

# ORDER EXECUTION POLICY

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# 1

## INTRODUCTION AND APPROACH

### 1.1 INTRODUCTION

This policy is to let the client know how Embark will execute investment transactions on their account. The following information is aimed at providing you with a general understanding of our typical dealing arrangements. These arrangements may vary for different categories of investments as described below. The trading venues where the transactions may be executed are available on request.

### 1.2 SCOPE

This Policy applies to all orders in Exchange Traded Investments including equities and listed bonds (ETIs) received from and executed on behalf of clients. Orders are routed electronically through our dealing service but, on occasion, these may be routed by phone. For the purposes of this document we describe our policy as Best Execution.

### 1.3 BEST EXECUTION

When executing orders, Embark is required to meet a number of Best Execution requirements. These requirements are:

- to establish, as part of the process, an execution policy which identifies the chosen venues and the factors involved in choosing them;
- to review the process for compliance;
- to monitor the effectiveness of the process;
- to disclose appropriate information to clients about the process;

In consideration of how we might achieve the best possible result and deliver Best Execution of the order, we will take a number of factors into account which are described below;

- to gain client consent to the policy, for example if executing outside of a regulated market or venue this would require express consent;
- to notify clients of material changes in its policy; and
- upon request, demonstrate that we have executed transactions in compliance with our Execution Policy.

Specifically, Embark will take a number of factors into account. These are described below:

- **Nature of the Order.** This includes the size of the order, the type of instrument being traded, the settlement mechanics, and any other order characteristics relevant to determining how the order should be executed. All orders will be executed on a prompt, fair and expeditious basis.
- **Instruments.** This includes the degree of liquidity and the fact that different factors will be relevant to different instruments depending on their nature, characteristics and how they are traded.
- **Market Impact.** This means the obligation for Embark to take into account any impact that the order may have on the relevant market(s).
- **Quality of Execution.** This includes aspects such as the speed and likelihood of execution, as well as the availability and incidence of price improvement.
- **Venue.** This means the price offered by the venue, the amount of any commissions and any other charges that are passed through to the client, the ability of the venue to manage complex orders, including the sophistication of its systems, the speed of execution, the creditworthiness of the venue, whether it has reliable settlement and clearing facilities; the quality of applicable regulation and any other venue characteristics relevant to the execution of the order.
- **Client Instructions.** This means the obligation is specifically subject to the nature and specificity of orders (i.e. specific instructions will be followed) and will take precedence over this execution policy.

When achieving Best Execution, unless otherwise specifically instructed, we will use price as the primary measure for achieving this result. The following execution factors will be considered, along with how these may be considered as part of the decision making process in the context of the detail above.

Their importance will vary depending on the characteristics of the order received from the client.

- **Price.** Price will be determined with reference to the execution venues to which we connect and on which the security is traded. We will use automated execution technology which will source the best price from a range of retail service providers and market makers. Where an electronic price is not available the order will be dealt manually by our dealing team.

- **Nature.** Consideration will need to be given to the liquidity of the stock on the order book at the relevant time. Execution may be heavily influenced by the level of 'on vs. off' order book trading patterns in the stock. These factors plus the size of the order will determine the appropriate execution method, whether this is the working of an order into the market place using Volume Weighted Average Price as the benchmark or immediate execution on an outright bid/offer price, for example.
- **Size.** The size of the trade in relation to the liquidity of the stock may have significant influence on the Best Execution process.
- **Speed.** The importance of speed of transaction will vary. For example to reduce the costs associated with market impact an order might be worked over a day or more.
- **Cost.** Including transaction costs and exchange trading fees.
- **Other Relevant Considerations.** Considerations may include the impact of size of order execution on market share price or market conditions and liquidity at the time of execution.
- **Likelihood of Execution and Settlement.** Likelihood of execution is very high due to the liquidity we obtain through the market. Flexible settlement via CREST.

We will use our own commercial experience and judgement in determining the relative importance of these factors, and in general, we will regard price as the most important of these factors for obtaining the best possible result. However, we recognise that there may from time to time be circumstances for some customers, particular instruments, or markets where other factors may be deemed to have a higher priority.

## 1.4 SPECIFIC INSTRUCTIONS

Where the client gives us a specific instruction as to the execution of an order, we will execute the order in accordance with those specific instructions. The client should be aware that doing so may prevent us from applying this policy.

Where the client specific instructions relate to part of the order only, we will continue to apply our Best Execution to those aspects of the order not covered by those instructions.

## 1.5 POLICY CONSENT

Where a client executes a trade through us subsequent to receiving a copy of this policy, that trading will constitute consent to the content of this Best Execution policy.

Whilst it is our intention to always trade on an exchange, in certain circumstances it may be in the client's best interests to trade away from a regulated market or MTF. To allow this to happen we require the client's express consent to trade in this way. A consent statement is included as part of the general Client Terms & Conditions, a copy of which is available on request.

Consent provided in relation to either of the above two paragraphs will be a specific consent and will cover all trading going forward between us and the client.

## 2

### TRADING ARRANGEMENTS FOR DIFFERENT TYPES OF INVESTMENT

#### 2.1 UK EQUITIES

For smaller orders we are able to use automatic execution technology which will source the best bid and offer from a range of retail service providers and market makers.

Where there is sufficient depth on the relevant exchanges and/or the market maker's quote sizes in the relative market is sufficient we will either reference the price of the security available on the London Stock Exchange and where possible the European venues at the time.

In a quote driven market we will reference the order's price and size to the London Stock Exchange or ISDX.

Where orders involve elements of non-standard settlement, these will be reflected accordingly.

For orders above the stated sizes, we will use due skill and care to execute the order in the best interests of the client.

#### 2.2 INTERNATIONAL ORDERS

For orders in respect of international equities, we will reference the price to the home market price. Where orders involve elements such as home market or non-standard settlement, and/or foreign exchange, these elements will be reflected accordingly.

#### 2.3 FIXED INCOME

For smaller orders, we are able to use automatic execution technology which will source the best bid and offer from a range of bond dealers. For larger orders, we may have to deal manually in order to identify current traders in the security concerned.

If liquidity is available and a price comparison made for the size of trade concerned, we will execute the order with the counterparty which provides the most competitive overall pricing.

## 3

### ORDER TYPES

#### 3.1 REQUEST FOR QUOTE (RFQ)

For the majority of our orders, we will offer the client the ability to Request For Quote (RFQ) which will hold open the price of that transaction for a small amount of time (normally 15 seconds) allowing the client or the client's Financial Adviser to consider the price before dealing. This service will only be available during business hours of the LSE and when the platform is available.

It may not be possible to get a Request for Quote for large orders or orders in illiquid transactions, and neither of these conditions will be known in advance. If you are unable to execute a Request for Quote you can use the 'At Best' service as an alternative.

Using the 'At Best' order type will mean the deal is immediately available which means the deal is immediately executed at the best available price for that size of order based on the execution venues available.

# 4

## GENERAL

### 4.1 ORDER EXECUTION TIMELINESS

We will execute the client order as soon as reasonably practical in order to achieve timely execution. We may postpone the execution of the order if we have taken reasonable steps to prove that the delayed execution is in the client's best interests.

### 4.2 ORDER PRIORITY

Client orders will normally be executed in the same sequence as they are received, except where there are special conditions or limited liquidity, where such conditions might require extra time to ensure we achieve Best Execution.

### 4.3 TRADE REPORTING

All transactions, except those in Unit Trusts, Unlisted Fixed Income, other OTC instruments, OEICs and some International Securities, will be carried out and reported to either ICAP Securities & Derivatives Exchange (ISDX) or the London Stock Exchange ('LSE') ('on-market') and will be subject to the rules and regulations of that market.

In the event that the client transaction cannot be conducted on-market; we will endeavour to execute the transaction off-market subject to receipt of your express consent.

### 4.4 MONITORING OF BEST EXECUTION EFFECTIVENESS

We will monitor the effectiveness of this policy by comparing our execution quality against relevant markets and exchanges by using a third party information provider. Formal reports can be provided on request.

### 4.5 BEST EXECUTION POLICY REVIEW

This policy is reviewed at least annually or more frequently as required. We will notify the client of any material change to our execution arrangements or our policy by updating our website and notifying clients electronically.



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