

# **PMS Order Execution Policy – Structured Investment Products**

January 2018

# Legal & General (Portfolio Management Services) Ltd Order Execution policy for retail and professional clients

This document sets out the Order Execution Policy for Legal & General (Portfolio Management Services) Ltd ('PMS'), as required by the Markets in Financial Instruments Directive ('MiFID') 2014/65/EU in relation to dealings in structured investment products. This document applies to clients classified by PMS as both retail and professional clients.

PMS takes all sufficient steps to obtain on a consistent basis, when executing client orders, the best possible outcome for our clients. Client orders refer to transactions in Structured Investment Products where PMS acts as Plan Manager and the client sells the product before maturity. These products do not have a secondary market as they are meant to be held to maturity. No new Structured Investment Products are being sold by PMS.

To this effect, PMS has established an Order Execution Policy and procedures which are designed to obtain the best overall execution outcome, taking into account the execution factors outlined below.

## EXECUTION FACTORS

When deciding how and where best to execute an order, we are required take into consideration a range of factors including the following:

- Price
- Size
- Nature
- Costs
- Speed
- Likelihood of execution and settlement
- Or any other consideration relevant to the execution of the order

The relative importance of the execution factors is defined by the product characteristics. Structured Investment Products are fixed term products with no secondary market. Given the restricted market, with one market maker for each product, these

factors have little relevance, however PMS has controls in place to check the prices provided by the market maker against previous prices provided and market movements before execution.

**Price:** PMS challenges prices that fall outside these controls. Where the market maker fails to make a price the instruction will not be executed until a price is provided. PMS will consult with client to inform them of being unable to obtain a price.

**Size and speed:** All transactions, regardless of size, will be executed by the next valuation point following the date of receipt of a valid instruction. Orders are aggregated when placed with the market maker. There is no impact on the price paid by the client due to this aggregation.

**Any other consideration relevant to the execution of an order:** This relates to any other factor not previously listed that we deem to be a factor in the execution of a given order.

## EXECUTION PROCESS

Client orders are executed on a forward pricing basis using the price calculated at the next valuation point following receipt of the instruction. All sell orders, units/shares will be sold at the price calculated at the next valuation point; unless for any good reason we need to confirm or check a customer's instruction, signature, or change of personal details.

PMS executes client sell orders on the 8th and 21st of each calendar month or the next relevant Scheduled Trading Day as defined in the relevant Terms & Conditions.

## FACTORS AFFECTING THE CHOICE OF EXECUTION VENUES

The issuer of each Product acts as the only venue that will execute your order.

## EXECUTION VENUES

We have listed in Appendix A those venues on which we will seek to execute your orders in accordance with this Order Execution Policy, bearing in mind the execution factors identified above.

## DEALING EFFECTIVENESS MONITORING

We monitor the effectiveness of the best execution arrangements and execution policy in order to identify and, where appropriate, correct any deficiencies. PMS receives internal control reports that demonstrate testing and adherence to the Policy and will review its Order Execution Policy on an annual basis or if there are any material changes.

Where we receive a valid instruction the order will be placed at the next valuation point. All client sell orders are aggregated by fund. There is no impact on the price due to this aggregation.

## MONITORING AND REVIEW

PMS monitors the effectiveness of its execution arrangements on an on-going basis, and reviews its Order Execution Policy annually or when there is a material change. A material change is a significant event that could impact parameters of best execution such as cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

## APPENDIX A – LIST OF EXECUTION VENUES

- Abbey National Treasury Services

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**Important Information**

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