

Parmenion

Order execution policy

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Introduction

Parmenion executes investment transactions (“orders”/“trades”) on behalf of its clients as part of the platform services provided. Parmenion has an obligation to ensure all required steps are taken to achieve the best results when executing each client order in accordance with this policy.

This policy provides you with information about how Parmenion executes orders on behalf of its clients and the steps Parmenion takes to achieve “Best Execution”.

Best Execution does not mean that Parmenion must achieve the best possible results for its clients for every single trade. The requirement is to, on an ongoing basis, guarantee that Parmenion’s execution arrangements throughout the order execution process are robust and remain consistent.

By signing the Client Declaration when you sign up to use Parmenion’s services you consent to this Order Execution Policy.

For the purposes of best execution we treat all clients as retail clients.

Where there are any variances between the client Terms & Conditions and the Order Execution Policy, this policy will take precedence.

This policy will be reviewed on at least an annual basis, or sooner in the event of a business or regulatory change which has an impact on the policy or our ability to obtain the best possible result for our clients. Parmenion will notify you of any material changes to this policy.

Financial Instruments

The nature of the investment being traded will determine how Parmenion executes the order, as detailed in the subsequent sections. Parmenion currently trade in the following investment types:

- Unit Trusts / OEICs / Other open-ended collective investments
- UK Equities and UK Exchange Traded Funds
- Investment Trusts & Real Estate Investment Trusts (REITs)

For Unit Trusts, OEICs and other open-ended collective investments Parmenion will deal directly with the provider or transfer agency for the fund.

When Parmenion receives and transmit deals relating to ETF’s, Equities & Investment Trusts, these are traded via an intermediary FCA regulated UK firm who provide stockbroking services to execute. That firm will in turn execute the deal within their Order Execution Policy. Parmenion regularly review the third party’s policy and only consent to it where Parmenion are satisfied that the firm considers all execution factors, and places appropriate relative importance on these factors, in a manner commensurate with Parmenion’s own Order Execution Policy.

Parmenion currently use the services of Winterflood Business Services who Parmenion reasonably expect to obtain results that are at least as good as results that could be expected from alternative stockbrokers. Winterflood Business Services provides us with regular reporting on their quality of execution and Parmenion review this to ensure that this is in line with Parmenion’s expectations.

Parmenion also review the Winterflood Business Services dealing arrangements on at least an annual basis to ensure that we are achieving appropriate outcomes for our clients.

The stockbroking orders will primarily be executed on the London Stock Exchange, however there may be occasions where orders are placed outside a regulated market or multi-lateral trading facility, and by agreeing to this Order Execution Policy you are giving express consent to this. Such orders may introduce additional risks such as settlement risk or counterparty risk, however these will only occur where Parmenion's stockbroking partner believes that this is necessary in order to achieve the best results and where Parmenion are satisfied with this.

Execution Factors

When placing trades on your behalf Parmenion will consider the following execution factors:

- The price you will pay/receive for the investment.
- Any costs you may incur as a result of the order being placed.
- The speed at which Parmenion will be able to complete the order.
- The likelihood of being able to place the order and settle it.
- The size of the order.
- The nature of the order.

Usually, the most important factors we consider when executing trades on your behalf are the price and the cost as we believe these are the key considerations.

Whilst Collective Investment Undertakings are in scope for best execution, there is a single price for such financial instruments and Parmenion execute directly with the fund management company.

Parmenion believe that this enables us to obtain the best possible result in terms of total cost and price on a consistent basis.

Where aggregated orders are transmitted to WBS and executed on Parmenion's behalf, there is scope for WBS to factor in other considerations for best execution such as price, speed, costs, and size.

Parmenion sets further factors when executing orders:

- Characteristics of your portfolio when placing the order (for example the portfolio's liquidity, ongoing processes, ongoing orders).
- Characteristics of the order (for example solution-wide rebalance, fund switch, liquidations).
- Characteristics of the financial instrument being traded (settlement cycles, fund liquidity).

Specific Instructions

Whenever we receive a specific client dealing instruction, this may limit the extent to which we are able to obtain the best possible result under this policy.

Due to the nature of the Parmenion proposition, there is limited scope for accepting specific instructions.

Trade Aggregation

All individual client orders will be placed on an aggregated basis as set out in the Terms & Conditions, and usually on terms which are not generally available to individual retail clients.

This means that deals in the same fund are combined (where possible) and a single deal is transmitted to the external party each business day.

Where individually instructed client orders are aggregated with DFM instructed orders it will be unlikely that the aggregation of orders will work overall to the disadvantage of any client, however there is a risk that the larger size of the aggregated order may result in dilution levy being applied by the fund manager. In such instances the dilution levy will be apportioned across all individual orders.

All aggregated orders are dealt at the same time regardless of source.

Where client orders are aggregated together, once the order is instructed all clients involved in the aggregated order will receive the same price. Where Parmenion can only trade in whole shares in ETF's, Investment Trusts and Equities and we are unable to disaggregate whole shares equally, orders may be rounded up or down to the nearest whole share.

Order Handling

Depending on your arrangement with Parmenion your orders may be initiated directly by you, by your Investment Manager or by your Adviser. Please refer to the Terms & Conditions for details of the arrangement and how orders may be communicated.

Where an instruction is received outside of usual working hours (i.e. after 5pm) then this may be taken as received on the following working day. Once the instruction is taken as received Parmenion will determine if the instruction is valid. Parmenion shall not be required to act in accordance with any instruction received where;

- the instruction was not received in time for the required action to be taken;
- Parmenion reasonably believes that carrying out such instruction may not be possible or practical or might involve any party in a breach of Legislation or Regulation;
- System outage or system failure occurs;
- Parmenion reasonably believes such instruction to be unclear or ambiguous or inaccurately transmitted or not to be genuine;
- Parmenion does not have all of the necessary information or documentation to carry out the instruction;
- there are existing orders impacting the portfolio awaiting completion ('in flight' orders). This is to reduce the risk of any impact on the pool of client assets;
- insufficient cleared funds or settlement proceeds are available on the portfolio, therefore there may be a delay between the payment or proceeds reaching Parmenion and the orders being placed.

Client orders are collated throughout the day and are deemed valid at the point the dealing files have been uploaded to our internal trading system.

Where the order is deemed as valid, they are usually processed the following working day. Although Parmenion will not unnecessarily delay placing a valid instruction, certain factors could cause a delay in when we are able to place the trades. For example, we reserve the right to delay the execution of any trades on your portfolio where there is already an ongoing trade impacting your portfolio, an ongoing process that will require an imminent trade (for example a regular withdrawal) or where your portfolio holds a suspended fund.

Parmenion will only purchase investments where sufficient cleared funds are available on your account, therefore there may be a delay between your payment reaching Parmenion and the orders being placed (this will depend on the payment method). In addition, Parmenion reserves the right to delay rebalance instructions due to any in-flight processes on your account.

Portfolio rebalance and switch instructions are usually processed the day after the valid instruction is received. Parmenion will look to place the sell side of the rebalance or switch on the business day following instruction, and the purchase side is then placed after taking into consideration the portfolio's liquidity and the settlement cycles of the assets being traded; ensuring there is sufficient cash to settle purchases.

All client instructions are placed as an aggregated trade. Under certain circumstances Parmenion reserve the right to delay the aggregated purchase side of a trade for more than one business day where the settlement date of the purchase trade falls prior to the settlement date on the sell trade. The reason for this delay is avoid creating a liquidity risk.

Suspended Assets

Where Parmenion is unable to execute orders due to a fund suspension your portfolio may be temporarily out of line with targeted weightings. Where purchase instructions are pending for assets which have been suspended, the equivalent amount will remain as cash.

Where you have requested a withdrawal Parmenion will endeavour to raise sufficient proceeds from the tradeable assets in your portfolio, however suspended assets will only be able to be sold once the suspension has been lifted, and until then your portfolio will remain overweight in the suspended asset.

Where possible Parmenion will continue to trade in the remaining assets in your portfolio as instructed. This will have an impact on the time required to process a rebalance instruction.

Get in touch

If you'd like to chat to us about our order execution policy, please get in touch.

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