

# Thomas Miller Investment

## Order Execution Policy ('the Policy')

### Introduction

This document sets out the policy of Thomas Miller Investment Ltd, Thomas Miller Wealth Management Limited and Thomas Miller Investment (Isle of Man) Ltd (collectively 'TMI') on the execution of client orders.

This Policy applies to orders to buy and sell investments for both TMI's discretionary investment management clients as well as for transactions executed following advice or on an execution only\* basis.

\*Please note that where Thomas Miller Investment (Isle of Man) (TMI-IOM) undertakes regulated activities on an execution only basis for a client, it will only do so if the client has requested to be treated as an execution only client either for a particular transaction or for the purposes of all transactions. TMI-IOM will confirm the execution only status in writing pointing out the consequent reduction in investor protection to the client. For all TMI-IOM execution only clients TMI-IOM must notify the client in writing of the terms of business relating to that type of service and must obtain written execution only terms of business signed by the client.

TMI is required:

- to take all reasonable steps to **obtain the best possible result** for its clients, taking into account the **"execution factors"**, being: price; costs; speed; likelihood of execution and settlement; size; nature; or any other consideration relevant to the order. The relative importance of these factors must be determined by reference to the **"execution criteria"** being:
  - (i) the characteristics of the client including the categorisation of the client;
  - (ii) the characteristics of the client order;
  - (iii) the characteristics of the financial instrument that are subject to the order; and
  - (iv) the characteristics of the execution venues to which that order can be directed.
- to **establish and implement a policy** to enable it to comply with the obligation to take all reasonable steps to obtain the best possible result for its client. The policy must identify, in respect of each class of instruments, the entities with which the orders are placed or to which the firm transmits orders for execution. The entities identified must have execution arrangements that will enable TMI to comply with its obligations in relation to best execution;
- to **provide appropriate information** to its clients on the policy;
- to **monitor** on a regular basis the **effectiveness of the policy** and, in particular, the execution quality of the entities identified in that policy and, where appropriate, correct any deficiencies; and
- to **review the policy** annually and whenever a material change occurs that affects the firm's ability to continue to obtain the best possible result for its clients.

### Policy

TMI may choose to execute client orders itself or alternatively use third parties to execute client orders on its behalf. An example of a third party that TMI places reliance is SEI Investments (Europe) Ltd, specifically for clients of Thomas Miller Wealth Management Limited.

Where TMI chooses to execute client orders itself TMI will control the allocation of orders among execution providers which are used for execution, and will not take instructions from clients in that respect.

In certain circumstances, we may execute the purchase and sale of the investment between clients' accounts, known as a "Matched Bargain". We will only undertake this where we believe that this will secure the best possible result for both clients.

TMI takes care to select those execution providers which provide a high quality execution service in relation to those financial instruments in relation to which TMI places or transmits orders for clients, taking account of the execution factors. TMI does not, however, control or influence the arrangements made by each such execution provider relating to the execution of its orders (e.g. TMI does not control choice of execution venues, such as exchanges, multilateral trading facilities or internal dealing facilities). TMI's choice of entities for execution of client is based upon TMI's view of the relative importance of the execution factors in different circumstances.

As far as execution of orders for retail clients is concerned, this means that the best possible result be determined solely by total consideration (price and cost). As far as execution of orders for non-retail clients is concerned, TMI will assess what constitutes the best possible result for its clients in terms of the various execution factors and not simply on the basis of the total consideration (price and cost).

Information on TMI's view of the relative importance of these factors, in the light of the **execution criteria**, is set out below.

- ***Collectives Investment Schemes (CIS)***

In relation to CIS where there is no secondary market, it is almost invariably the case that TMI will place an order for the purchase or sale of units with the fund's operator, manager or administrator. In this respect, **certainty of execution** (i.e. the ability to execute the order) is the most important factor.

- ***Equities***

TMI has arrangements with execution providers in relation to the execution of orders placed by TMI for equities in the geographic regions and markets they transact.

For equity orders that TMI does not consider to be large in size for the particular market or equity, TMI will generally consider that **price** is the most important factor. In order to obtain the best price, TMI will normally check prices quoted by trading venues e.g. London Stock Exchange or alternative sources of liquidity, such as market makers.

For **large orders**, TMI will generally consider that **reduction of market impact** and, as a secondary consideration; **speed of execution** as the most important factors. In order to obtain the best possible results in the light of these factors, TMI may request one or more of the execution providers to quote for the working of the order or the purchase of the block or split the order between different execution providers.

In some circumstances, TMI may discuss with a client the importance of particular execution factors (e.g. confidentiality requirements). The choice of execution provider would, in such circumstances, be determined by the relative importance of the factors as discussed with the client.

- ***Bonds***

TMI has arrangements with execution providers in relation to the execution of bond transactions.

In relation to transactions in bonds, TMI generally considers that **price (including costs)** is the most important factor. In most cases, TMI will check the available prices from at least three execution providers through either the telephone or via a trading system. Certainty of execution is the secondary factor.

In certain circumstances, including times of market stress or when trading in certain illiquid bonds, there will be occasions where **speed and certainty of execution** will be the most important factor, followed by price. In these circumstances, it may not be possible to check the available price against alternative sources.

- **OTC Derivatives**

TMI considers **certainty of execution** (i.e. the ability to execute the order) as the most important element since investment in this strategy is the fundamental purpose of the initial investment by relevant funds and clients. Second to certainty of execution, TMI will consider **price (including costs)** as the most important factor.

Aside from the above, TMI may also invest in derivative instruments (including options, futures and swaps) to hedge against market risk or to gain exposure to an underlying asset. Such derivatives will be either standard contracts or will be structured contracts.

In all cases referred to in the above paragraph, trading derivative contracts off-exchange will be effected by TMI with counterparties acting as principal under ISDA contracts and on a request-for-quote basis. TMI has established ISDA agreements with several counterparties in relation to which, it will trade the following types of derivative contract.

- **Exchange-traded derivatives**

Generally, exchange traded derivative contracts are unique to the exchange on which they are traded. In these circumstances, TMI considers **certainty of execution** is the most important element. Therefore, TMI will use execution providers that are able to execute the derivative contract on the relevant exchange. TMI will check prices with at least two such execution providers before instructing the provider to execute the transaction.

## **Specific Instructions**

When a client gives TMI a **specific instruction** as to where or how an order is to be executed, TMI will, as far as possible, act in accordance with the client's specific instructions. Clients should be aware that providing specific instructions may prevent TMI from executing orders in accordance with this Policy and therefore prevent us from taking the steps that we have put in place to obtain the best possible result for the execution of orders. It is likely to be only in rare cases that TMI will receive such "specific instructions" from clients.

## **Regulatory Reference**

This Policy is designed to ensure compliance with TMI's obligations under the Markets in Financial Instrument Directive (MIFID); the Financial Conduct Authority (FCA) Conduct of Business Sourcebook; and the Financial Supervision Commission's (FSC) Rule Book 2013.

## **Further Information**

A copy of the Policy can be found on TMI's website, [www.tminvestment.com](http://www.tminvestment.com).

Questions or requests for further information relating to the Policy should be addressed to the TMI [Compliance & Risk Team](#).

A list of execution providers used by TMI is available on request.

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