

ORDER EXECUTION REPORT 2019/20

This report presents a summary of the top five execution venues against which orders were executed, for each financial instrument class in which we deal, together with information on the quality of execution obtained for the period 1st April 2019 to 31st March 2020.

Whilst achieving best execution is a regulatory requirement, we view it as fundamental in ensuring that our clients receive the high level of service that they expect from us. As part of our commitment to provide consistent best execution, we continue to participate in ongoing discussions and interaction with other market counterparties to ensure that we remain up-to-date with ongoing developments and best practices.

We continue to have no arrangements or obligations to deal through any particular execution venue and choose a counterparty, at the time of execution, based on our ability to achieve the best result for our client at that time. Details of how we approach executing orders, together with a list of the execution venues we use, can be found in our Order Execution Policy.

During the period there has been no material change affecting how we approach the execution of client orders, or in our choice of execution venues.

ANALYSIS OF ORDER EXECUTION

With the firm providing execution services to retail clients, we continue to place our primary focus on obtaining the best price when considering the available execution factors. Further information outlining circumstances where this could differ are outlined within our Order Execution Policy.

We monitor the quality of our execution on a continuing basis via trade analytics tools (provided by LiquidMetrix). This software allows us to monitor all executed transactions (across asset classes) against the prevailing market prices available from various execution venues.

If trades are initially highlighted as being potential "outliers" i.e. the execution price was worse than the comparable market price, they will be reviewed, with further investigation taking place if it is deemed necessary.

The primary method we use for executing equity trades is via the Retail Service Provider network (as outlined in our Order Execution Policy).

Due to the size and nature of client orders, and the characteristics of the equities in which we deal, the majority of trades are executed electronically, as market liquidity is sufficient in order to allow for this. When executing orders that are larger in size or in less liquid equities, telephone negotiation is used.

With regards debt instruments (gilts and fixed interest), due to the deep liquidity offered in the markets in which we deal, a greater proportion of transactions are able to be executed electronically than for equities.

Analysis of our quality of execution across all instrument types during the period showed, as with prior periods, that outliers were false positives, being caused by factors including:

- small timing differences in the reporting of trades,
- an accepted difference in price to achieve immediate execution for an order that was larger than the prevailing market size,
- non-standard settlement,
- a better price was available on a venue that Barratt & Cooke does not have access to,
- trades where there was no benchmark, as the size of the trade exceeded total market liquidity.

Overall, our analysis showed that we continue to consistently achieve best execution in the instruments in which we execute orders.

Our analysis did not highlight any negative trends or themes that caused our approach to execution to be revisited.

TOP 5 EXECUTION VENUES

The tables on the following pages (Appendices I to V) are also available in machine-readable format within the Order Execution area of our website.

NB. You will see that our orders are defined as “aggressive” orders, the definition of which, is orders that take liquidity from the market instead of providing it. This is because our clients’ orders receive immediate execution, rather than being placed, for instance, on an order book for eventual execution.

Appendix I

Class of instrument	Equities – Shares and depository receipts (Tick size liquidity bands 5 and 6 – i.e. equities which report over 2,000 trades per day)				
Notification if <1 average trade per business day in the previous year	No				
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 a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Winterflood Securities (8BRUP6V1DX3PIG2R0745)	37.9%	50.0%	-	100%	-
Investec Bank Plc (84S0VF8TSMH0T6D4K848)	25.6%	5.8%	-	100%	-
Peel Hunt LLP (5493007DWN0R4YBM4C84)	23.0%	28.9%	-	100%	-
Numis Securities Limited (213800P3F4RT97WDSX47)	3.6%	0.5%	-	100%	-
Shore Capital Stockbrokers (2138009KZO3MK7TV6372)	2.9%	6.5%	-	100%	-

Appendix II

Class of instrument	Equities – Shares and depository receipts (Tick size liquidity bands 3 and 4 – i.e. equities which report between 80 and 1,999 trades per day)				
Notification if <1 average trade per business day in the previous year	No				
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 a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Numis Securities Limited (213800P3F4RT97WDSX47)	24.3%	11.3%	-	100%	-
Winterflood Securities (8BRUP6V1DX3PIG2R0745)	16.8%	25.9%	-	100%	-
Investec Bank Plc (84S0VF8TSMH0T6D4K848)	12.7%	9.1%	-	100%	-
Peel Hunt LLP (5493007DWN0R4YBM4C84)	12.6%	26.6%	-	100%	-
J.P. Morgan Secs. plc (K6Q0W1PS1L1O4IQL9C32)	10.1%	5.8%	-	100%	-

Appendix III

Class of instrument	Equities – Shares and depository receipts (Tick size liquidity bands 1 and 2 – i.e. equities which report between 0 and 79 trades per day)				
Notification if <1 average trade per business day in the previous year	No				
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 a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
J.P. Morgan Secs. plc (K6Q0W1PS1L1O4IQL9C32)	17.3%	3.2%	-	100%	-
Winterflood Securities (8BRUP6V1DX3PIG2R0745)	17.2%	27.8%	-	100%	-
Panmure Gordon (UK) Ltd (213800GM8RB7MS4L3Z24)	13.1%	9.1%	-	100%	-
Peel Hunt LLP (5493007DWN0R4YBM4C84)	11.4%	19.0%	-	100%	-
Nplus1 Singer Capital Markets Ltd (213800ITO7QMNQ9SFG53)	7.1%	7.0%	-	100%	-

Appendix IV

Class of instrument	Debt Instruments (Gilts and bonds)				
Notification if <1 average trade per business day in the previous year	No				
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 a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
NatWest Markets Plc (RR3QWICWWIPCS8A4S074)	36.4%	34.1%	-	100%	-
Barclays Capital Secs. Ltd (K9WDOH4D2PYBSLSOB484)	26.6%	17.8%	-	100%	-
Winterflood Gilts Limited (213800BD519H2YV9R748)	22.8%	26.9%	-	100%	-
Peel Hunt LLP (5493007DWN0R4YBM4C84)	4.4%	9.1%	-	100%	-
RBC Europe Limited (TXDSU46SXBWIGJ8G8E98)	4.2%	5.8%	-	100%	-

Appendix V

Class of instrument	Exchange Traded Products (Exchange Traded Funds and Exchange Traded Commodities)				
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 a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Winterflood Securities Ltd (8BRUP6V1DX3PIG2R0745)	40.4%	10.1%	-	100%	-
Peel Hunt LLP (5493007DWN0R4YBM4C84)	22.4%	52.1%	-	100%	-
Investec Bank Plc (84S0VF8TSMH0T6D4K848)	11.6%	2.1%	-	100%	-
Stifel Nicolaus Europe Ltd (213800BVEFNZ8UYPKL03)	10.9%	4.2%	-	100%	-
Winterflood Gilts Limited (213800BD519H2YV9R748)	7.9%	10.1%	-	100%	-