



## Best Execution of Client Orders

As per IROC rule 3123, Morgan Stanley Wealth Management Canada Inc. (“MSWC”), as a non-executing dealer, must take reasonable steps to ensure that all client orders are executed on the most advantageous execution terms reasonably available under the circumstances. In seeking the “most advantageous execution terms reasonably available under prevailing market conditions”, number of general factors must be taken into account including:

- The price at which the trade would occur
- The speed of execution
- The certainty of execution
- The overall cost of the transaction

These four broad factors encompass more specific considerations for the execution of client orders for listed securities and foreign-exchange traded securities. These considerations include order routing strategies, fair pricing of opening orders, market places available for trading and order information available from them (including unprotected marketplaces and foreign organized regulated markets), order size, reliability of quotes, liquidity of different marketplaces, market impact (the price movement that occurs when executing an order), and opportunity cost (the missed opportunity to obtain a better price when an order is not completed at the most advantageous time).

In considering the circumstances, “prevailing market conditions” must be taken into account in addition to such factors as:

- Prices and volumes of the last sale and previous trades
- Direction of the market for the security
- Posted size on the bid and offer (depth)
- The size of the spread
- Liquidity of the security

As a non-executing dealer MSWC relies on its’ carrying broker Pinnacle Correspondent Services (a division of Canaccord Genuity) to fulfil its best execution obligations to its clients. As per IROC Rule 3123 a review of Canaccord’s most recent Best Execution policies disclosure was conducted by MSWC’s CCO when they first became available in March 2019.

It has been determined that Canaccord Genuity’s Best Execution policies meet the IROC requirements outlined above and are designed to effectively achieve best execution on behalf of MSWC for its equity / order execution only business. Their Best Execution Disclosure can be found on their website at the following link:

[Canaccord Genuity Best Execution Disclosure](#)

An annual attestation will be obtained from Canaccord Genuity at the beginning of each calendar year that it has complied with and tested its best execution policies and procedures in accordance with IROC Rule 3120. Subsequent reviews of this policy will be conducted by MSWC on annual basis or whenever changes are made.