

## **BEST EXECUTION POLICY**

### **1. Introduction**

1.1 Under MiFID II (the second reiteration of the EU's "Markets in Financial Instruments Directive", effective from 3rd January 2018) and in accordance with the UK FCA COBS Sourcebook, (COBS11.2). LSS 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 LSS operates a trading platform utilising the dealing facilities of Jarvis Investment management (JIM). The firm reserves the right to use other trading platforms. 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; this may be determined by the product being traded.

1.3 LSS acts as an introducing broker to JIM, acting as agents when buying or selling stocks, shares etc. JIM 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 JIM Terms and Conditions. As an FCA regulated firm JIM also has a best execution obligation in respect to its trading activities.

1.4 Clients are reliant on the system and trading capabilities of the platform provider.

1.5 LSS does not trade as principal.

---

### **2. 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, LSS will take all sufficient steps to obtain the best possible result for the client when considering the execution factors (COBS 11.2.2). It is the responsibility of the LSS broker handling the order to determine the relative importance of the execution factors using their professional judgement and experience considering current market information.

2.3 LSS 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 LSS 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 LSS requires its broker to consider 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, clients' orders may be aggregated with other clients' orders. Furthermore, LSS may split the clients' orders as well as aggregate orders before executing such, but only where LSS 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 dealers. The choice of execution venues will therefore be determined by the system provider.

2.8 LSS aims 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 extra time may be required to fulfil the order.

2.9 LSS 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 – like 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 LSS 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).
- the instruction is made by email – the firm may execute an email instruction in exceptional circumstances but reserves the right not to do so. To assure execution you must always telephone your instruction through to the firm.

2.12 LSS will also consider 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.

---

### 3. Aggregation of Client Orders

3.1 LSS 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 precedence 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. 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.

4.3 It is the responsibility of the Compliance Department to maintain and monitor the Best Execution Policy. This Policy is to be reviewed at least annually by Compliance (COBS 11.2.28).

---

## 5. Best Execution Policy of Jarvis

Best Execution only policies for the firm's custodian is obtainable online at [www.jarvisim.co.uk](http://www.jarvisim.co.uk)