

Cenkos Securities Plc’s Order Execution Policy

Introduction

In accordance with the UK version of the EU Markets in Financial Instruments Directive (Directive 2014/65/EU) (“UK MiFID II”) supplemented by the UK version of Commission Delegated Regulation (EU) 2017/565 both of which are part of UK law by virtue of the European Union (Withdrawal) Act 2018 and the regulatory requirements set out by the Financial Conduct Authority (“FCA”), Cenkos Securities plc (“Cenkos”) must take all sufficient steps to obtain, when executing orders, the best possible result when executing an order on behalf of a client taking into account the execution factors set out below.

This policy provides information in relation to our approach to providing execution arrangements.

Application

The Order Execution Policy applies only to clients Cenkos has classified as ‘Professional Clients’ and in circumstances where we have received an order to execute on their behalf in respect of financial instruments as in defined in UK MiFID II.

Where a quote is provided and that quote would meet the Cenkos’ obligation to take all sufficient steps to obtain the best possible result for the client if the quote was executed at the time it was provided, Cenkos will be deemed to have met that obligation 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market conditions and the time elapsed between the offer and acceptance of the quote, the quote is not manifestly out of date.

Execution Factors

Cenkos has a duty to consider certain execution factors when executing an order on behalf of a client including price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order.

In determining the relative importance of these factors, Cenkos will use its commercial experience and judgement, as well as take into account the size and nature of the order, the characteristics of the client including its categorisation, the characteristics of the financial instrument to which the order relates, as well as the possible execution venues to which that order can be directed.

Price is generally considered to be of primary importance in achieving the best possible result. However, other execution factors depending on the characteristics of an order may have an impact on the price that is achieved, for instance, the financial instrument to which the order relates as well as the possible execution venues to which that order is directed. Cenkos will discuss on a case-by-case basis the relevant factors with a client in terms of what they are looking to achieve and how they wish an order to be executed.

The order of priority of the execution factors will depend on the individual order and the instrument and market on which it is being traded. For example, considerations around speed and likelihood of execution may be more important factors than those regarding the price for less liquid instruments. However, the below table lists the execution factors in the most common order of priority.

Execution Factor	Description
Price	Price is generally considered to be of primary importance in achieving the best possible result. Cenkos will ensure that the execution price will typically match or better the market price at the time. We will monitor this daily and will investigate all outliers.
Size and nature	Large orders which might affect the market price if attempted to be executed as one order, may be divided into child-orders and separately executed so as to limit any impact on the market price and price achieved for the client.

Speed of execution	The speed of execution will vary for example where we take longer to execute a large order to minimise price impact. However, we will typically seek to execute orders as swiftly as possible.
Likelihood of execution and settlement	For all of the cash equities we trade, we access a number of trading platforms alongside natural broking methods ensuring we capture sufficient liquidity in our aim to give the client the best likelihood of complete execution. Our operations department monitors the settlement of our transactions and will investigate any fails and escalate them where necessary. Any trend of increasing delays will be raised internally and may lead to the review of our settlement arrangements.
Costs	Execution costs will not be passed on to clients directly but will be reflected in our execution commission.

Monitoring Best Execution and Review of Execution Arrangements

Cenkos is required to monitor the effectiveness of this policy and its order execution arrangements including that of third parties to which we have passed orders to identify and, where appropriate, correct any deficiencies.

Cenkos monitors its execution quality on a daily basis using a third-party outsourcing arrangement. Deficiencies identified as part of this review shall be investigated and where necessary remediated.

On a monthly basis, any outliers above a pre-defined price threshold against the relevant benchmark/exchange will be reviewed by the Compliance Department which, on a periodic basis, shall report such information to the Executive Committee and the Audit, Risk and Compliance Committee as appropriate. Where a trend of outliers is identified, Cenkos may change its execution arrangements to ensure that price outliers are minimised.

Cenkos also reviews the costs, likelihood of execution and settlement and speed of execution arrangements to ensure they have no negative impact on the best outcome for clients. Where alternative execution arrangements are identified which would result in a better outcome for the client, Cenkos may adjust its execution arrangements accordingly.

Cenkos shall undertake a review of this policy on an annual basis to assess the effectiveness of the policy and to ensure that it is commensurate with legislative requirements and consistent with its execution arrangements. Such a review will also be undertaken whenever a material change occurs that may affect Cenkos' ability to deliver best execution. Clients will be advised of any material changes that impact Cenkos' ability to continue to obtain the best possible result for the execution of client orders on a consistent basis using the execution venues listed.

Specific Instructions

Where a client provides Cenkos with a specific dealing instruction, an order will be executed so far as is reasonably possible in accordance with such an instruction. If a client's specific instruction relates to just part of an order, Cenkos will apply its order execution policy to any aspect of an order that is not covered by the specific instruction.

It should be noted that where Cenkos deals on the basis of a specific instruction relating to an order or a specific aspect of an order, Cenkos will be deemed to have satisfied its duty of taking all sufficient steps to obtain the best possible result for the client in relation to that specific instruction relating to an order or an aspect of an order.

Irrespective of the above, any specific instruction from a client may prevent Cenkos from taking the steps that it has designed and implemented in this execution policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

Execution Venues

In executing a client order Cenkos has access to a number of execution venues which are appropriate to providing the best possible result on a consistent basis. The execution venues include: regulated markets; multilateral trading facilities (“MTFs”); systematic internalisers and other liquidity providers. The list of venues can be found on our website at www.cenkos.com/site-services/legal-and-regulatory. The list is not exhaustive and will be updated accordingly from time to time.

Subject to any specific instructions that may be given by you, Cenkos will execute an order by one of the following methods or combination of methods:

- i. Directly on a regulated market or MTF as a direct member or by using a third party and direct market access (“DMA”) where we are not a direct member of the relevant regulated market or MTF; or
- ii. On a Systematic Internaliser.

Where Cenkos transmits an order to a third party with which we have entered into an agreement and who has direct access to specific execution venues, Cenkos is not responsible for the actual execution of the order. However, sufficient steps are taken designed to ensure that the third party provides best execution to Cenkos.

Certain securities may only be traded or quoted on one execution venue and therefore in assessing price, Cenkos will also consider other execution factors such as size, timing, and settlement conditions in achieving the best possible result.

Trading outside a Regulated Market or a MTF (as defined in the FCA rules)

In order to undertake a client’s instruction, it may be necessary to execute an order outside of a regulated market or a MTF. Cenkos is required to provide information to clients in this regard including the consequences of doing so such as counterparty risk and the loss of protections otherwise afforded to those dealing on a regulated market. A client is required to provide prior express consent to the possibility that an order may be executed in this manner. By providing consent to the Order Execution Policy, a client will be giving express consent to such a possibility.

Limit Orders

In accordance with UK MiFID II, unexecuted client limit orders must be made public immediately unless the client expressly instructs otherwise. Cenkos’ experience is that many of its clients prefer their unfulfilled limit orders not to be made public. By consenting to this policy clients are expressly instructing Cenkos not to make such orders public.

Reception & Transmission of Orders

Cenkos will ensure the prompt, fair execution of a client order ensuring the fair allocation of aggregated orders and transactions. This may include the transmission of a client order to a third party for execution when providing the service of reception and transmission of orders.

Consent

Cenkos must obtain prior consent to this policy in order to execute an order on behalf of a client. In addition, Cenkos is required to obtain a client’s express consent prior to executing an order in an instrument away from a regulated market or a MTF and not to publish any unexecuted limit orders. Consent is deemed to be provided by signing and returning the attached Consent Acknowledgement.

Client Reporting

Following the execution of a transaction on behalf of a client, Cenkos shall inform the client of where the order was executed. This will normally be done by way of contract note or other forms of electronic communication. Data relating to the quality of execution of transactions by Cenkos is published on an annual basis on Cenkos’ website at www.cenkos.com/site-services/legal-and-regulatory in accordance with UK MiFID II.

Consent Acknowledgement

We consent to the Order Execution Policy of Cenkos Securities plc, in particular:

- i. Receiving information from us via our website, as permitted under the FCA Rules, from time to time at www.cenkos.com
- ii. Cenkos Securities plc executing orders outside a Regulated Market or MTF; and
- iii. Unexecuted limit orders not being made public immediately

FOR AND ON BEHALF OF:

FCA FRN or LEI

AUTHORISED SIGNATURE:

PRINT NAME:

DATED:
