



**COLLINS SARRI STATHAM**  
INVESTMENTS

## Best Execution Policy

### **1.0 INTRODUCTION**

- 1.1. Under MiFID II (the second reiteration of the EU's "Markets in Financial Instruments Directive", effective from 3<sup>rd</sup> January 2018) and in accordance with the UK FCA COBS Sourcebook, (COBS 11.2). Collins Sarri Statham Investments (CSSI) is required to take all sufficient steps to obtain the best possible result (or "best execution") when executing or receiving and transmitting orders on behalf of its retail and professional clients.
- 1.2. CSSI operates three distinct trading platforms utilising either the dealing facilities of Saxo Capital Markets UK Limited or those utilising the services operated by Jarvis Investment Management Limited or James Brearley. The decision on which facility to direct an order is determined by the client when they decide on which platform the account has been established.
- 1.3. CSSI acts as an introducing broker to Saxo Capital Markets UK Limited (SCML), acting as agents when buying or selling stocks, CFDs, shares etc. SCML facilitates the trades through their proprietary online system and have their own best execution policy. Clients affirm their acceptance of this policy at account sign-up and via the SCML Terms and Conditions. As an FCA regulated firm SCML also has a best execution obligation in respect to its trading activities.
- 1.4. Clients who elect for the "Classic" service will have an account opened on their behalf at Jarvis Investment Management Limited (JIML) or James Brearley (JB) and are reliant on their system and trading capabilities. As an FCA regulated firm's JIML and JB also have a best execution obligation in respect to its trading activities.
- 1.5 Under COBS 11.2A.29 CSSI is required to show that use of SCML, JIML and JB allows them to obtain best execution for their clients on a consistent basis i.e., that the selected venues will enable them to obtain results for clients that are at least as good as the results that they could reasonably expect from using alternative execution venues. CSSI conducts daily monitoring of all trades executed to ensure that we have achieved best execution for all retail client orders. All three counterparties also have various Best Ex monitoring systems such as Liquid Metrix to ensure and outliers are identified and reported to CSSI.
- 1.6 CSSI receives a contracted commission payment from SCML, JIML or JB. We do not receive any direct payment in relation to choice of execution venue or how the trade is executed. Please refer to our cost and charges sheets to understand the difference between the three platforms charges.

CSSI does not trade as principal.

### **2.0 OUTLINE OF POLICY**

- 2.1 The order execution policy applies to Retail and Professional Clients and to financial Instruments, as defined by MiFID II. The order execution policy applies where carrying out Retail

and Professional Client Orders in such Financial Instruments, whether by executing such orders "on a client's behalf" or transmitting them to a third party firm for execution.

- 2.2 When executing an order on a client's behalf, CSSI will take all sufficient steps to obtain the best possible result for the client when taking into account the execution factors (COBS 11.2.2). It is the responsibility of the CSSI broker handling the order to determine the relative importance of the execution factors using their professional judgement and experience in light of current market information.
- 2.3 CSSI will take into consideration a range of different factors which includes not only price, but which may also include such other factors as the cost of the transaction, the need for timely execution (speed of execution), the likelihood of execution and settlement including the liquidity of the market which may make it difficult to even execute an order, the size of the order and the nature of the financial transaction including whether it is executed on a regulated market or over-the-counter.
- 2.4 CSSI assumes that the best available price at the time is the most important outcome for a client unless they have specified that another factor is of greater importance. This is represented by the price of the financial instrument and all expenses that are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.
- 2.5 CSSI requires its broker to take into account the following information when executing a trade on behalf of a client (COBS 11.2.6):
  - the characteristics of the client including the categorisation of the client as retail or professional;
  - the characteristics of the client order;
  - the characteristics of the financial instruments that are subject to that order;
  - the characteristics of the execution venues to which that order can be directed.
- 2.6 In certain circumstances and where supported by the platform used, client's orders may be aggregated with other clients' orders. Furthermore, CSSI may split the client's orders as well as aggregate orders before executing such, but only where CSSI reasonably believes it to be in the best interest of the client and unlikely that the aggregation or split will be detrimental to any client. In normal circumstances this will be discussed with the client prior to execution.
- 2.7 In general all orders received will be directed to the external dealers of the three systems engaged (SCML, JIML or JB) depending on where the client's account is held. The choice of execution venues will therefore be determined by the system provider.
- 2.8 CSSI seeks to transmit all market trade instructions within an hour of receipt and certainly within the same trading day. If for any reason we are unable to do this, we will make every effort to inform clients and take further instructions. In most circumstances the trade will be executed whilst the client is on the telephone. Where special conditions are attached to the order such as limit orders, or orders for securities with limited liquidity extra time may be required to fulfil the order.
- 2.9 CSSI accepts the following types of orders:
  - a. Market – executed immediately at the best available price.
  - b. At Limit – execute at, or better than a specified minimum price for sale orders or a maximum price for purchase orders.

- c. Stop Loss – execute automatically a sell order should the price fall below a specified price. These are not guaranteed, and the price achieved might be less than that specified.
- d. Buy Stop - execute automatically a purchase order should the price hit a specified price. These are not guaranteed.
- e. Trailing stop order – similar to a stop loss however the stop price moves according to parameters set.

2.10 In line with current market practice a limit order will not necessary be made public.

2.11 CSSI reserve the right to delay the processing of any instruction if;

- it cannot readily deal in the investment to the value of the instruction on the processing date and within the times set out above; or
- It is not reasonably practicable for the firm to process the instruction on that date due to circumstances beyond its control (including, but not limited to, any minimum dealing limit applied to the investment in question).

2.12 CSSI will also take into account your understanding and experience of the market in question including your categorisation as either a retail or professional client; your retail client profile, the nature of the dealing service you require of us, and the specific and general instructions given to us by you which may prioritise how your order is filled.

2.13 In cases where you provide us with specific instructions concerning an entire transaction or a particular aspect of the transaction, and we agree to those instructions, our execution of the transaction will align with those directions. This action will fulfil our obligations for best execution concerning the relevant aspects of the transaction. However, if your instructions solely pertain to a portion of the transaction, the remaining element not covered by your specific instructions will still be subject to best execution requirements.

Please note that if you provide us with specific instructions this may change the way in which we execute your transactions and may prevent us from taking the steps that we have designed and implemented in the Policy to obtain the best possible result for the execution of in scope transactions.

### **3.0 AGGREGATION OF CLIENT ORDERS**

3.1 CSSI has a policy of aggregation which may be implemented in the following circumstances:

- a. When postponing the execution of a current client order in a designated investment may be in the best interests of the client; and
- b. When aggregating a client order with that of another client, will not work to the disadvantage of each of the clients concerned.
- c. The investments will be promptly and fairly allocated.
- d. The reallocation of transactions should be considered as detrimental to a client if, as an effect of that reallocation, unfair preference is given to any particular person.
- e. Investments will at all times be allocated fairly, whether or not the transaction has been completed fully.

3.2 The following criteria will be used to consider whether to implement the aggregation policy:

- The size, nature and demand for the stock
- The market in which the stock is being quoted.

- The current bid-offer spread.
- The current market size quoted for the stock.
- The recommendations from the Broking Director(s).

#### **4.0 BEST EXECUTION REQUIREMENTS**

- 4.1 All clients must be made aware of the firm's best execution policy (COBS 11.2.23) and a version of the policy will be made available via the company's website.
- 4.2 It is a requirement that all clients give their express consent to this policy. This is achieved by them committing to the application process and signing the application form and customer agreement.

#### **5.0 MONITORING AND REVIEW**

- 5.1 In line with COBS 11.2.28, we will review, at least on an annual basis the effectiveness of our execution policy and order execution arrangements or whenever a material change occurs that affects the firm's ability to continue to obtain the best possible result for the execution of its client orders on a consistent basis.
- 5.2 Where appropriate, we will correct any deficiencies and notify you of any material changes to our order execution arrangements or execution policy.