



WILSONS  
ADVISORY

# Best Execution Policy

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Effective from July 2023

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# 1 Introduction

Wilsons Advisory and Stockbroking Limited (Wilsons Advisory or “we” or “us”) has an obligation to take all reasonable steps when handling and executing an Order in Equity Markets to obtain the best outcome (or ‘best execution’) for both Retail and Wholesale Clients.

## 1.1 Our Obligations

Wilsons Advisory must act in accordance with the ASIC Market Integrity Rules (Securities Markets) 2017 (MIR) Rule 3.8 “Best Execution Obligations” and Rule 5.1 “Client Order Priority” (the ‘Rules’), as a Market Participant of the ASX Limited (‘ASX’) and Cboe Australia Pty Limited (‘Cboe’).

Before accepting client Orders, we are required to disclose our best execution obligations to our clients and make them aware how these requirements may affect the handling and execution of client Orders and provide other information relevant to Wilsons Advisory’s execution procedures.

## 1.2 Your obligations

You should review this Best Execution Policy thoroughly prior to giving any Orders to Wilsons Advisory. Not only will it provide you with important information about how your Order will be dealt with, but it sets out the circumstances in which you may give instructions to Wilsons Advisory in relation to your Order. This means you will be able to make informed decisions regarding your choice to deal with Wilsons Advisory and the manner of those dealings.

# 2 Equity Market Products

Our best execution obligation applies where we execute Orders to buy or sell Equity Market Products (“Order”) on your behalf. This obligation applies differently depending on whether you are a Retail or Wholesale Client.

“Equity Market Products” means:

- shares;
- interests in managed investment schemes (including Exchange Traded Funds (‘ETFs’));
- rights to acquire shares or interests in Managed Investment Schemes under a rights issue; and
- CHESS depository interests (‘CDIs’), in each case, which are admitted to quotation on the ASX or Cboe.

# 3 Order Books

Wilsons Advisory currently enters client Orders, matches and/or executes trades on one of the following Order books:

- ASX TradeMatch – primary central limit Order book of the ASX on which all ASX quoted securities are traded.
- ASX Centre Point – undisclosed Order book on which Orders are executed at the mid-point between the prevailing ASX best bid and offer prices. It offers price improvement at mid-point.
- Cboe uses its own trading system and provides trading in a subset of ASX listed securities.

Wilsons Advisory does not operate an internal crossing system.

Our choice of Order Books made available to you may be limited depending on the nature of your Order, including liquidity and price instructions, or your requirements unless directed

# 4 Best Outcome

In accordance with the ASIC MIRs, Wilsons Advisory will take reasonable steps to obtain the Best Outcome when handling and executing an Order for a client.

## 4.1 Retail Clients

If you are a Retail Client, as defined under section 761G of the Corporations Act 2001 (Cth), best execution or outcome means ‘best total consideration’.

Best total consideration means:

- a) for a buy Order: the purchase price of the Equity Market Product plus transaction costs; and
- b) for a sell Order: the sale price of the Equity Market Product less transaction costs.

Transaction costs may include:

- execution costs imposed by ASX or Cboe;
- clearing and settlement fees imposed by FinClear; and
- commissions paid to Wilsons Advisory by you.

Where there are no material differences in transaction costs between ASX and Cboe, best total consideration means best price. Therefore, Wilsons Advisory will consider price and/or volume as the determining factor as to how the Order is executed, including to which Order Book.

Occasionally, we may also need to consider other execution factors if we believe they will help deliver the best total consideration such as market impact or costs resulting from differences in speed, likelihood of execution, liquidity or when the best price on an Order book is in an insignificant volume (e.g. one share).

## 4.2 Wholesale Clients

If you are a Wholesale Client, as defined under section 761G of the Corporations Act 2001 (Cth), best execution means the best outcome, which may also include the best total consideration or best price.

Best price means: the best purchase or sale price of the Equity Market Product. In assessing the Best Outcome for wholesale clients we may take into account all outcomes that may be relevant for you such as:

- size and nature of Order;
- speed;
- likelihood of execution or settlement
- transaction costs;
- execution venues available and their trading status; and
- any other relevant Order consideration.

Wilsons Advisory will take all reasonable steps to obtain the best outcome when executing Orders on behalf of you and will ordinarily place a higher importance on price.

However, we will, in certain circumstances, determine that other execution factors are more important than price; and in such cases we will take into account:

- the nature of the client;
- the client's instructions;
- Order or an Order generated by an algorithm;
- the Order type; and
- the product and liquidity at the time.

## 5 Inconsistent client instructions

In some circumstances, a client may provide instructions that are inconsistent with the Wilsons Advisory Best Execution Policy. This section outlines how these instructions must be received.

### 5.1 Retail Client Instructions

Where a retail client provides instructions in relation to handling and executing an Order that are inconsistent with Wilsons Advisory obtaining the best total consideration, Wilsons Advisory will take reasonable steps to handle and execute the Order to satisfy those instructions, however you may not achieve the best total consideration.

Examples of instructions that a market participant may receive from a retail client include:

- choice of market (e.g. ASX or Cboe)
- fast execution
- minimising market impact
- obtaining greatest execution certainty

Instructions must be:

- clear and unambiguous;
- in writing or, if provided verbally, documented by Wilsons Advisory (see Wilsons Advisory Order Execution and Allocation Policy); and
- specific to an Order (i.e. not a standing instruction)

Wilsos Advisory will never induce a client to provide an instruction.

#### Retail client instruction duration

Retail client Orders are specific to a single Order. They cannot provide a standing instruction.

#### Best total consideration

Where the instruction is inconsistent with the best total consideration for the client, best execution obligation applies to those aspects of the handling and execution process not governed by the instruction. For example, if a retail client provides an instruction to execute an Order on the ASX, Wilsons Advisory will still take reasonable steps to obtain the best total consideration on the ASX.

### 5.2 Wholesale Client Instructions

Where a Wholesale Client provides instructions in relation to handling and executing an Order that are inconsistent with Wilsons Advisory obtaining the Best Outcome, Wilsons Advisory will take reasonable steps to handle and execute the Order to satisfy those instructions providing:

- The instructions are clear and unambiguous;
- The instructions are in writing or, if provided verbally, documented by Wilsons Advisory; and,
- Not contained in the standard terms and conditions of a client agreement or other standard form agreement provided by the market participant to the client

#### Wholesale client instruction duration

Wholesale clients may provide specific Order by Order instructions or a standing instruction in respect of handling and execution of Orders.

If a wholesale client provides a standing instruction in respect of handling and execution of Orders, that standing instruction:

- must be reviewed by the Institutional sales team periodically, to ensure that it remains possible for Wilsons Advisory to satisfactorily perform the instruction; and
- is only valid for a period of 12 months from receipt.
- Wilsons Advisory will not encourage or induce a client to agree to provide a standing instruction. ASIC considers any such action by a market participant as a serious breach of the market participant's obligations

#### Best Outcome

Where the instruction is inconsistent with the Best Outcome for the client, best execution obligation applies to those aspects of the handling and execution process not governed by the instruction. For example, if a wholesale client provides an instruction to execute an Order on the ASX, Wilsons Advisory will still take reasonable steps to obtain the Best Outcome on the ASX. Wilsons Advisory will never induce a client to provide a standing instruction.

#### Instruction Renewal

The instruction to opt out of best execution protection applies for up to 12 months from the date the instruction was received by Wilsons Advisory. The instruction must be renewed by the client. Wilsons Advisory may notify the client that a renewal is required. ASIC does not consider a notification of this type to be a breach.

## 6 Handling and Execution of Orders

Once an Order has been received, Wilsons Advisory will take reasonable steps to:

- fully understand the client's instructions and the nature of the Order (e.g. whether there are time, price or size constraints and type of Order);
- consider all relevant information about prevailing market conditions;
- ensure appropriate timing of Order entry onto an Order book or other matching mechanism (for example, it may be necessary to delay the entry of an Order in a less liquid stock until there is sufficient liquidity to execute against); and
- choose an Order book or other matching mechanism that will achieve the Best Outcome for the client.

### 6.1 Transmitting Orders to Order Books

The table below set out how all Wilsons Advisory's client Orders will be transmitted to the Order Books.

#### IRESS Best Market Router (BMR)

Generally, client Orders will be transmitted to the Order Books via the IRESS BMR. How the IRESS BMR achieves the Best Outcome is discussed below.

Wilsons Advisory ACOP: Unless an Order is submitted to a Wilsons Advisory DTR (either manually or via a filter breach), all ACOP Order will be passed through the IRESS BMR only.

#### Manual Entry

Where a DTR or an Adviser has reviewed an Order and deems that manually transmitting the Order will achieve the Best Outcome (means obtaining the total consideration for Retail clients; or price, costs, speed, execution certainty or any combination of these outcomes for a Wholesale client), the DTR or Adviser will manually transmit the Order by choosing either one or more Order Books.

#### Algorithm (Institutional Clients generally)

Where a DTR has received an Institutional Client Order, they may choose to pass the Order through an algorithm.

The algorithms will utilise their own in-built BMR if a DTR has selected an algorithmic strategy when choosing an Order Book. IRESS BMR will not be utilised in this instance.

### 6.2 IRESS BMR

The IRESS Best Market Router (BMR) automates routing of Orders to achieve the Best Outcome for clients. The BMR utilises real time market depth information from available markets.

#### Order Books

Orders may be sent to one or more of the following Order books:

- ASX TradeMatch
- ASX Centre Point
- Cboe (including Cboe Centre Point)

Any remaining volume will be posted to the ASX as a passive Order.

### 6.3 Differing trading hours and Opening / Closing Mechanisms

The ASX and Cboe Order Books have different opening and closing mechanisms. This means that one market may be trading whilst the other is not. This section details how Orders will be handled in these circumstances.

#### Manual Entry

Where a DTR uses Manual Entry to transmit an Order in line with this policy, they may transmit it to any Order Book during any Market Phase to achieve the Best Outcome.

#### IRESS BMR

The IRESS BMR will pass all Orders (including ACOP) received outside Normal/Continuous Trading hours to the ASX until the ASX is in Normal Trading.

### 6.4 Price movement after Order transmitted

As a general rule, an order will not be re-transmitted if there is a better price on another order book. It is Wilsons Advisory's view that attempting to chase a better price across markets opens up the order to gaming opportunities.

#### Manual Entry

Once an Order is passive and resting on ASX, a DTR does not actively look to move that Order should an executable price become available on an alternative market.

#### IRESS MBR

Once an Order is passive and resting on ASX, a DTR does not actively look to move that Order should an executable price become available on an alternative market.

Algorithm (Institutional Clients generally)

Depending on the algorithm chosen, an Order sent through an algorithm may be re-submitted where there has been a price movement.

As well as taking into consideration a better price, an algorithm may consider pre-trade analysis, execution management, trade execution and post-trade evaluation when choosing to re-submit an Order.

### 6.5 Market Outages

When Wilsons Advisory experiences a system failure or other circumstance that affects its ability to transmit Orders to an Order Book, Wilsons Advisory may execute Orders in a manner that differs from the best execution arrangements set out in this policy. Wilsons Advisory will make every effort to execute Orders on the best terms available in the relevant circumstances.

In the unforeseen circumstance of the outage of an Order Book, the following action will be taken:

**Manual Entry** - A DTR may transmit an Order to any Order Book still open where they believe Best Outcome can still be achieved.

**IRESS BMR** - The default market configuration for the IRESS BMR is ASX. Therefore, if the ASX is still open, Orders will be transmitted to the ASX. If ASX is not available, all Orders will not be transmitted to an Order Book. Wilsons Advisory may opt to temporarily change the preferencing on the IRESS BMR to Cboe during an extended ASX outage.

## 7 Brokerage

Wilsons Advisory will charge the same brokerage regardless of which market the Order is executed.

## 8 Monitoring Best Execution Arrangements

Wilsons Advisory will monitor its Best Execution arrangements on a periodic basis.

## 9 Evidencing how client Orders are executed

On receipt of a reasonable request by a client, Wilsons Advisory must demonstrate that the client's Order or Orders have been executed in accordance with its policies and procedures.

Wilsons Advisory consider a "reasonable request" would be to provide evidence of the basis on which an Order was executed is reasonable where it is made shortly after the client receives confirmation of the transaction. An example of a scenario where Wilsons Advisory may determine that a request is not reasonable is where it relates to every Order executed on behalf of the client over a long period of time (e.g. several years).

## 10 Disclosure to Clients of Best Execution Arrangements

In accordance with the ASIC MIRs, Wilsons Advisory will disclose certain matters relating to best execution arrangements:

- Before accepting a client Order for the first time;
- On the request of the client; and
- When there is a material change to the best execution arrangements.

The disclosure will be in writing and retained by Wilsons Advisory for a period of 7 years,

## 11 Consent

**We are required to obtain your prior consent to this policy where we execute an order on your behalf.**

You will be deemed to have provided such consent.



**Wilsons Advisory & Stockbroking Ltd**

[www.wilsonsadvisory.com.au](http://www.wilsonsadvisory.com.au)

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