



BEST EXECUTION POLICY – AUGUST 2020

Overview

It's in the interests of our clients and our firm that we obtain the best possible result when placing orders to purchase or sell investments on behalf of our clients. This is known as "best execution". We are required to take steps to provide 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 best execution policy applies to orders made by Gale and Phillipson group in investments such as funds and other securities. You should read this policy in conjunction with your service description or other agreements for services we provide you with.

Execution venues and third parties

An execution venue is a trading venue such as a regulated stock market where investment transactions are executed. Our firm does not execute orders or deals directly with execution venues.

Instead, we place orders on behalf of our clients with appropriate third parties as explained below:

- **Investments on a platform:** for investments held on our preferred platform(s) (an online investment administration service), client orders are placed directly with the relevant platform. These are primarily Raymond James, AJ Bell custody solutions, Old Mutual Wealth, Novia, Aviva and Standard Life. From time to time other platforms will be utilised as is deemed suitable for clients.
- **Investments not on a platform:** for investments held directly with individual fund managers, client orders will be placed directly with the relevant fund manager for the particular investment.
- **Stocks and shares:** we use platform providers or will recommend a third-party stockbroker where we need to instruct trades in direct stocks and shares.
- **Other investments:** For other investments not covered above we will place trades directly with providers or via managers, this includes investments such as Structured Products.

We regularly assess the third parties available to us to identify those that will enable us, on a consistent basis, to obtain the best possible result when arranging the execution of your orders. The above list will then be updated, where necessary, following such assessment.

The third parties also have responsibilities in relation to best execution and client order handling themselves. We also undertake periodic monitoring to ensure that they are meeting the relevant requirements.

Order Execution – obtaining the best result

To enable us to conduct an analysis of execution venues that we use, we gather the following information, for each venue and for each class of instrument:

- venue name and identifier;
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- volume of client orders executed on that venue, expressed as a percentage of total executed volume;
- number of client orders executed on that venue, expressed as a percentage of total executed orders;
- number of orders that were passive (ie, the order provided liquidity) and aggressive (the order took liquidity);
- percentage of orders that were directed by the client (execution only orders);
- whether less than one trade per business day was executed in the previous year in that class of financial instrument.

We produce an annual report based on our analysis of the above information. The report covers, as relevant to the scale and nature of our business:

- an explanation of the relative importance we gave to the execution factors of:
 - Price: For example, for most liquid instruments, market price will be the overriding factor in attaining best execution. With other factors such as costs being the same, G&P's execution arrangements require the firm to find the best price available. This will not be the case for most orders for Retail Clients as we expect to see very few transactions in illiquid assets where price becomes a key factor.
 - Costs: Where explicit costs (such as exchange fees or settlement/custody costs) would make the overall consideration of the execution prohibitive, then this factor may become relatively the most important.
 - Speed: Speed of execution may be important for some types of order, or client. Speed will be a high priority for a Retail Client executing an order in a liquid equity in a fast market or for an execution only client
 - Likelihood of execution: In certain circumstances, G&P's ability to execute and settle the order will be the main factor considered. For example the instrument might be rarely traded, the size of the order restrictive etc. As such, effecting the order takes precedence over other factors.
 - any other qualitative factors: Any other relevant considerations will also be taken into account to achieve Best Execution and settlement for the client, this could be as simple as whether it is a buy or sell order, a limit order, or the market the instrument is traded on.
- a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;
- a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;
- an explanation of the factors that led to a change in the list of execution venues listed in our execution policy, if such a change occurred;
- an explanation of how order execution differs according to client categorisation, where we treats categories of clients differently and where it may affect the order execution arrangements;
- an explanation of whether other criteria were given precedence over speed and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.

For retail clients of Gale and Phillipson services, the cost and speed of execution of the order will normally be the most important aspect in obtaining the best possible result. We therefore assume that this is the most important outcome for your transaction unless you tell us otherwise.



Execution Methodology

The aforementioned order execution factors and report is utilised to determine that the investment platforms G&P use continue to deliver the best outcome for our clients.

Where there are any specific instructions provided by clients, that fall out with our standard investment solutions, G&P will assess the relevant criteria and any specific instructions provided by you, including selecting the most appropriate venue(s) from those available and execute your order in a timely manner taking into account all relevant aspects of the trade

General dealing arrangements

- UK Equities, International Equities, listed debt securities and Exchange Traded Funds
 - Where G&P instruct orders on such instruments they will do so via stock brokers or (more commonly) platforms. Gale and Phillipson will ensure such venues have suitable policies in place to ensure Best Execution and will review these on a regular basis. This should normally involved multiple venues for these providers to access to ensure orders can be filled in a timely manner, at reasonable cost and at fair price.
- Collective investments
 - The majority of collective investments are open ended and have no secondary market, as such the platforms and providers used by G&P to execute orders will deal directly with the provider of the investments
- Structured Products
 - Are executed with the product provider concerned. G&P has established internal processes to analyse and compare market data, ensuring a fair price is obtained for clients.

Currency

If a financial instrument accepts transactions in a currency other than pound sterling 'GBP', the client will bear the increased risk and costs of any currency conversion. Our Best Execution requirements are met through reference to the prices provided by the respective investment fund manager or market maker.

Client specific instructions

If you have given instructions that price is not the most important factor in executing your instructions, we make every effort to comply with your instructions but cannot guarantee this. This may be due to either the nature of the order, or the type of investment you wish to trade in.

If we accept any client specific instructions, you should be aware that this may prevent us from following the processes set out in this policy which have been designed to obtain the best possible results for the execution of those orders in respect of the elements covered by those specific instructions.

Charges

Our policy is that our commission and charging structures will not influence either the selection of third parties to which we place client orders, or the order flow that follows as a result of the execution process. We therefore do not discriminate between the third parties used to arrange execution of your orders.



Monitoring and review of our execution policy

We regularly monitor the effectiveness of our best 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 will be carried out regularly (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.

Publishing trading volumes

On an annual basis Gale and Phillipson Investment Services limited (part of the Gale and Phillipson group) publish details on our website of the top five entities to which qualifying client orders have been transmitted, by volume.

Staff understanding

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