

# True Potential Investments LLP

# Best Execution Policy

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Prepared by: Brian Shearing  
Checked by: Michael Duffy  
Approved by: Michael Duffy



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## 1. OVERVIEW

It is in the interests of our clients and True Potential Investments LLP (“TPI” also “we”, “us”) that we obtain the best possible result when transmitting orders on behalf of the end user client to third parties. TPI is required under the Rules of the Financial Conduct Authority to take all sufficient steps to provide Best Execution when carrying out such transactions. This policy is available on our client website.

## 2. FCA RULES AND REQUIREMENTS

	<b>Rule</b>	<b>Requirement</b>
Providing best execution (MiFID)	11.2A.2	(1) TPI must take all sufficient steps to obtain, when executing orders, the best possible results for its clients taking into account the execution factors. (2) The execution factors to be taken into account are price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order.
	11.2A.3	The obligation to take all sufficient steps to obtain the best possible result for its clients (see COBS 11.2A.2) should apply where TPI owes contractual or agency obligations to the client.
	11.2A.4	Dealing on own account with clients by TPI should be considered as the execution of client orders, and therefore subject to the requirements under MiFID, in particular, those obligations in relation to best execution.
	11.2A.5	Dealing on own account when executing client orders includes the execution by TPI of orders from different clients on a matched principal basis (back-to-back trading). Such activities are regarded as acting as principal and are subject to the requirements of this chapter in relation to both execution of orders on behalf of clients and dealing on own account.
	11.2A.6	However if TPI provides a quote to a client and that quote would meet the firm’s obligations to take all sufficient steps to obtain the best possible result for its clients under COBS 11.2A.2R if the firm executed that quote at the time it was provided, then the firm will meet those same obligations if it executes its quote after the client accepts it, provided that, taking into account the changing market conditions and the time elapsed between the offer and acceptance of the quote, the quote is not manifestly out of date.
	11.2A.7	The obligation to deliver the best possible result when executing client orders applies in relation to all types of financial instruments. However, given the differences in market structures and the structure of financial instruments, it may be difficult to identify and apply a uniform standard of, and procedure for, best execution that would be valid and effective for all classes of instrument. Best execution obligations should therefore be applied to take into account the different circumstances surrounding the execution of orders for particular types of financial instruments. For example, transactions involving a customised OTC financial instrument with a unique contractual relationship tailored to the circumstances of the client and the firm may not be comparable for best execution purposes with transactions involving shares traded on centralised execution venues. As best execution obligations apply to all financial instruments,

		irrespective of whether they are traded on trading venues or OTC, firms should gather relevant market data in order to check whether the OTC price offered for a client is fair and delivers on the best execution obligation.
	11.2A.8	<p>When executing client orders, TPI shall take into account the following criteria for determining the relative importance of the factors:</p> <p>(a) the characteristics of the client including the categorisation of the client as retail or professional;</p> <p>(b) the characteristics of the client order, including where the order involves a securities financing transaction (SFT);</p> <p>(c) the characteristics of financial instruments that are the subject of that order;</p> <p>(d) the characteristics of the execution venues to which that order can be directed.</p> <p>‘execution venue’ includes a regulated market, an MTF, an OTF, a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the function performed by any of the foregoing.</p> <p>(2) An investment firm satisfies its obligation to take all sufficient steps to obtain the best possible result for a client to the extent that it executes an order or a specific aspect of an order following specific instructions from the client relating to the order or the specific aspect of the order.</p> <p>(3) Investment firms shall not structure or charge their commissions in such a way as to discriminate unfairly between execution venues.</p> <p>(4) When executing orders or taking decision to deal in OTC products including bespoke products, the investment firm shall check the fairness of the price proposed to the client, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products.</p>

### 3. ORDER EXECUTION – OBTAINING THE BEST RESULT

When transmitting orders TPI will make every effort to ensure the best possible results for clients taking into account the following factors:

- Price
- Costs
- Efficiency of transmission and execution
- Likelihood of successful execution and settlement
- Size or nature of the order; and
- Any other relevant consideration

We will take all sufficient steps to obtain the best possible result for clients when directly executing orders for, or on an Execution Venue on behalf of its clients taking into account the “execution factors”, being price, costs, efficiency of transmission and execution, likelihood of successful execution and settlement, size, nature of client relationship, credit worthiness of the Execution Venue (if applicable) or any other consideration relevant to the order. The relative importance of these factors will be determined by reference to certain “execution criteria”, being:

- Characteristics of the client order
- Characteristics of the financial instrument(s) that are subject to the order; and
- Characteristics of the venue to which that order can be directed.

We will act in accordance with the best interests of our clients when placing orders with Brokers, initiated from decisions made by us to deal in financial instruments on behalf of our clients; and we will periodically assess the execution venues available for use by us to identify those that will enable them, on a consistent basis, to obtain the best possible result when routing orders. The list of execution venues will be updated, where necessary, following such assessment.

#### **4. SPECIFIC INSTRUCTIONS**

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

We will make all decisions as to where the orders are placed in relation to the execution venue, therefore, we cannot accept instructions from clients to execute an order via a specific trading venue.

The processing team work to process trades as soon as possible. We aim for Overnight trades to be complete before 10:30am and the trades received that day (before 4pm) are to be processed on that day. Trades received after 4pm are to be processed before 10.30am the following day. We do work on a best execution basis as some trading days are busier than others and therefore the team may not meet the deadlines.

#### **5. TYPES OF FINANCIAL INSTRUMENT**

We may make recommendations and accept instructions for the arrangement of transactions in;

- Collective Investments – Units in mutual funds such as unit trusts and shares in Open-Ended Investment companies (OEICs)
- Units in insurers funds
- Investment Trusts
- Exchange Traded Funds
- Packaged Retail Investment Products and;
- Any other investment we determine as suitable for a client from time to time

## **6. DEALING IN COLLECTIVE INVESTMENT SCHEMES**

When we transmit deals in collectives, i.e. Unit Trusts and OEICs, we regard the likelihood of execution (i.e. the ability to execute the specific order in a timely manner) as the most important factor regardless of client type. Providers of Unit Trusts and OEICs generally calculate and set their prices once a day, in accordance with Financial Conduct Authority regulations.

For the vast majority of collectives there is no secondary market (i.e. trades are not done on a stock exchange) and as such the majority of orders for the purchase or sale of shares/units will be routed to the Operator, Manager or Administrator of the collective investment scheme for execution.

## **7. CURRENCY**

If a product provider accepts transactions in another 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.

## **8. MONITORING AND REVIEW OF OUR BEST EXECUTION POLICY**

We will ensure appropriate controls and procedures are put in place to ensure we obtain the best possible results on behalf our clients when arranging/routing orders. These processes will be periodically monitored internally by us.

We will review this policy whenever a significant change might affect it and, in any event, at least annually.