

Information on the Top 5 Execution Venues & Quality of Execution Obtained - Report 2019

This Order Execution Quality Report in respect of Turner Pope Investments (TPI) together with the table ((RTS28 Annex II (Table 2)) of statistics is for each of the classes of financial instrument (Equities) in which we execute and transmit/place our professional client orders. This report covers orders executed during the period 01.01.2019 to 31.12.2019.

TPI publish this report in accordance with the requirements of the EU Markets in Financial Instruments Directive II ("MiFID II") and the rules of our regulator, The Financial Conduct Authority ("FCA").

This supplementary report is intended to provide context to our choice of execution venues, allowing our clients to better understand the analysis and conclusions we draw from our monitoring of the quality of execution obtained on these execution venues.

Execution Factors

When assessing the quality of execution achieved, we pay due regard to the key factors considered by our Dealers when determining the method and venues on which we execute our client orders. This is covered in more detail in the TPI Order Execution Policy which can be found on our website. The key factors are:

Price: For most liquid instruments, market price will be the overriding factor in attaining best execution. Other factors, such as costs remaining equal our execution arrangements will drive TPI to find the most advantageous (best) price available. This will be the case for the vast majority of orders for Clients where the size of the order does not limit our choice of venue. Certain instruments, such as collectives (Unit Trusts & Open-ended Investment Companies) will have only one price, and one venue. However, in some circumstances for some of our clients, orders, financial instruments or markets, other execution factors may become more important than price in obtaining the best possible execution result.

Size: The best price in a market is usually represented by the opportunity to trade in a size (ie. number of shares, units, contracts etc.) which may not match the size of the clients order. Where the order is bigger than the typical quoted size, then the part of the order executed over and above the threshold may only be available at a less favourable price. There are various strategies for trading large orders and we will exercise discretion where there is no other instruction from the client. Large or illiquid orders will be executed on a manual basis using the skills of our in-house dealing team. In such cases our dealers will source the best available terms by comparing the prices offered by a variety of market participants (including other regulated firms and Multilateral Trading Facilities (MTF)) with reference market data.

Order Type: The type of order will impact the way in which an order is dealt, but not to the extent that price is no longer the most important execution factor in achieving the best possible outcome. For example, 'at best' orders are usually dealt using a combination of liquidity providers and the LSE SETs order book, whereas 'limit' orders are usually published direct on LSE SETs order book.

TPI will consider any other factor relevant to the order that it believes warrants consideration in terms of how that order should be executed. This could be simply whether it is a buy or sell order, or whether the security is dealt in another market.

Speed: Although achieving the best price is key, sometimes being able to deal immediately may be of greater importance to the client. Similarly, the speed of execution may be important for some types of order, or client. Speed will be a high priority for a client executing an order in a liquid equity in a fast market or for an execution only client.

Likelihood of settlement: In some instances, TPI's ability to actually execute and settle the order (the Likelihood of Execution and settlement) will be the primary factor to be considered. Where the instrument is illiquid (i.e. rarely traded), the size of the order is prohibitive, or some other factor determines this, the policy will ensure that effecting the order takes precedence over other factors. Application of the "total consideration" (representing the price of the financial instrument and the cost related to execution for the purpose of achieving "Best Execution") may determine that this factor is given precedence over the immediate apparent price of a financial instrument in so far as it will, in TPI's opinion, deliver a better overall result for the client. Making sure we choose an appropriate counterparty that can deal with the specific type of order or financial instrument.

Any other consideration relevant to the execution of an order: It may not be possible to execute certain orders via our dealers, for example the financial instrument may be in a foreign currency or only available 'OTC'. Such characteristics may determine how an order is dealt, but not to the extent that price is no longer the most important execution factor in achieving the best possible outcome of that order.

When considering price, we consider the total amount that the client will pay, known as the 'total consideration', represented by the best available price for the financial instrument at that time, including any associated costs relating to the execution of that order. Regardless of client categorisation, we assume that total consideration is the most important outcome for our clients' orders.

Other execution factors may be given precedence over the immediate price, but only where those factors are instrumental in delivering the best possible result to the client, for example where a client has given us an explicit instruction in relation to the execution of an order, or perhaps the speed of execution takes precedence over price. Such orders are rare, but where they do occur they are more likely to be from a professional client.

Where our monitoring identified trades where best price had not been achieved, this was always because another execution factor had taken precedence to achieve the best overall outcome for the client.

Client Classification

For the period covered by this report, our client base was Retail and Professional Clients, as defined by the FCA. The considerations for the execution of a client order may differ depending on whether the client is categorised as a retail or a professional client, but not to the extent that it affects our overarching obligation to achieve the 'best possible result' for the client. Our Top 5 Venues Reports demonstrates a broad consistency in the top 5 execution venues across our professional client types. For the period covered by this report TPI traded Equities Only.

The selection of 'Execution Venues'

We execute our client orders either (or by a combination of) directly on a Regulated Market of which we are a member, e.g. the London Stock Exchange (LSE), or with third party investment firms referred to as Counterparties and/or Market Makers (or in the context of this report, collectively; 'Venues'), so far we have not traded, outside of a Regulated Market, if we do it will only be where we have obtained a client's prior express consent.

The London Stock Exchange (LSE) remains the dominant UK exchange for our professional order flow. For large orders or illiquid investments that cannot be executed immediately, we will use the expertise of our dealers to choose the most appropriate venue for the order, taking into account the Execution Factors. Using a number of different price sources as an initial reference point, our dealers will approach various Counterparties and Market Makers to try to negotiate a price improvement. Alternatively, an order may be worked direct on exchange, on the LSE's SETS order book. To enable us to assess the on-going appropriateness of our execution venues, we annually review the credit rating, media profile and FCA register.

Execution and Placement / Transmission

From the outset, the type of financial instrument in question will ultimately impact the method of execution and it may not always be possible to immediately execute certain orders via our dealers. Instead, such orders may need to be placed with other counterparties, or transmitted to a third party, who have the ability to trade in those instruments. Such characteristics may determine how an order is dealt, but not to the extent that price is no longer considered the most important execution factor in achieving the best possible outcome of that order.

Venue Arrangements

There are no specific arrangements concerning discounts, rebates, or non-monetary benefits with any current execution venues, nor any close links, conflicts of interests, or common ownerships with respect to any execution venues used to execute orders. Whether we execute orders on behalf of our clients, or transmit those orders to a third party, the best possible result is determined in terms of the 'total consideration', representing the price of the financial instrument and the costs related to execution, including all expenses incurred by the client which are directly related to the execution of the order. However, any execution costs not included within the market 'price' of the financial instrument are borne by TPI. Therefore, excluding our own ancillary charges, any additional costs related to execution such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of our clients' orders, will not affect us achieving the best possible result for our clients.

Order Aggregation

We may combine (or 'aggregate') an order for our clients with orders of other clients. TPI would only aggregate a client order if it was unlikely to work to the overall disadvantage of the client. However, the effect of aggregation may on some occasions work to the client's disadvantage and may on occasions result in our clients obtaining a worse price than if their order was executed separately.

Execution Quality - Monitoring and Review

We monitor the quality of our execution by reviewing our trades and identifying any client orders placed either side of the touch price (not within the bid offer spread) thus not fulfilling the best price execution factor. Each exception is reviewed to determine whether another execution factor took precedence to achieve best execution overall. Where necessary, exceptions will be repaired to ensure that our clients receive the best possible outcome from each transaction. The review and monitoring of our execution data is also used to determine the performance of the counterparties we use. We also consider whether there are venues or counterparties that we should add that will enhance our dealing process and outcomes for our clients, where data suggests a correlation in better execution outcomes elsewhere.

Our analysis of data has not resulted in any changes to our order execution policy or selection of counterparties or venues. The data is taken directly from Jarvis; our Model B custody and settlement provider and is collated two days post execution.

Notification if <1 average trade per business day in the previous year

N

Top 5 Venues ranked in terms of volume (descending order)

	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders*
Peel Hunt LLP (PEEL) 5493007DWN0R4YBM4C84	59.9%	54.3%	78.6%	46.9%	N/A
Shore Capital Stockbrokers Limited (SCAP) 2138009KZO3MK7TV6:	13.7%	14.1%	5.8%	16.6%	N/A
Cantor Fitzgerald Europe (CFEP) 549300KM6VUHPKQLQX53	13.5%	12.3%	1.0%	15.7%	N/A
Winterflood Securities Ltd (Equities) (WINS) 8BRUP6V1DX3PIG2R	9.5%	13.4%	6.8%	15.4%	N/A
Nplus1 Singer Capital Markets Limited (SING) 213800ITO7QMNQ9	1.3%	1.6%	0.0%	2.1%	N/A

*: TPI's clients do not place directed orders stipulating which venue to use, therefore this data is not available.
Percentages are to 1 decimal place

Table of the Top 5 Execution Venues - RTS 28 Retail Clients

Class of Instrument

Equities

Notification if <1 average trade per business day in the previous year

N

Top 5 Venues ranked in terms of volume (descending order)

	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders*
Peel Hunt LLP (PEEL) 5493007DWN0R4YBM4C84	50.9%	55.0%	53.3%	55.5%	N/A
Winterflood Securities Ltd (Equities) (WINS) 8BRUP6V1DX3PIG2R	14.6%	16.1%	13.3%	16.8%	N/A
Shore Capital Stockbrokers Limited (SCAP) 2138009KZO3MK7TV6:	12.8%	11.4%	6.7%	12.6%	N/A
Cantor Fitzgerald Europe (CFEP) 549300KM6VUHPKQLQX53	12.1%	10.7%	20.0%	8.4%	N/A
Nplus1 Singer Capital Markets Limited (SING) 213800ITO7QMNQ9	5.6%	4.7%	3.3%	5.0%	N/A

*: TPI's clients do not place directed orders stipulating which venue to use, therefore this data is not available.
Percentages are to 1 decimal place