



# RTS 28 SUMMARY ANALYSIS

2018



# Order Execution – Summary of Analysis and Conclusions for Top 5 Venues 2018

## INTRODUCTION

The implementation of the Markets in Financial Instruments Directive II (MiFID II) from the 3 Jan 2018 brought with it an enhanced order execution regime and new requirements for investment firms to provide enhanced information to their customers.

One of these is the requirement for firms, who are executing customer orders, to disclose on an annual basis, their top five execution venues for each class of financial instrument in which they have traded in the preceding year. This is expressed in terms of the % of trades to each venue split by Retail and Professional customers. Hubwise Securities Limited (“Hubwise”) execute orders on behalf of our clients as part of the platform services we provide. Client orders are received from our FCA regulated clients who are typically Independent Financial Advisors (IFAs) and Discretionary Fund Managers (DFMs).

To accompany these reports, we are required to provide a written summary of the analysis and conclusions drawn as part of our execution monitoring processes throughout the year.

The information contained within this document covers trades between 1<sup>st</sup> January 2018 to 31 December 2018 only.

<b>INTRODUCTION .....</b>	<b>2</b>
<b>SUMMARY ANALYSIS .....</b>	<b>3</b>
<b>TOP FIVE VENUES AND BROKERS - EQUITIES - SHARES &amp; DEPOSITORY RECEIPTS .....</b>	<b>5</b>
<b>TOP FIVE VENUES AND BROKERS – STRUCTURED FINANCE INSTRUMENTS.....</b>	<b>7</b>
<b>TOP FIVE VENUES AND BROKERS – EXCHANGE TRADED PRODUCTS.....</b>	<b>8</b>



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## SUMMARY ANALYSIS

### **Explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;**

When executing client orders, we prioritise price as the primary criterion to obtain the best possible result. Active consideration is also given to other factors, such as transaction costs, timing and liquidity, particularly for non-UK equities, large transactions or trades in illiquid securities.

We determine the relative importance of these execution factors by using our industry experience, expertise and judgement in light of available market information, with the prime aim of prompt, fair and expeditious execution of trades. This approach applies to all of our approved financial instruments.

To ensure that we are consistently able to deliver best execution to our clients, we monitor on an ongoing basis the quality of execution obtained from the execution venues and brokers used to execute client orders. Our monitoring consists both of trade by trade monitoring and overall trend monitoring of the performance of the execution factors.

For a detailed description of how we carry out client orders, application of execution factors and how we prioritise the factors, please refer to our Order Execution Policy available in the Regulatory and Legal segment of the Company section on our website: <https://www.hubwise.co.uk/company>.

### **Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;**

Hubwise does not have any close links, conflicts of interests, or common ownerships with respect to any execution venues or brokers used to execute client orders in any of our approved financial instruments.

For further information please see our Order Execution Policy available in the Regulatory and Legal segment of the Company section on our website: <https://www.hubwise.co.uk/company>.

### **Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;**

Hubwise does not have any specific arrangements with any execution venues or brokers used to execute client orders in any of our approved financial instruments regarding payments made or received, discounts, rebates or non-monetary benefits received.

For further information please see our Order Execution Policy available in the Regulatory and Legal segment of the Company section on our website: <https://www.hubwise.co.uk/company>.

### **Explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred;**

There have been no changes to the list of execution venues and brokers listed in our Order Execution Policy used across all approved financial instruments.

Counterparties are reviewed on an at least annual basis to determine whether existing venues continue to provide the best possible result for our clients. This helps ensure we have sufficient relationships and coverage across all asset classes to provide best execution and could lead to the addition of further counterparties. Conversely, action could be taken which results in the suspension or removal of an execution venue by us. In carrying out this assessment, use will be made of our internal monitoring as well as applicable execution quality data reported by our execution venues.

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**Explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements;**

In general, we treat categories of clients in scope of best execution equally in terms of order execution. The underlying clients of Hubwise are all classified as retail clients for which, the best possible result will be determined in terms of the total consideration. Total consideration means the price of the financial instrument together with the costs related to execution, including all expenses incurred by the client that are directly related to the execution of the order.

For a detailed description of how we carry out client orders please refer to our Order Execution Policy available in the Regulatory and Legal segment of the Company section on our website: <https://www.hubwise.co.uk/company>.

**Explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client;**

For retail clients, the best possible result will always be determined in terms of the total consideration, being the price of the financial instrument together with the costs related to execution, including all expenses incurred by the client that are directly related to the execution of the order.

However, if a retail client provides us with instructions regarding an order or any aspect of an order, we will execute the order in accordance with such instructions to the extent reasonably possible. This may adversely impact the execution outcome received, and prevent us from taking the steps to execute at the best prices and/or costs.

**Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575;**

The quality of execution provided by the execution venues and brokers used to execute client orders in our approved list of financial instruments is monitored on a consistent basis, and forms part of the Hubwise compliance monitoring plan. Monitoring focuses on ex-ante and ex-poste based testing as it is important to verify that our arrangements work well throughout all stages of the process.

Our monitoring includes exception-based controls, with results reviewed by a member of compliance and feedback passed on to the front office team. As part of our monitoring, we always strive to use independent market data against which to compare our execution quality, e.g. the use of order and quote data from third party venues and brokers to assess our execution prices.

Under MiFID II Art. 27(3) and Commission Delegated Regulation (EU) 2017/575 (RTS 27), execution venues are required to publish a range of information on execution quality on a quarterly basis. Hubwise make use of this information as part of the annual review in relation to the counterparties on our approved list to ensure they are still appropriate and continue to provide the best possible result for our clients.

For further information please see our Order Execution Policy available in the Regulatory and Legal segment of the Company section on our website: <https://www.hubwise.co.uk/company>.

**Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU;**

Currently not applicable as there are currently no CTPs in operation and therefore no such data has yet been published in accordance with MiFID II.

**Summary of the analysis and conclusions drawn from our order execution monitoring;**

We believe that the analysis and conclusions drawn from our monitoring of the quality of execution confirm that the execution venues and brokers used to execute client orders in our approved financial instruments meet our standards in delivering best execution to our clients on a consistent basis.

Our top five execution venues and brokers reports, used to execute retail client orders for each of our approved financial instruments, can be found below together with detailed information on the volume and number of orders executed by each execution venue and broker. A list of all major execution venues and brokers used to execute client orders across these financial instruments can be found in the Regulatory and Legal segment of the Company section on our website: <https://www.hubwise.co.uk/company>.

## TOP FIVE VENUES AND BROKERS - EQUITIES - SHARES & DEPOSITORY RECEIPTS

- Tick size liquidity bands 5 and 6 (from 2000 trades per day) – Highly liquid shares
- Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day) – Medium liquid shares
- Tick size liquidity band 1 and 2 (from 0 to 79 trades per day) – Less liquid shares

### TOP FIVE VENUES

Client Type	Retail
Interaction	Execution

Class of Instrument	Equities – Shares & Depository Receipts (Tick size liquidity band 1 and 2)				
Notification if < 1 average trade per business day in the previous year	Y				
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
XLON – London Stock Exchange	100	100	0	100	0

Client Type	Retail
Interaction	Transmission

Class of Instrument	Equities – Shares & Depository Receipts (Tick size liquidity band 1 and 2)				
Notification if < 1 average trade per business day in the previous year	Y				
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
XMIL – Borsa Italiana S.P.A.	47.70	23.40	0	100	0
XAMS – Euronext Amsterdam	21.05	17.02	0	100	0
XSWX – Swiss Exchange	16.75	19.15	0	100	0
XPAR – Euronext Paris	14.50	40.43	0	100	0

## TOP FIVE BROKERS

Client Type	Retail
Interaction	Execution

Class of Instrument	Equities – Shares & Depository Receipts (Tick size liquidity band 5 and 6)				
Notification if < 1 average trade per business day in the previous year	N				
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
Winterflood Securities Limited 8BRUP6V1DX3PIG2R0745	55.58	60.68	0	100	0
Peel Hunt LLP 5493007DWN0R4YBM4C84	30.95	24.24	0	100	0
Stifel Nicolaus Europe Limited 213800BVEFNZ8UYPKL03	6.33	2.15	0	100	0
Cantor Fitzgerald Europe 549300KM6VUHPKQLQX53	4.62	11.67	0	100	0
Numis Securities Limited 213800P3F4RT97WDSX47	2.52	1.26	0	100	0

Class of Instrument	Equities – Shares & Depository Receipts (Tick size liquidity band 1 and 2)				
Notification if < 1 average trade per business day in the previous year	Y				
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
Winterflood Securities Limited 8BRUP6V1DX3PIG2R0745	36.86	40.00	0	100	0
Numis Securities Limited 213800P3F4RT97WDSX47	24.87	4.44	0	100	0
Peel Hunt LLP 5493007DWN0R4YBM4C84	24.45	31.11	0	100	0
Cantor Fitzgerald Europe 549300KM6VUHPKQLQX53	5.40	20.00	0	100	0
Stifel Nicolaus Europe Limited 213800BVEFNZ8UYPKL03	4.08	2.22	0	100	0

## TOP FIVE VENUES AND BROKERS – STRUCTURED FINANCE INSTRUMENTS

### TOP FIVE VENUES

Client Type	Retail
Interaction	Execution

Class of Instrument	Structured Finance Instruments				
Notification if < 1 average trade per business day in the previous year	Y				
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
XLON – London Stock Exchange	100	100	0	100	0

### TOP FIVE BROKERS

Client Type	Retail
Interaction	Transmission

Class of Instrument	Structured Finance Instruments				
Notification if < 1 average trade per business day in the previous year	Y				
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
Winterflood Securities Limited 8BRUP6V1DX3PIG2R0745	97.88	98.64	0	100	0
Peel Hunt LLP 5493007DWN0R4YBM4C84	2.12	1.36	0	100	0

## TOP FIVE VENUES AND BROKERS – EXCHANGE TRADED PRODUCTS

- Exchange traded funds, exchange traded notes and exchange traded commodities

### TOP FIVE VENUES

Client Type	Retail
Interaction	Execution

Class of Instrument	Exchange Traded Products				
Notification if < 1 average trade per business day in the previous year	N				
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
XLON – London Stock Exchange	100	100	0	100	0

Client Type	Retail
Interaction	Transmission

Class of Instrument	Exchange Traded Products				
Notification if < 1 average trade per business day in the previous year	N				
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
XNYS – New York Stock Exchange	47.25	47.84	0	100	0
XFRA – Deutsche Boerse AG	42.27	30.22	0	100	0
XMIL – Borsa Italiana S.P.A.	4.36	12.59	0	100	0
XBER – Borse Berlin	4.30	7.91	0	100	0
XCBO – Cboe Global Markets	1.82	1.44	0	100	0



## TOP FIVE BROKERS

Client Type	Retail
Interaction	Execution

Class of Instrument	Exchange Traded Products				
Notification if < 1 average trade per business day in the previous year	N				
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
RBC Europe Limited TXDSU46SXBWIGJ8G8E98	36.17	46.61	0	100	0
Winterflood Securities Limited 8BRUP6V1DX3PIG2R0745	32.62	37.72	0	100	0
Stifel Nicolaus Europe Limited 213800BVEFNZ8UYPKL03	19.05	8.12	0	100	0
Peel Hunt LLP 5493007DWN0R4YBM4C84	12.17	7.55	0	100	0