

Quality of Execution Report 2020

A. An Overview

Brewin Dolphin ('the firm') as a MIFID Investment Firm has an obligation to take all sufficient steps to obtain the best possible result when transmitting, placing, and executing orders on behalf of its clients on a consistent basis ('Best Execution'). The firm has established an Order Execution Policy ('the Policy') that sets out the steps that the firm will take to achieve Best Execution for its clients. The Policy can be accessed on the following link on the firm's website [here](#).

Section 4 of the Policy sets out the Execution Factors and the relative importance of those factors the firm considers when assessing whether or not it has achieved Best Execution for its clients. In general, the firm assess Best Execution from a "total consideration" (price and relevant costs) perspective. However, there may be instances where other criteria, such as a specific client instruction, the type of order, the type of financial instrument and the execution venues available will also be considered in conjunction with those two criteria to obtain the best possible result.

Under MiFID II, the firm is required to publish annually, for each class of financial instrument, the top five execution venues in terms of trading volume together with a summary of the quality of execution obtained on those execution venues.

The purpose of this document is to provide our clients with sufficient information to effectively allow for comparison between different firms and also to enable comparison of performance over time.

For the aim of achieving Best Execution, the firm treats all clients (Retail and Professional) as Retail. This means that the firm undertakes to provide the highest protection to its clients regardless of client classification.

Impact of COVID-19

Whilst COVID-19 presented significant challenges to the firm and the industry, it did not impact the firm in achieving best execution for its clients during these uncertain times. A robust operational model has been in place since the start of the pandemic in 2020 ensuring the wellbeing of our stakeholders, including staff, clients, and the monitoring of third parties. The robustness of our operational model minimised any adverse impact of market challenges and volatility on timeliness and our ability to determine if we are achieving best execution. Our transition to working from home did not present any difficulties in meeting our best execution obligations to our clients.

B. Monitoring Approach

The firm monitors its execution activities to ensure the effectiveness of its order execution arrangements. Those monitoring activities are set out below.

- Daily monitoring of transactions;
- Due diligence of counterparties;
- Annual review (or more frequent, if there is any material change) of the Policy and related client disclosures in respect of Best Execution;
- Annual assessment of the firm's order execution arrangements.

To assist with the daily monitoring of transactions the firm uses an industry leading third-party vendor (LiquidMetrix), which is an independent provider of transaction cost and best execution analysis, to benchmark [\[1\]](#)the firm's execution performance against the other available execution

venues. The firm has set a tolerance versus the relevant benchmark for the trades it executes and any transaction that achieves a price that is outside the tolerance set, will be investigated.

Not all trades have a benchmark and this could be for various reasons including the lack of continuous trading or insufficient volume on a venue, for example.

Additionally, execution venues, market makers and systematic internalisers that the firm deals with are required to publish daily trading data on a quarterly basis. The firm sources this information from LiquidMetrix and analyses that data to ensure that venues are achieving best execution on a consistent basis.

There may be circumstances, when trading in foreign issuers for example, where we do not have direct access to the relevant market or where for larger trades we believe a better result could be achieved due to a third party having access to a wider selection of trading venues. In these instances, we will transmit the order to a third party for execution.

BD does not use Consolidate Tape Providers (CTP) in its monitoring because none exists in the market currently. ESMA's first review into MIFID II notes that the current conditions set out for voluntary consolidated tape providers is unlikely to cause a CTP to emerge on the market.

The results of the monitoring performed are presented to the Order Execution Policy Committee (OEPC), which meets monthly and is the governance forum that oversees the order execution arrangements of the firm.

C. Summary of the 2020 Monitoring results

All the firm's transactions during the period 1 January 2020 to 31 December 2020 have been monitored to ensure that Best Execution was achieved versus the relevant benchmark. Overall, 99.99426% of trades achieved Best Execution in 2020 compared to 99.9993% in 2019. The minimal difference is attributed to some orders placed outside of the prices available on the Retail Service provider platforms. All transactions that did not achieve best execution when compared to their benchmark have been reviewed and corrected in accordance with the firm's procedures.

D. Relationships with Counterparties and Venues

The firm does not have any close links, conflicts of interests or common ownerships with respect to any counterparties used to execute orders and the firm does not receive any payments or non-monetary benefits for directing trades to a specific venue. The firm does not permit arrangements with any execution venues/counterparties for payments made or received, discounts, rebates or any non-monetary benefits received other than those allowed by the firm's Gifts and Hospitality Policy.

In addition, the firm has policies and procedures in place to ensure that any potential conflict of interest is managed appropriately. During the period 1 January 2020 to 31 December 2020, nothing has come to the attention of the firm that would indicate the existence of any conflicts of interest pertaining to the firm's counterparties or execution venues.

E. Execution Venues

To ensure the best possible coverage in the asset classes in which the firm transacts clients' business, a comprehensive list of Execution Venues is maintained and reviewed on an ongoing basis. This can be viewed alongside our Order Execution Policy. During 2020, there were no changes to our Execution Venue list. During the peak of the COVID-19 pandemic and throughout the year, we effectively utilised the existing counterparties/execution venues to ensure we have coverage for the respective asset classes and achieve Best Execution for our clients. Please see the list of Execution Venues here: [Appendix](#)

F. Definitions of the Top 5 reporting venues data fields

The Top 5 execution venues data published by Brewin Dolphin is provided in the prescribed format dictated by the RTS 28 Annex 2.

The below table offers an explanation on the fields within the data.

Data field	Definition
Client type	Client category i.e. Retail or Professions for whom the trades were executed in the particular asset classes and execution venues.
Top five execution venues ranked in terms of trading volumes (descending order)	List of execution venues which featured as the top 5 venues for trades in a specific asset class.
Interaction	The type of trading conducted with the venue reported, as: Execution – when the order is executed directly with the venue or broker identified Placement/transmission – when the order is transmitted to the broker to be executed elsewhere. This is where the firm is not a member of a trading venue to achieve a better outcome for the client.
Class of Instrument	The financial instrument categorisation as prescribed in the RTS 28 Annex 1.
Period start and Period end	Date range of the period covered.
Notification if <1 average trade per business day in the previous year	Confirmation whether the firm has executed an average of less than one trade per business day in the previous year in that class of financial instruments.
Proportion of volume traded as a percentage of total in that class	The percentage split of all client orders by total value over 2020, in the recorded asset class.
Proportion of orders executed as percentage of total in that class	The percentage split of all client orders by the total number of orders executed over 2020, in the recorded asset class.

Percentage of directed orders	The percentage split of orders directed to a specific execution venue, as instructed by the client, prior to the execution of the order.
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[1] Benchmark means comparing the firm's transactions, particularly the price achieved on each of the trades, against the prices that would have been achieved in other execution venues.