

**BEST EXECUTION DISCLOSURE DOCUMENT - V3 January 2022**

In accordance with Part 3.8 of the ASIC Market Integrity Rules (Securities Markets) 2017, as Market Participant of ASX Limited ("ASX") and Trading Participant of Cboe Australia ("Cboe"), Third Party Platform Pty Ltd ABN 74 121 227 905 AFSL 314 341 (TPP) has the obligation to take reasonable steps when handling and executing Client orders in Equity Market Products to obtain the best outcome (or "best execution") for its Clients. To achieve this TPP is required to establish and implement policies and procedures designed, where possible, to provide both Retail and Wholesale Clients with "Best Execution" when executing their orders or receiving and transmitting Orders for execution.

The purpose of this document, known as our "Best Execution Policy", is to provide Clients with a reasonable amount of information in order to allow Clients to make an informed decision about whether to instruct TPP to handle and execute Orders.

**Equity Market Products**

TPP's Best Execution arrangements apply where we execute orders to buy or sell Equity Market Products ("Orders") on behalf of a Client. TPP is acting on a Client's behalf where TPP executes an Order on behalf of a Client on one or both sides of a transaction. For the purpose of this policy equity market products include Shares, Managed Investment Schemes including Exchange-Traded Funds, rights to acquire shares or interests in Managed Investment Schemes under a rights issue and CHESS Depository Interests (CDIs) admitted to quotation on ASX. If a company is dual listed in Australia and an overseas exchange then the ASIC Market Integrity Rules (Securities Markets) 2017 will only apply to trading on the Australian exchange(s).

**Execution Venues**

Execution venues considered by TPP when executing orders are ASX TradeMatch, ASX Centre Point and Cboe Australia. ASX TradeMatch is the main ASX Trade market. ASX Centre Point offers anonymous execution at the prevailing mid-point of the national best bid and offer. Orders proceed from ASX Centre Point, Centre Point Sweep and ASX TradeMatch. TPP does not operate a crossing system.

**Best Outcome**

TPP will take reasonable steps to obtain the best outcome for its Clients. Best outcome means different things for different Clients. For Retail Clients best outcome will mean the best total consideration. Total consideration is defined as:

- a. the purchase price paid by the Client plus brokerage and GST; or
- b. the sale price received minus brokerage and GST.

TPP will always try to obtain the best total consideration for Retail Client orders unless instructed otherwise by the Client.

For Wholesale Clients, TPP may take into consideration numerous relevant execution factors in order to achieve the best outcome. TPP will generally give price a higher relative importance when obtaining the best outcome for Wholesale Clients but may also take into consideration these other factors, including:

- Price of the Equity Market Product;
- Costs;
- Size of the order;
- Total consideration;
- Speed of execution;
- Likelihood of execution;
- The requirement for timely execution;
- The liquidity of the market;
- Potential price impact from execution;
- Client instructions; and
- Any other factors that may be relevant to achieving best outcome.

**Order Handling Practices**

TPP will be utilising a Smart Order Router (SOR) as a means of managing TPP's Best Execution obligations across the abovementioned markets for Equity Market Products. However in certain circumstances TPP may direct orders manually into a specific order book.

All orders that will fully or partially trade immediately will be entered into the market either by automated order processing (AOP) or a TPP Designated Trading Representative (DTR or "Operator") via the SOR or by being directed to the appropriate order book. Once an order has exhausted the volume available within the price parameters of the order the order will reside in the default market, being ASX TradeMatch, subject to specific instructions from the Client.

All orders that are not market orders will be entered into the default market, subject to specific instructions from the Client. If the price on an alternative market changes after the order has been routed to the default market the order will not be transmitted to the alternative order book unless there is a specific instruction from the Client, as to do so would mean a loss of priority. All orders where there is discretion as to price or time may not be input immediately into the SOR however such orders remain subject to the Best Execution obligations subject to any specific instructions from the Client which might interfere with such an outcome.

In instances where one or the other market is unavailable for trading, or where one market is either unresponsive or disorderly, orders will be routed to the available market or the default market at the determination of the Operator with regard to TPP's Best Execution Policy guidelines unless the Client gives express instructions to the contrary.

The abovementioned order books do not all operate in a similar fashion and in particular the opening and closing market times vary. It is important to note that Cboe will commence trading at 10am and close at 4.12pm (Eastern Standard Time) and there will be no auction on the open, close or commencement of trading from intra-day trading halts as there is for ASX. Such inconsistencies mean that it may be very difficult to determine where the best outcome might be achieved. TPP has elected to use ASX TradeMatch as the default market and therefore all orders will be transmitted to ASX TradeMatch for the auction unless a specific order to the contrary is received.

Another significant difference is that orders in Cboe are "day only" orders and will all be purged at the end of trading for the day. This should only impact those orders that have been specifically transmitted to Cboe and Clients should give instructions to transfer orders from this market if they wish to participate in the end of day ASX TradeMatch auction. The default market to be used by TPP will be ASX TradeMatch.

### **Specific Client Instructions**

Specific Client instructions may be provided from both Retail and Wholesale Clients for a particular order. These instructions may prevent TPP from taking steps to obtain the Best Outcome for its Clients in accordance with this Best Execution Policy. Instructions must be provided in a manner that is clear and unambiguous and can be given either verbally or via online account. Any verbal instructions will be recorded by TPP and retained for a period of up to seven years. TPP will take all reasonable steps to handle and execute orders in a way that satisfies Client instructions.

Only Wholesale Clients can give standing instructions on execution requirements. Standing instructions from Wholesale Clients can include instructions to opt-out of our Best Execution Policy. These instructions will need to be provided in writing and will only be applicable for a period of up to 12 months. Wholesale Clients that wish to continue to opt-out after the 12 month period has lapsed will need to renew their standing instructions.

### **Crossings**

In addition to crossings on one of the external licensed markets it is possible for Participants to operate their own crossing system. Such a system is an automated service provided by a Market Participant to its Clients that matches or executes Client orders with orders of the Market Participant or other clients of the Market Participant other than on an order book of a licensed market. TPP does not currently operate such a market. If it is deemed appropriate to transmit an order for a Wholesale Client to an existing crossing market with another Market Participant then that other Market Participant will be required to provide best execution.

### **Trading suspensions and technical failures**

Where an Equity Market Product is the subject of a suspension then we are precluded from transacting or matching on all licensed markets. When an execution venue is unavailable (for example, due to a market outage or differing trading hours), TPP may execute existing and new orders on any remaining open execution venues provided we believe that our Best Execution obligation can be achieved by taking this action.

### **Policy Monitoring and Review**

TPP will monitor the effectiveness of its Best Execution Policy on a regular basis and review it at least annually as well as whenever there is a material change that affects the transmission of Client orders to ensure this Policy remains adequate.

On receipt of a reasonable request by a Client, TPP will provide the Client with information to demonstrate that orders have been executed in accordance with this Policy. The information will be provided within a reasonable timeframe after receiving the request. Any material changes to this Policy will be available to Clients on our website

### **Further information**

If you have any questions about the matters set out in this policy please contact Desktop Broker on 1300 726 177 or email [support@desktopbroker.com.au](mailto:support@desktopbroker.com.au)