

Order Handling Policy

October 2018



Solium

1. Introduction

Solium Capital UK Limited (“Solium”) is required by the Financial Conduct Authority rules to implement effective arrangements, including having an order handling policy, for complying with the obligation to take all reasonable steps to obtain the best possible results for its clients in the receipt and transmission of orders to other entities for execution.

2. Scope

This policy applies to all trade instructions we receive and should be read in conjunction with our Services Access Agreement.

Solium Shareworks has been set up to offer our clients and their employees the ability to give orders and instructions to trade shares online via Straight Through Processing (‘STP’).

Solium is not itself a firm that buys and sells shares or related investments. Instead, orders received from clients are transmitted by Solium as an agent with a counterparty which will be a third-party investment firm or broker who may deal as principal, agent, market maker or liquidity provider. Solium continuously monitors and reviews our selected investment firms or broker arrangements to ensure that they meet the best execution policy obligations to you.

3. Order Handling Policy

What it means for you

It is a Financial Conduct Authority (‘FCA’) regulatory obligation imposed on us to take your best interest into account when we receive and transmit orders to a third party for execution. We take all reasonable steps to check whether the price offered is fair and delivers on the best execution obligation.

Article 27(2) introduces a ban on firms receiving payments for order flow where they conflict with the interests of clients. There is an express provision that firms do not receive any benefit for directing orders to a particular execution venue which would infringe the firm’s obligations relating to conflicts of interest or inducements. We do not have conflicts of interests or common ownership with any brokers we use to execute orders on your behalf.

4. Our approach to Best Execution

To ensure the best possible result for you when transmitting your order the following execution factors are taken into account:

- Price
- Cost
- The speed of execution and settlement
- Likelihood of execution and settlement

- Size of the order
- Nature of the order and
- Other relevant considerations.

The factors are an assessment as to the characteristics of:

- The client including categorisation
- The individual order
- The individual instrument that is the subject of the order and
- The individual execution venue to which the order is directed.

These are factors we ensure are demonstrated in our broker's Best Execution Policy and are taken into consideration when executing your order.

5. How are client instructions treated?

Where you have provided us with specific instructions on how we transmit or place your orders, those instructions will take precedence over the steps we have designed and implemented to obtain the best possible results for you.

6. Order process

The order process consists of the following four steps:

1. Order generation
2. Order Handling
3. Transmission of order
4. Execution of order
5. Settlement

7. How often is this Order Handling policy reviewed?

This policy will be reviewed at least annually or at any other time when there is a material change, such as to applicable regulations. We will notify you of any material changes to the policy by publishing an updated copy of the policy on our website.

8. Ongoing monitoring

Solium will monitor compliance with this order handling policy regularly. When undertaking the monitoring and assessment we will consider data published by brokers, execution venues and market makers on the quality of execution.

We will assess whether our Brokers are able to routinely evidence a high level of execution quality.

9. Selecting a Broker

A list of the brokers and counterparties we may use are set out below:

- Numis
- Barclays
- Deutsche Bank
- Winterfloods

We may add or withdraw brokers from this list from time to time as part of our regular reviews.

When we are placing orders with other entities for execution we will ensure that the broker or counterparty to whom we are transmitting the order will enable us to obtain the best possible result for our clients.

We will, therefore, obtain and review copies of the Best Execution Policy for all brokers and counterparties and monitor the trades that have been executed by these brokers/counterparties to ensure they have obtained the best possible result for our clients.

The factors relevant for selecting brokers and counterparties can be grouped into either the soundness or the service level of brokers and counterparties and include the following:

Soundness of broker

- Reputation, financial strength and stability
- Access to the markets
- Reliability
- Whether the firm is subject to the Article 27 regime

Service level of broker/counterparty

- Overall costs of a trade
- High level of execution quality
- Electronic connectivity
- Block trading capabilities and
- Ability to automate processes.

When undertaking this assessment, we will consider the data published by execution venues, firms and market makers on the quality of execution.

10. Execution Firms

As a receiver and transmitter, we do not transact directly on an execution venue but pass customer orders to counterparties with which we have an established contractual relationship, to provide us with execution services.

We are required to summarise and make public on an annual basis, for each class of financial instruments, the top five execution firms in terms of trading volumes, where we transmitted or placed client orders customer orders for execution in the preceding year. Such details are provided for you on our website.

Regulated markets are used to execute client orders unless clients instruct us otherwise. As stated above, as an agent we send orders and instructions to counterparties for them to execute client orders.

We require transactions to be executed on an exchange, including but not limited to the following:

- London Stock Exchange (LSE)
- NEX Exchange
- New York Stock Exchange
- NASDAQ
- Toronto Stock Exchange
- Euronext
- Other EEA Regulated Markets (where companies have their primary listing or where securities are admitted to trading)

For international trading, Execution Venue selection is undertaken by the counterparties our Brokers have chosen based on the international markets that we wish to offer.

We will regularly assess the counterparties against our Order Handling Policy and related criteria to ensure we remain satisfied with them.

11. How is your order routed?

"Real Time" trading means your order will be routed directly to the Broker by electronic systems for trading, although this does not guarantee immediate execution. For a service which involves Real Time web trading, the order will be routed via our systems which are connected to a pre-determined Broker's systems.

The dealer may transmit the order using the electronic connections which are utilised by the Real Time trading systems, by other electronic systems, or by telephone, in a fair and timely manner.

All individuals within the aggregated order will receive the same price. In the unlikely event that an aggregated order can only be partially completed, for example, due to a stock having been suspended from trading, allocations will be completed on a pro rata basis.

Liquidity considerations may result in an order being spread over an amount of time, rather than immediately executed in full. The Broker will adopt a strategy for working the order into the market, and the average price of the individual order fills will be calculated. The result will represent a fair price, usually comparable to the volume weighted average in the market over the time the order is being executed.

Similarly, as comparable orders are required to be dealt with in order of receipt, there may be a delay between the receipt and the transmission of a trade where it is queued behind others. This means that the result achieved will reflect a fair price at a time which is later than at the point of submission of the instruction.

12. Annual Reports

We will provide clients with an annual report which sets out details of the top five execution venues in terms of trading volumes, for customer's executed orders during the prior year. This information will be in a machine-readable format and will be published on our website and available for download.

We will also provide an assessment of the quality of execution on all execution venues used which should include a summary of the analysis and conclusions we have drawn from the monitoring of the quality of the execution obtained on these execution venues.

These reports will be provided to clients for each calendar year and will be published by the 30th of April following the end of the period to which the report relates. Each report will be kept in the public domain for at least two years.

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