



# **Slater Investments Limited**

**Best Execution Policy**  
**October 2019**

## **Best Execution**

This document sets out the Execution Policy and approach to providing best execution, as required by the Markets in Financial Instruments Directive 2014/65/EC (MiFID II) for Slater Investments Limited and COBS 11.2 of the Financial Conduct Authority Handbook.

The financial instruments covered by this policy include:

- Equities
- Fixed income
- Money Markets and Cash Instruments
- Exchange traded derivatives
- Over the counter derivatives
- Foreign exchange including forwards
- Collective Investment Scheme

Slater Investments is required to take all sufficient steps to obtain the best possible result (on best execution) when executing orders on behalf of clients. These rules require limits to be put in place, an execution policy which sets how it will obtain best execution and to provide appropriate information to its clients on its best execution policies. All clients are treated fairly and equally. Slater Investments Dealing Desk does not differentiate between client types and makes execution decisions according to Slater Investments Order Execution policy. Slater Investments will normally execute orders as agent. The only instance where Slater Investments would be executing orders as principal would be to do with units in the collective investment schemes.

MiFID II requires Slater Investments Limited to take sufficient steps to obtain the best possible result for its clients (henceforth referred to as client or you), taking into account price, costs, speed, likelihood of execution and settlement, size, nature and/or any other relevant order execution consideration, whether we are executing orders on behalf of clients or placing orders with, or passing orders to, others for execution. This overarching obligation to obtain the best possible result for clients is referred to, in this document, as our obligation of Best Execution.

When executing client orders Slater Investments Limited will take into account the following criteria to determine the relative importance of the factors referred to above: a) the characteristics of the client including the regulatory categorisation; b) the characteristics of the client order; c) the characteristics of financial instruments that are the subject of that order; and d) the characteristics of the execution venues to which that order can be directed.

We are required to produce and monitor an Order Execution Policy that sets out the firm's order execution arrangements, the factors influencing the nature of the arrangement and how individual orders are executed. Our policy is described below.

## **Scope**

This document applies to Slater Investments' employees, contractors, interns and anyone who is employed by Slater Investments. Best Execution is owed when Slater Investments Limited accepts an order to execute a transaction on your behalf, or in other circumstances where it has otherwise expressly agreed to accept such Best Execution obligation. When Slater Investments Limited provides quotes or negotiates a price with you, on request (i.e. dealing on a request for quote also known as RFQ basis) Slater Investments Limited will consider the nature of the instruction with respect to the Four Fold Test published by the European Commission. It will not generally be presumed to be receiving a 'client order' as part of a service where Best Execution will apply.

In determining whether it is able to deal on an RFQ basis Slater Investments Limited will consider the nature of the instruction with respect to the Four Fold Test published by the European Commission (described in paragraph below). The distinction between your reliance on Slater Investments Limited to achieve best execution and a RFQ is between:

- a) where you are legitimately relying on Slater Investments Limited to achieve the execution outcome i.e. for Slater Investments Limited to act on your behalf in protecting your interests (an order); and
- b) where you merely request or take a price (a RFQ).

The Four Fold Test entails the consideration of:

- a) which party initiates the transaction;
- b) questions of market practice and the existence of a convention to 'shop around';
- c) the relative levels of price transparency within a market; and
- d) the information provided by Slater Investments Limited and any agreement reached.

Where the consideration of the above factors concludes that you are not legitimately relying on Slater Investments Limited, then best execution will not apply.

## **Purpose**

This Policy sets on the Slater Investments principles and general approach for carrying out client orders in financial instruments while obtaining the best possible result for clients taking into account considerations relevant to the execution of the order. The Policy describes the execution approach from the time that an order originates to the time that it is executed or settled, as the case may be, discusses the execution venues or entities used and the role of execution quality and any other factors in selecting them, explains how different factors

influence the Slater Investments execution approach and why the execution approach will deliver the best possible result for the execution of those client orders. It forms part of the client agreement for the provision of investment and ancillary services.

### **Best Execution Obligation and Relevant Factors**

As set out above when executing orders on your behalf in relation to Financial Instruments, Slater Investments Limited will take all reasonable steps to achieve Best Execution. Slater Investments Limited has in place a policy and processes which are designed to obtain the best possible execution result on a consistent basis, subject to and taking into account the Financial Instrument subject to the nature of your orders, the execution venues available (on reasonable commercial terms) for such Financial Instruments and the priorities you place upon Slater Investments Limited executing those orders. The policy and processes provide, in Slater Investments Limited's view, the best balance across a range of sometimes conflicting factors.

Slater Investments Limited will take into consideration a range of different factors when determining how to obtain the best possible result for orders executed on your behalf, including price, the need for timely execution, availability of price improvement, the liquidity of the market (which may make it difficult to execute an order), potential price impact, the size of the order, the nature of the financial transaction (including whether or not such transactions are executable on a regulated market, over-the-counter, or via either route) and the quality and cost effectiveness of any related clearing and settlement facilities.

### **Specific Client Instructions**

If a client gives us specific instructions to buy or sell a security in their account with us (e.g. setting a price limit), Slater Investments Limited shall execute the order following the instruction. When acting on a specific instruction, the client may receive a less favourable outcome than if Slater Investments Limited had acted in accordance with our policy.

In the absence of express instructions from a client, we will exercise our own discretion in determining the factors that we need to take into account for the purpose of providing the client with "best execution".

Our commitment to provide a client with "best execution" does not mean that we owe you any fiduciary responsibilities over and above the specified regulatory obligations placed upon us or as may be otherwise contracted between us.

### **Collective Investment Scheme**

Collective Investment Schemes prices are determined by the fund administrator. Orders are placed with the Transfer Agent appointed by the schemes. The key execution factor is the timing of the execution in order to meet the required valuation point. Our best execution

policy will be satisfied when executing the order within the required time period via the appointed Transfer Agent.

### **Execution Factors**

The execution factors that we shall take into account when placing an order will be as follows, unless you give us specific instructions otherwise:

- Price;
- Costs;
- Speed of execution;
- Likelihood of execution;
- Market impact;
- Likelihood of settlement;
- Size and nature of order;
- Transparency of the market;
- Any other market conditions; and

Any other consideration relevant to the execution of an order.

In normal circumstances price will merit a high relative importance in obtaining the best possible result for clients. However, in certain circumstances, Slater Investments, in its absolute discretion may decide that other factors listed above may be more important in determining the best possible execution results. For instance:

- for smaller capitalised equities and less liquid stocks, the likelihood of execution and provision of liquidity may be more important than price
- when raising cash to fund redemptions, speed may take priority over price
- when executing a large order, being able to transact the whole order at a less favourable price may be more important than executing part of the order at a better price
- the volatility of price may make timeliness a greater priority
- the choice of execution venue may be limited for certain instruments.

### **Execution Criteria**

Slater Investments shall take into account the following criteria in order to determine the relative importance of the above factors:

- Client characteristics (including the client's regulatory classification);
- The characteristics and nature of the order (e.g. stop loss, market or limit order, size or likely impact);
- The characteristics of financial instruments that are the subject of that order;
- The characteristics of the execution venues to which that order can be directed (e.g. transaction cost on that venue, market liquidity, ability to manage complex orders); investment intention of the Fund Manager who instigated the order.

Slater Investments is responsible for assessing the relative importance of the factors, taking into account these criteria. In most circumstances price (i.e the price available and the depth of liquidity available at that price e.g. in case of equity, listed OTC, Exchange Traded Funds (ETF), derivative products, fixed income products, units in collective investment undertakings and interest rate derivative products) and cost (making up three components: 1. Implicit cost control, meaning minimising the market impact of order execution; 2. External explicit costs (e.g. exchange or clearing fees); and 3. Explicit internal fees, which represent the firm's own remuneration through its commission or spread) will merit a high relative importance in obtaining the best possible result for professional clients, although there will be circumstances where other factors will be more important. For retail clients, price and cost forms part of the assessment of 'total consideration', which takes precedence over all other factors.

Speed (e.g. in case of equity, fixed income products, open-ended and closed-ended mutual funds), likelihood of execution and settlement (e.g. market liquidity for the particular product in case of listed equities, fixed income products, derivatives, mutual funds), the size and nature of the order, market impact and any other implicit transaction costs may be given precedence if they are instrumental in delivering the best possible result. The factors are weighed in a manner that is appropriate to the particular type of client including the client categorization as a professional client.

### **Execution Venues**

On an annual basis, Slater Investments publishes a list of the top 5 trading venues (for each class of financial instruments) with which we trade. This list will be formally reviewed and approved annually and is available to clients via website [www.slaterinvestments.com](http://www.slaterinvestments.com). This list comprises those venues on which Slater Investments places significant reliance. Slater Investments reserves the right to use other execution venues where it deems this to be appropriate in accordance with this order execution policy, and as such the list may change periodically. The overriding consideration in using execution venues is that the venue concerned has systems in place which enable the delivery of best execution to the satisfaction of Slater Investments.

For the equity asset class, the entities listed below are those with which the orders are placed or to which Slater Investments Limited transmits orders for execution. The entities identified have execution arrangements that enable Slater Investments Limited to comply with its obligations when it places or transmits orders to that entity for execution.

- Arden
- Berenberg
- Canaccord
- Cantor Fitzgerald

- Cenkos
- FinnCapp
- Goodbody's
- Hargreave Hale
- Investec
- Jefferies
- Liberum
- Mirabaud
- N+1 Singers
- Numis
- Panmure
- Peel Hunt
- Redmayne Bentley
- Shore Capital
- Stockdale
- Walkers Cripps
- WH Ireland
- Winterfloods

Slater Investments executes trades through brokers and MTFs that authorised by competent authority in their home state.

Selection of additional venues includes consideration of factors such as liquidity and price offered, credit and settlement risk, realized performance (latency, liquidity, price improvement, fill rates, pricing analysis), commercial positioning, market mechanism, resilience and reliability. Slater Investments Limited will, on request, provide further details to you of the execution venues included in our Execution Policy.

### **Execution Venues - Variations in Rates of Commission**

Commission rates are negotiated at the outset of a relationship and reviewed at least annually by the Board. The reviews take into account prevailing market rates, charges and services. All elements of commission can be negotiated for individual trades, if appropriate, dependent on market conditions, size of order and method of execution i.e. manual/electronic/program trading.

Trading in single securities in the United Kingdom often requires more attention and service from brokers including capital commitment and the use of the sales trader to locate/negotiate the other side of the trade. For this method of trading, commission is charged at 15bps. Trades via electronic systems whether baskets or individual stocks reflect a lower cost of that type of execution and are charged at 5bps. Commission for international venues is by negotiation.

Slater Investments Limited take steps to avoid structuring or charging Slater Investments Limited's commissions in such a way as to discriminate unfairly between execution venues.

Slater Investments Limited complies with Article 24(9) of MiFID II.

### **Order Handling Policy and Record Keeping**

All client orders are recorded on a deal ticket which has details of best execution and allocation. Orders are then promptly entered onto the firm's computer system. Deal tickets are retained for six years.

### **Aggregation and Allocation**

Slater Investments maintains policies that deal with the aggregation of orders in its compliance manual. Comparable orders are in general executed en bloc format if the orders are generated simultaneously and allocated in line with the Slater Investments Dealing and Allocation Policy.

### **Responsibilities and Monitoring**

The responsibility for fulfilment of best execution lies with the person that places the deal. Operations and Risk Management are involved with supervisory activities including monitor and control procedures. Compliance provides advice and assists with the formulation, implementation, awareness and monitoring of this policy and implementing policies and procedures.

The Board of Slater Investments monitors, assesses and reviews, on an annual or ad hoc basis, the quality of the execution arrangements the firm has with its brokers and their execution venues, promptly making any necessary changes. In particular, it assesses, on a regular basis, whether the execution venues provide for the best possible results for the client or whether changes in the execution arrangements are needed.

Slater Investments continually assesses whether a material change has occurred in its order execution arrangements. If it is determined that a material change has taken place, the company will consider making changes to the execution venues or entities on which it places significant reliance in meeting the overarching best execution requirements.

Slater Investments will review this Policy and its order execution arrangements at least annually. Slater Investments will notify clients of any material changes to its order execution arrangements or this Policy.

If you wish to discuss the application of best execution to your trades with Slater Investments Limited, please contact your usual Sales representative.