

Best Execution Publication of Statistics

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Delivering Best Execution

LCG must take all sufficient steps to achieve the best possible result on a consistent basis when executing orders on our behalf of its clients. This practice is referred to as Best Execution and there are a variety of execution factors that could be considered to determine what will deliver the best outcome.

LCG will consider the following execution factors when evaluating how to secure the best possible result for its clients financial spread betting or CFD orders:

- Price and cost
- Speed
- The size and nature of the order
- Likelihood of execution

Usually the primary objective is to get clients the best available price and minimise the total cost of the transaction, taking precedence over all other factors.

LCG's trading platform has been designed on the basis of our [order execution policy](#), to take into account these and any other relevant factors, such as the nature of the underlying markets and any specific instructions you have given us, so that we can consistently deliver what we consider to be the best possible results.

As a client, it's important for you to understand how we treat your orders and execute them for you. You can find important information within our terms and conditions, summary order execution policy and from the information about the quality of our execution on this page.

Price

Typically the most important execution factor that impacts clients and their ability to make a profit is the price they receive when trading with us. Therefore, when considering the best execution factors we monitor the price of execution most closely. We obtain our prices from a range of sources in order to try and get the best available quotes to our platform. These sources are regularly reviewed for competitiveness and stability in order to improve the integrity of our price and reduce the cost of dealing for our clients.

Given the fast nature of the way markets can move, sometimes the price you click to trade on may have changed by the time your order reaches us some milliseconds later. Depending on the order type you send us this could mean your order is rejected.

If you send us an 'Instant' order our trading platform will apply a symmetrical tolerance level either side of your requested price – if the market stays within this range by the time we receive your order, your order will be executed at the level you requested (subject to available liquidity in the underlying market at the time).

If the current price has moved outside this range, we will do one of two things:

- If the market moves to a better level for you, our trading platform will pass on the price-improvement to you.
- If the price moves beyond our tolerance in the opposite direction, we'll reject the order and you would have to resubmit the request.

Your order will never be filled at a level worse than the one you requested – however, your order may be rejected. We apply these validation checks to ensure that orders are filled at a price that is consistent with the current price that is available to our clients. Market' orders will be filled at the live price available in the requested size upon receipt of the order

How we source our prices

We obtain our price feeds from a large number of venues to ensure we give you the best price we have access to:

- We use a combination of top global bank and non-bank liquidity to source our forex and spot metal markets enabling us to get consistently low spreads
- For our Index, Commodity and Fixed Income products we derive our quotes from the most liquid contracts on major exchanges around the globe, such as the CME and ICE.
- We also use primary exchanges like the LSE plus other leading exchanges, such as Chi-X and BATS to generate our share prices, this ensures we deliver the best prices available to us
- On some markets we provide an 'out of hours' session where we derive our own prices based on price movements on associated markets and other market influences

Spreads

Getting the best price for our clients is normally the primary best-execution consideration, and therefore reducing the cost of dealing, through our spreads or commissions, is also a high priority for us.

All of our spreads and commissions for all asset classes, can be found in our product information tables, (links available below), including information on the minimum, average and out of hours spreads where applicable.

- [FX spreads](#)
- [Spot Metals spreads](#)
- [Indices spreads](#)
- [Commodity spreads](#)
- [Bonds and Interest Rates spreads](#)
- [ETFs](#)
- [Shares spreads](#)

We pride ourselves on providing some of the lowest spreads within the industry globally and continually endeavour to reduce spreads where possible.

Speed & Likelihood of Execution

Regardless of whether LCG hedges its principal exposure in the market, the speed with which the trade is executed, whilst also being mindful of price, is of high importance.

Where clients request to trade using a 'market order', specifying direction and size only, then LCG may prioritise speed above that of price. This will be assessed with reference to market conditions, taking consideration of the liquidity of the market, size of the order, availability of price improvement and the potential impact on total consideration.

In almost all circumstances, client transaction requests will be executed automatically at the requested or live market price, in case of a 'market' order request, subject to the size requested being equal to or under size permissible in the 'underlying market' at that time.

- In 2017 99.5% of all orders were executed automatically.

Where an order request exceeds certain size parameters as determined by LCG and based on typical liquidity in the underlying instrument, LCG may prioritise the likelihood of execution over speed and refer the request to LCG's dealers for confirmation.

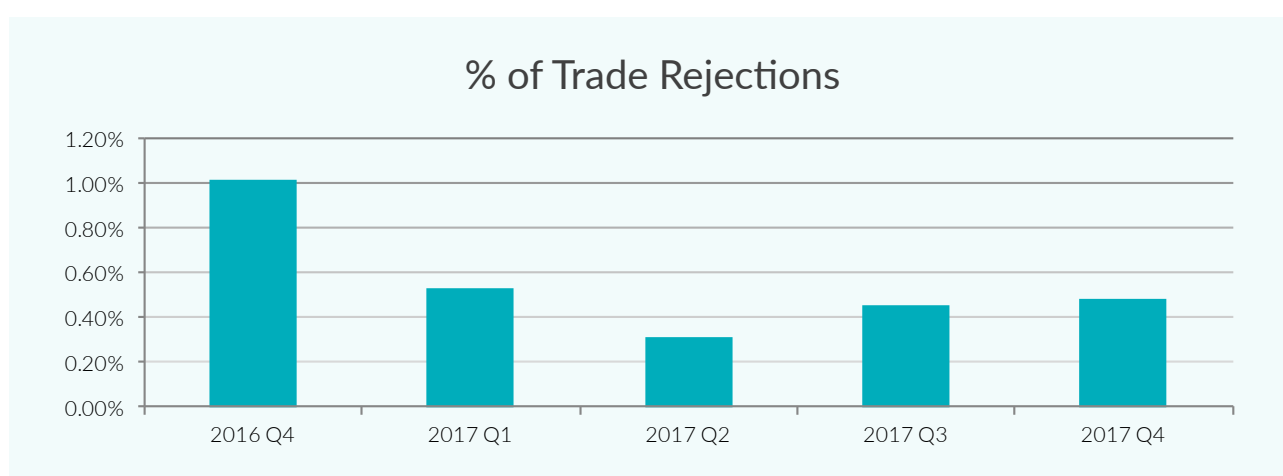
On rare occasions LCG may provide a partial fill of a transaction request as an alternative to an outright rejection, LCG will not provide a partial fill as an alternative to filling it in its entirety.

Rejection rates

At LCG we aim to keep our clients likelihood of execution as high as possible, therefore we regularly review the number of rejections that our clients face. The table below demonstrates our order rejection rates for all spread bet and CFD products, per quarter, as a percentage of our total trade requests. As this shows less than 0.5% of all trade requests submitted are rejected as a result of price or size availability.

Typically the main reason for rejection is if the price a client requests has moved since reaching our platform, or if there is insufficient liquidity to provide an execution in the size requested. One way to avoid this is to use 'Market' orders, however, there is the added risk of slippage*, both positive and negative, but you'll always be filled at the latest price available.

*Slippage is the difference between the executed price and the price seen at time of request. With market orders, slippage can be both positive (in the clients favour), or negative (at a worse price) from the price seen at time of request.



Execution Venues

Below is a summary of the execution venues used by LCG detailing the proportion of trades executed on each venue during 2017.

ANNEX II - Table 1

Class of Instrument	CFD's & SpreadBets				
Notification if < 1 average trade per business day in the previous year	N				
Top execution venue ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
London Capital Group Limited 213800PPVN6ORMUD1506	100%	100%	6.9%	93.1%	0%



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Spread betting* and CFD trading carry a high level of risk to your capital and can result in losses that exceed your deposits. They may not be suitable for everyone, so please ensure that you fully understand the risks involved and seek independent advice.

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*Important Note: Please note that Spread Betting is only available for clients residing in the United Kingdom and registered with London Capital Group Limited.