

# Our Approach to Order Execution

## Share Dealing

When we execute your orders we make sure we're getting you the best deal we can. We take a number of things into consideration, including price; speed; likelihood of execution and settlement; costs; size; and any other relevant factors that depend on the deal.

Price, speed, and likelihood of execution are the most important factors that determine how we execute your orders. We describe how we do this for different types of investment in this leaflet, and what we do if there are any issues.

Each year we will publish a report showing execution quality data for each type of investment.

The reports for 2017 are shown below for each type of investment. This is the first time we have published these types of report. Each year we will provide a comparison to the previous year's data.

### Equities (Shares & Depository Receipts)

This table shows the top 5 execution venues for Equities in 2017 (January 1st until December 31st 2017).

Notification if <1 average trade per business day in the previous year					YES
Top five execution venues 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 (%)^
<b>Winterflood Securities Ltd</b> 8BRUP6VIDX3PIG2R0745	37.69	41.24	N/A	N/A	0
<b>Peel Hunt LLP</b> 5493007DWN0R4YBM4C84	18.13	18.84	N/A	N/A	0
<b>KCG Europe Limited</b> 549300346EFUPFCXJT79	16.47	8.96	N/A	N/A	0
<b>Jefferies International Limited</b> S5THZMDUJCTQZBTRVI98	5.2	2.62	N/A	N/A	0
<b>Shore Capital Stockbrokers Limited</b> 2138009KZO3MK7TV6372	4.74	6.55	N/A	N/A	0

#### Notes:

For UK shares, we use a system called 'Price Polling' to get you the best price for your order. This means that we ask all our market counterparties to give us their best price when you place an order and then use the counterparty who's provided the best price. Price, speed, and likelihood of execution are the most important factors that determine how we execute orders.

We carry out daily checks to see whether any trades have been executed outside the prices that should have been available at that time. If we do find any trades, we contact the market counterparty for an explanation and try to get the price amended where possible. We also keep a close eye on the Price Polling system to continually improve it and make sure it's working as expected, and check on the order execution quality of our market counterparties.

If you're trading international shares, we'll route your order to a single international market counterparty, Banca IMI. They will execute your order in line with their own Order Execution Policy, which we have reviewed and are happy that they are taking all the steps to get you the best deal.

\*We don't trade in these types of order. 'Passive order' means an order entered into the order book that provided liquidity. 'Aggressive order' means an order entered into the order book that took liquidity.

^ We don't accept directed orders, only in very exceptional circumstances.



## Exchange Traded Products (Exchange traded funds, exchange traded notes and exchange traded commodities)

This table shows the top 5 execution venues for Exchange Traded Products in 2017 (January 1st until December 31st 2017).

Notification if <1 average trade per business day in the previous year					YES
Top five execution venues 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 (%)^
<b>Peel Hunt LLP</b> 5493007DWN0R4YBM4C84	33.41	15.44	N/A	N/A	0
<b>Flow Traders B.V</b> 549300CLJ19XDH12XV51	33.23	24.49	N/A	N/A	0
<b>Winterflood Securities Ltd</b> 8BRUP6VIDX3PIG2R0745	26.73	45.96	N/A	N/A	0
<b>Susquehanna International Securities Limited</b> 635400IAV22ZOUINFS89	3.34	9.79	N/A	N/A	0
<b>KCG Europe Limited</b> 549300346EFUPFCXJT79	1.27	1.72	N/A	N/A	0

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## Debt instruments and Bonds

This table shows the top 5 execution venues for Debt instruments and Bonds in 2017 (January 1st until December 31st 2017).

Notification if <1 average trade per business day in the previous year					YES
Top five execution venues 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 (%)^
<b>Winterflood Securities Ltd</b> 8BRUP6VIDX3PIG2R0745	56.77	36.46	N/A	N/A	0
<b>Peel Hunt LLP</b> 5493007DWN0R4YBM4C84	14.87	22.6	N/A	N/A	0
<b>Canaccord Genuity Limited</b> ZBU7V5NIMN4ILRFC23	14.54	30.7	N/A	N/A	0
<b>Cantor Fitzgerald Europe</b> 549300KM6VUHPKQLQX53	13.82	10.02	N/A	N/A	0

### Notes:

For Bonds, gilts, and other fixed income investments, the process for these is very similar to UK shares, in that we start by using the 'Price Polling' system, but trades are more often negotiated individually by dealers. This is because there are fewer market counterparties for these investments so there's less competition to offer the best price.

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## Unclassified investments

This table shows the top 5 execution venues for Unclassified investments in 2017 (January 1st until December 31st 2017).

Notification if <1 average trade per business day in the previous year					YES
Top five execution venues 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 (%) <sup>^</sup>
<b>Winterflood Securities Ltd</b> 8BRUP6VIDX3PIG2R0745	55.53	36.9	N/A	N/A	0
<b>Peel Hunt LLP</b> 5493007DWNOR4YBM4C84	18.39	19.05	N/A	N/A	0
<b>Canaccord Genuity Limited</b> ZBU7V5NIMN4ILRFC23	5.83	0.62	N/A	N/A	0
<b>Cantor Fitzgerald Europe</b> 549300KM6VUHPKQLX53	5.25	10.03	N/A	N/A	0
<b>Shore Capital Stockbrokers Limited</b> 2138009KZO3MK7TV6372	4.6	12.73	N/A	N/A	0

### Notes:

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