Retail Bonds) orders will be routed to the RSP Network for onward execution.

For less liquid fixed income instruments our dealers have the option to transmit the order to one of our approved counterparties for execution with a view to providing the best possible outcome for our client.

A breakdown of potential counterparties is shown below:

<b>Counterparty</b>		
RIA	Bridport	UBS

### Collective Investments

When placing instructions in these types of instruments we will either utilise a platform where multiple manufacturers make their products available or we will transact with the provider themselves depending on the specific requirements of the product itself. These types of products do not have competing quotes, so the role of price is less important and other factors will take precedence.

### Monitoring and Review

The Order Execution Policy is owned and maintained by the Dealing department who monitor its effectiveness on an on-going basis. The results of this monitoring are reported on a monthly basis to Senior Management and appropriate internal governance committees who review their findings and escalate accordingly.

The Compliance function undertake independent monitoring to ensure adherence to the policy as part of their monitoring program, exceptions are included in their reports to Senior Management within the business.

The order execution policy is formally reviewed by the Business and the Board on an annual basis and we continually monitor our counterparties financial position and performance to ensure we are obtaining the best possible results for our clients.

The formal review looks at whether there have been any material changes in the types of orders and markets our clients are accessing, internal or external events and we consider any potential changes that have taken place in the industry that may alter the relative importance of the execution factors in allowing us to continue to meet the overarching best execution requirements. We will update the list of execution venues and counterparties when necessary.

As part of the on-going monitoring we consider including or removing counterparties, venues and any other modifications to our dealing process by reviewing the nuances of the different types of financial instruments we are executing on behalf of our clients. We look at the performance of our counterparties against the differing products and assess whether we should continue to use them for that product or if there are venues or counterparties that we should add that will enhance our dealing process.

If a material change occurs, we will notify our clients of that change and how it will impact our ability to meet the best execution requirements. We define a material change to be a significant event that could impact the execution factors of best execution and do not consider the addition or removal of counterparties as a material change.

We will, on an annual basis, publish our RTS 28 report for each class of instrument which shows the top five entities by trading volumes where we have either executed or transmitted client orders in the last twelve months including information on the quality of execution obtained.

Platform Securities do not receive any remuneration or payment for order flow and will execute where we feel the best execution result will be returned.

The quality of execution is monitored on a daily and monthly basis with any orders identified as not achieving best execution being repaired to ensure that our clients and their underlying customers receive the best possible outcome from each transaction.

Platform Securities do not undertake portfolio management or advisory services themselves and have no involvement in either providing or receiving research and any payments that maybe linked to these services on the financial instruments we trade.

## **Appendix A**

### **Definitions**

Regulated Market (RM) is a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments - in the system and in accordance with its non-discretionary rules - in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of MiFID.

Multilateral Trading Facility (MTF) is multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments - in the system and in accordance with non-discretionary rules - in a way that results in a contract in accordance with the provisions of Title II of MiFID.

Organised Trading Facility (OTF) is a multilateral system that is not a Regulated Market (RM) or MTF. Within an OTF, multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in a way that results in a contract. Equities are not permitted to be traded through an OTF.

Systematic Internaliser is an investment firm which, on an organised, frequent and systematic basis, deals on its own account executing client orders outside of an RM or MTF.

SETS is the London Stock Exchange's electronic order book where market participants are able to place buy and sell orders for a specific security that are organised and displayed by price and size.

Smart Order Routing (SOR) is an automated process of handling orders, aimed at taking the best available opportunity throughout a range of different trading venues.

Client, refers to our Corporate Clients

Customer, refers to the underlying customer of our corporate clients

Qualitative and quantitative research methods are ways businesses understand various information.

Quantitative research is the method used when you want to know how many times or how often something happens.

Qualitative research is the method used when you want to understand why something happens.