



ORDER EXECUTION POLICY

April 2023

Version 0.4

Introduction

Saunderson House Limited (“SHL”, “our” and/or “we”) is authorised and regulated by the Financial Conduct Authority (“FCA”) to provide Advisory services (investment and financial planning advice) and Discretionary Portfolio Management services.

We are required to put in place an Order Execution Policy, and to take all sufficient steps to obtain the best possible outcome for clients who agree to place orders for execution with SHL or for whom an order is placed by SHL, acting as the Discretionary Portfolio Manager on the client’s behalf. Orders that have been instructed by the client as Execution Only (not advised by Saunderson House) are also covered by this policy.

The purpose of this document is to provide you, as a client of SHL, with information about our Order Execution Policy and to seek your consent to this policy. Please note that you provide your consent when you sign your Advisory client agreement. If some or all of your portfolio is managed on a Discretionary basis, you will also have signed a Discretionary client agreement.

SHL uses third parties to execute and transmit both retail and professional customers’ orders on behalf of our clients. All SHL clients are treated as ‘Retail’ for the purposes of achieving the best possible outcome (also known as ‘Best Execution’ - Best execution is a legal mandate that requires brokers to provide the most advantageous order execution for their customers given the prevailing market environment.).

It is in the interests of our clients that we obtain the best possible result when placing orders for execution on behalf of our clients with third party investment platforms and stockbrokers. We are required to take all sufficient steps to attain Best Execution when carrying out such transactions and, to provide you with a copy of the Policy that we have adopted to achieve that objective.

This document outlines our Order Execution Policy (“the Policy”) for executing a client order as required by the Financial Conduct Authority (FCA) Conduct of Business sourcebook (COBS 11.2A) and as stipulated by the EU Markets in Financial Instruments Directive (“MiFID II.”).

You should read this policy in conjunction with your client agreement(s).

Client Order Handling

A client order may result from:

- A decision by us to deal on behalf of a client for whom we act as a Discretionary Portfolio Manager;
- A client instruction to deal, following agreement of advice or a recommendation from us; or
- A client instruction to deal on an ‘execution only’ basis.

Advisory Service

Where we are acting on an instruction from a client, the order(s) will be transmitted as soon as practicable following receipt of the instruction. Our aim is to transmit implementable orders within two working days.

Please note that regardless of the timing of the transmission of the order to an execution venue, the order will only be executed in line with that venue’s own order execution and client order handling policies.

Execution Only

SHL, and the execution venues that it uses, do not necessarily have access to real-time trading facilities. If you are looking to place a time-sensitive trade, please speak to your SHL adviser who can introduce you to a stockbroker that has this facility available.

We may refuse to undertake a client order if it is deemed to be suspicious.

Discretionary Service

Where we are appointed as a Discretionary Portfolio Manager, the timing of transmitting orders will be at our discretion.

Trading within discretionary managed portfolios is carried out in line with the client's chosen Investment Mandate. We differentiate between two order types for the purpose of this policy:

1. Investment Driven Orders

These may result from:

- i) A decision by us to rebalance a discretionary portfolio that has moved outside of the acceptable tolerances of the Investment Mandate. Such orders will be actioned within 2 working days.
- ii) A decision by us to change the asset allocation of an Investment Mandate, or a fund within the Investment Mandate. We shall endeavour to complete all transactions resulting out of any such decision with 5 working days.
- iii) A change in accountancy restrictions resulting in a sub-set of clients requiring a fund to be sold. Such orders will be actioned in no more than 2 working days upon receipt of an instruction, unless otherwise agreed.

2. Client Driven Orders

These may result from:

- i) The receipt of new monies / new stock within an account;
- ii) The receipt of a client instruction to withdraw monies from an account;
- iii) A change in client circumstance which results in the Investment Mandate, or a fund within the Investment Mandate, no longer being suitable.

Where we are acting on a client driven order, the order will be transmitted as soon as practicable, but no more than 2 working days, following receipt of the instruction, where we take the time and date of the instruction into account.

Order Aggregation *

Where we aggregate orders, the execution venue might:

- Add extra taxes, penalties or charges such as a dilution levy, a redemption penalty or a cancellation charge
- Scale back the aggregated order
- Delay the dealing of part of the aggregated order to a later date

- Allow the purchase of a financial instrument which cannot be sold unless it is aggregated with client orders from other clients
- Allow the holding of a financial instrument in an amount which would not otherwise be enough to meet the minimum holding requirements.

In each case this might not have happened if your client order was placed individually and in these cases the execution venue may:

- Allocate the taxes, penalties and charges between you and all other clients in pro rata proportions calculated by reference to your proportion of the aggregated order
- Wait until they have dealt all aggregated orders before allocating the financial instruments or proceeds to you and other participants in the aggregated order
- Delay an order for sale until we have enough other client orders to meet the minimum dealing limit on an aggregated basis

Aggregated orders that exceed Estimated Market Size may be difficult to execute. Where it may not be possible to execute the full aggregated order, we may part fill the aggregated order.

Advisory Service / Execution Only

SHL does not typically aggregate orders. Further details are included in section 17 of the Advisory Client Agreement

Discretionary Service

For discretionary portfolio management clients, where trades are executed and assets held by Platform Securities, aggregation of client orders may take place only prior to the aggregated order being transmitted by SHL to Platform Securities. In such a case, where the aggregated order cannot be filled, Platform Securities will allocate financial instruments in line with this policy on a pro-rated basis.

Execution venues and third parties *

Trading venues are execution venues such as a regulated stock market, multi-lateral trading facility or organised trading facility where investment transactions are executed. SHL does not execute orders or deal directly with trading venues, instead, we transmit orders on behalf of our clients to appropriate third parties (investment platforms and stockbrokers) who may, at their discretion, execute or arrange for the execution of the order at an execution venue that is not a trading venue such as a market maker or a stockbroker.

We regularly review the third parties that provide us with order execution services to ensure that, on a consistent basis, we are able to obtain the best possible result when arranging the execution of your orders.

These third parties have responsibilities in relation to best execution and client order handling themselves. When you become the retail customer of a third party, in addition to being a retail client of SHL, you will be required to agree to their own order execution policy, a copy of which will be made available on request.

Advisory Service

For investments held on our preferred platform(s) (an online investment administration service), client orders will be transmitted directly to the relevant platform. For investments that are not held on our preferred platforms, orders will be transmitted to the relevant platform for execution.

The execution venue is driven exclusively by the platform / stockbroker where the assets are held.

It is our policy that any third-party product provider initial charge/discount and/or commission will not influence either the selection of third parties to which we transmit client orders, or the order flow that follows as a result of the execution process. We will therefore not discriminate between the third parties used to arrange execution of your orders.

Execution Only Transactions

We only submit Execution Only trades to the platform / stockbroker of the client's choosing, where the client already has an existing relationship with that platform / stockbroker, and the platform / stockbroker permits such trades. Additionally, when a SHL client instructs an Execution Only trade, they have to follow the relevant policies and procedures and the client's adviser will inform the client of these.

Discretionary Service

For Discretionary Portfolio Management services, we have identified Platform Securities as providing consistently high-quality order execution, either by executing orders directly on the LSE or by transmitting orders to market counterparties for execution in order to obtain the best possible results for clients.

We consider Platform Securities to be the execution venue most likely to achieve the best outcome for discretionary portfolio orders based on its low cost, expertise, experience and technology as well as the liquidity and coverage Platform Securities is able to achieve.

A copy of the Platform Securities Order Execution Policy can be found on the Platform Securities website.

Execution factors *

When transmitting orders to a third party, where the trade is for a listed security, we'll make every effort to ensure the best possible result for our clients taking into account the following factors:

- Total consideration (the price paid for the investment less the costs incurred as a result of the transaction being placed (including clearing and settlement costs);
- speed of the execution and settlement;
- likelihood of the order being executed and settled;
- liquidity in the instrument being traded;
- size and nature of the transaction;
- nature of the financial instrument including whether it is executed on a regulated market, multilateral trading facility (MTF), Organised trading facility (OTF), over-the-counter (OTC) or with a Systematic Internaliser (SI); and
- any other consideration relevant to the execution of the order.

For retail clients, total consideration will normally be the most important aspect in obtaining the best possible result. We'll therefore assume that this is the most important outcome for your transaction unless you tell us otherwise.

When transmitting orders to a third party, where the trade is for a Unit Trust / OEIC (etc), once a customer Execution Only order has been received or when a client has agreed the advice or recommendations we have made, the order(s) will be executed as soon as is reasonably practicable in all circumstances. Our aim is to fulfil implementable orders within two working days, where we take the time and date of the instruction into account.

Monitoring and review of our execution policy

We will regularly monitor the effectiveness of our Order Execution Policy to identify and, where appropriate, correct any deficiencies. In particular, this will cover the third parties to which we transmit client orders in terms of their quality of execution.

This review is carried out on at least an annual basis or whenever a material change occurs that affects our ability to continue to obtain the best possible result for our clients.

Any material changes made to the Order Execution Policy will be notified to our clients. We do this by publishing the changes on our website (www.saundersonhouse.co.uk).

Staff understanding

All relevant staff are made aware of this policy to highlight and emphasise the importance of best execution.

Abnormal Market Conditions and systems failure

The execution arrangements described earlier in this policy will not apply at a time of severe market turbulence and/or internal or external systems failure (such as prolonged power failure), where instead the ability to execute orders on a timely basis, or at all, will become the primary factor.

Personal Account Dealing

To prevent conflicts of interest and market abuse through staff members' misuse of information related to client orders they have been involved in placing, either on their own behalf or on behalf of other parties, we maintain Personal Account Dealing and Conflicts of Interest policies. A copy of our Conflicts of Interest policy is available on request, and a summary can be found on our website.

Data Protection

We are committed to protecting personal data and ensuring that it is used fairly, responsibly and in accordance with the applicable law and regulation. Where this policy and its associated procedures involve personal data, that personal data must be processed in accordance with our Data Protection Policy.

We have record keeping procedures to demonstrate, if required, that your instructions have been dealt with in accordance with this policy. We will retain your records for as long as required by applicable regulations.

General

We do not accept liability for any loss resulting from the failure or delay on the part of a third party in respect of the execution of any order, or it being executed at a different price than that which could have been obtained if the order had been executed at the time anticipated by you.

* section relates to listed securities only, unless otherwise stated.