



## **Best Execution and Client Order Handling Policy**

### **General**

In accordance with its regulatory obligations Hogg Capital Investments Limited (“the Company”, “HCI”) is required to establish and implement an Order Execution Policy (the Policy) which ensures it obtains the best possible result for its clients when dealing in financial instruments.

Based upon the interpretation, specifically of Chapter 5 – “Execution of Clients Orders” – of the Conduct of Business Rulebook issued by the Malta Financial Services Authority (“MFSA”) the Company is required to take all reasonable steps to obtain the best possible result (or “best execution”) on behalf of Retail and Professional Clients, either when executing client Orders or receiving and transmitting Orders for execution. We are also required to provide a summary to Retail and Professional Clients of our order execution policy and obtain your consent to such policy. Requests for further information should be directed to our Compliance Department.

### **Purpose**

HCI shall be entitled to act on your instructions to execute and/or place orders on your behalf in any Investment Instrument, as permitted by the Malta Financial Services Authority (“MFSA”) and as set out on the MFSA website ([www.mfsa.com.mt](http://www.mfsa.com.mt)) –Licence Holders under the Hogg Capital Investments Limited - entry IS18954, and be entitled to provide investment advice and dealing services in connection with such Instruments.

The execution policy of Hogg Capital Investments Limited (“the Company”, “HCI”) is contained in the Company’s Terms and Conditions of the Business (extracts detailed below in Appendix 1), to which each investing client - retail, professional or eligible counterparty - is required to subscribe to.

The execution policy explains the criteria, process, factors and venues for execution.

### **Scope**

Our order execution policy applies to the Company’s Retail and Professional clients and in such Financial Instruments as is permitted by the MFSA, whether by executing orders “on a client’s behalf” or transmitting them to a third-party firm for execution. Irrespective of the client classifications we always endeavour to achieve best execution on a consistent basis.

### **Aggregation of Orders**

We may combine your Order with that of another client if we reasonably believe that it is likely that the aggregation will work more to your advantage overall than if your Order had been carried out separately, but the effect of the aggregation may operate on some occasions to your disadvantage.

Where we combine client orders and the aggregated Order is partially executed, we will allocate pro-rata the related trades to clients.

### **Order execution**

Subject to any specific instructions that may be given by you, when executing Orders on your behalf we will take all reasonable steps to obtain the best possible result for you taking into account the execution factors listed below. We will determine the relative importance of the execution factors by using our commercial judgement and experience in light of market information available and taking into account the execution criteria also described below.

In the case of a client limit order in respect of shares admitted to trading on a regulated market which are not immediately executed under prevailing market conditions, HCI is, unless the client expressly instructs otherwise, to take measures to facilitate the earliest possible execution of that order by making public immediately that client limit order in a manner which is easily accessible to other market participants.

### **Execution factors**

In undertaking a transaction on your behalf we will consider the following factors:

Your characteristics, especially when classified as a Retail Client  
The characteristics of the financial instrument we are to deal in  
Where the proposed transaction will be carried out.

These factors will importantly comprise:

- a. Price
- b. Costs
- c. Speed and likelihood of completion of execution and settlement
- d. Size of the order
- e. Nature of the order

When dealing in a financial instrument on your behalf we will exercise our professional discretion in assessing the means to achieve best execution.

The best possible result will be determined in terms of the total consideration, representing the price of the Financial Instrument and the costs related to its transaction. Speed, likelihood of execution and settlement, the size and nature of the order, its possible market impact and any other implicit transaction costs will be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to you.

**Such result will be achievable where market liquidity is deep enough** in an instrument at any one time to accommodate the entire order and where the client order is within normal market size. Partial fills will be treated by us as subject to best execution in their entirety, not their component parts.

### **Specific client instructions**

You should be aware that providing specific instructions to us in relation to the execution of a particular Order may prevent us from taking the steps set out in our order execution policy to obtain the best possible result in respect of the elements covered by those instructions.

Where you give us a specific instruction as to the execution of an Order, we will place and/or execute the Order in accordance with those specific instructions. We reserve the right however to refuse specific instructions from you where in our opinion such instructions are not practicable or may be contrary to your best interests.

### **Transmission of orders through third parties: relationship with external brokerage firms**

HCI has entered into agreements with various regulated stock brokerage firms and liquidity providers whereby these firms have agreed to provide HCI with execution-only dealing, clearing and settlement, safe custody and associated services, respectively in various financial instruments and in international securities and they are similarly subject to the requirements of Article 21 of the MiFID Directive with regard to best execution.

HCI will transmit client orders for execution to a third party. The Company will take all reasonable steps to ensure the placement of clients' orders with third parties remains within the scope of this policy and is faithful to its Overarching Best Execution Requirement referred to above and on the basis of the criteria summarised below:

- a. The quality and scope of the services offered.
- b. Price and execution certainty.
- c. Transparency and reliability

- d. The technological equipment and IT structure employed in the execution, settlement and where necessary, the custody of said orders.
- e. The third-party institution's reputation within the market.
- f. Pricing and overall transaction costs, including ongoing management, performance and custody fees where relevant.

### **Execution Venues**

Execution Venues, detailed below, comprise those Execution Venues on which we place significant reliance. We reserve the right to use other Execution Venues policy and we may add or remove any Execution Venues as we may deem appropriate. We will regularly assess the Execution Venues available in respect of any Financial Instruments that we trade to identify those that will enable us, on a consistent basis, to obtain the best possible result when transmitting and/or executing orders. The list of Execution Venues will then be updated, where necessary, following such assessment.

### **Selecting an Execution Venue**

Subject to the above and to any specific instructions that may be given by in order to select an Execution Venue for an Order we will use the following methodology:

When carrying out Orders on a Regulated Market or MTF (Multilateral Trading Facility - is a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments which can be assimilated to alternative trading exchanges) we will select the Execution Venue that we consider the most appropriate. The Execution Venue may be the Regulated Market or MTF itself, or a member firm of the Regulated Market or MTF.

For a Financial Instrument admitted to trading on a Regulated Market or MTF, where we believe that we can trade to your advantage or at no disadvantage to you, we may transmit an Order to, or execute an Order on, an Execution Venue that is outside a Regulated Market or MTF.

For a Financial Instrument not admitted to trading on a Regulated Market or MTF, we will select the Execution Venue that we consider the most appropriate.

Where we believe that we can trade to your advantage or at no disadvantage to you, HCI may be used as the Execution Venue.

Some Financial Instruments may have only one possible Execution Venue. In carrying out an Order on your behalf in such circumstances, it will be assumed that we have achieved best execution.

### **Execution Methodology**

Having assessed the relevant criteria and any specific instructions provided by you, we will select the most appropriate venue(s) from those available and execute your order accordingly.

1. HCI is a member of the Malta Stock Exchange. Orders in securities listed on this exchange will be executed by the Company.
2. Clients' orders in both listed and unlisted international securities will be placed with external licensed financial institutions with whom the Company has in place agreements regarding the receipt and transmission of orders.
3. The Company will execute orders in collective investment schemes / UCITS either directly with the fund manager or place the order through a third party for execution.
4. Via its Tier1FX online brokerage services the Company will trade in a range of derivatives including but not limited to currency, equity, commodity and interest rate instruments. Derivative types will include but are not limited to contracts for differences and spot rolling foreign exchange contracts, and will normally be traded Over-The-Counter ("OTC"). Client orders will be placed with external licensed financial institutions with whom the Company has in place agreements regarding the receipt and transmission of orders, and where the choice of these institutions is reflective of the best execution criteria of the external brokerages summarised above.\*

\* Market volatility combined with rapid price changes is a normal and regular occurrence within OTC markets, and may result in positive or negative slippage – the difference between the expected price of a trade and the price the trade actually executes at. In the absence of specific price limits being set, Tier1FX’s automated order transmission systems are equally subject to positive or negative market slippage.

### Monitoring and reviewing

We will monitor compliance with our order execution policy. We will review our order execution arrangements and policy regularly and whenever a material change occurs that affects our ability to continue to obtain the best possible result for our clients. We will notify you of any material changes to our execution arrangements.

You may request that we demonstrate that we have carried out your Orders in accordance with our execution policy.

### Consent

We are required by the Investment Services Rules of the MFSA to obtain your prior consent to our order execution policy. You will be deemed to provide such consent when you first give an Order after receipt of these Terms.

HCI reserves the right to alter these terms at any time, upon giving prior notice unless it is impracticable in the circumstances to give such notice.

### Details of the Company’s most significant counterparties/venues

Equity	Bonds	Cash	Exchange Traded		
			Derivatives (Execution Broker)	OTC Derivatives	FX
Malta Stock Exchange	Malta Stock Exchange	Malta Stock Exchange	Advanced Markets Ltd	Advanced Markets Ltd	Western Union
Charles Stanley & Co.	Charles Stanley & Co.	Bank of Valletta plc	Dukascopy Bank SA	Dukascopy Bank SA	
Brewin Dolphin	Brewin Dolphin	Spakasse Bank Malta plc	XNT Ltd	XNT Ltd	
MeDirect Malta plc	MeDirect Malta plc	MeDirect Malta plc	Interactive Brokers Ltd	Interactive Brokers Ltd	
XNT Limited		Advanced Markets Ltd Charles Stanley & Co. Brewin Dolphin			