

# **Execution Quality Evaluation Statement for the Year 2017 for the top 5 Execution Venues**

## **Equities (Shares and Depository Receipts)**

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## 1. Introduction

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The Markets in Financial Instruments Directive 2014/65/EU (the “MiFID II”) and the Commission Delegated Regulation (EU) 2017/565 (“CDR 2017/565”) as well as the Commission Delegated Regulation (EU) 2017/576 (RTS 28) introduced new requirements on the information which must be published to the market in relation to the best execution reporting requirements.

In this respect, GPB Financial Services Ltd (the “Company”) has published this Report on the quality of execution obtained (the “Report”) which is based on summary of the analysis and monitoring of execution obtained on the Execution Venues where the Company executed all clients’ orders in the previous year, covering a full year cycle. The aim is to provide the clients as well as the public at large with meaningful information in order to effectively assess and scrutinize the execution quality achieved during the year.

The Company urges its clients and/or potential clients to read the statement carefully as it contains information on how the Company executes orders to execution venues.

The statement along with the accompanying tables will remain on the Company’s website for 2 years at least post its publication.

## 2. Best Execution

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In regards to Equities (Shares and Depository Receipts), the Company used a single Execution Venue, London Stock Exchange (“LSE”).

In order to achieve the best possible result for its clients, the Company took into consideration the following elements:

- Price: provided by a venue, which will vary according to factors such as market liquidity, market rules regarding quotations, bids and offers, but will be considered as better than other execution venues or OTC or other entities used for execution;
- Costs: venue costs, fees, taxes and charges directly referable to the execution of the order;
- Speed of Execution: the speed with which the Company is likely to be able to execute the order on the venues available to the Company, meaning the time between reception of the order by the venue and the time it is allocated;
- Likelihood of execution: by a venue which provide consistent trading opportunities in terms of increased volumes at the same price and time;
- Likelihood of settlement: the relative risk the Company will be faced with where the execution venue uses a counterparty for the settlement of an order, i.e. in case the counterparty defaults on its obligation to settle a trade, taking into account venue rules and applicable legislation, trading conventions, technical and operational risk affecting delivery, etc.
- Any other factor relevant to the execution of the order.

## **Execution Criteria**

In considering the application of best execution / best interest to the client order, the Company will consider the relative importance of the execution factors by reference to the following criteria in order to provide clients the best possible result for the client order:

- the characteristics of the client, including the categorisation of the client as a Retail or Professional;
- the characteristics of the client order;
- the characteristics of the financial instrument that are subject of that order; and
- the characteristics of the execution venues/brokers or entities to which that order can be directed.

The Company does not apply different best execution criteria for different categories of clients according to MiFID II (professional / retail investors).

The Company will seek to tailor the factors that it considers in order to provide best execution and act in the best interest for orders, drawing on its investment expertise.

Subject to client specific instructions, the Company will consider the total consideration payable by the client as an appropriate concept to deploy in determining how to obtain the best possible result for the client. Total consideration is defined as 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, such as execution venue fees, clearing and settlement fees, and any other fees paid to third parties involved in the execution of the order.

For clients classified as Retail clients, in the absence of specific client instructions, the best possible result will be determined in terms of total consideration as described above. The Company may consider that in certain cases the speed, likelihood of execution and settlement, the size and nature of the order, the market impact and any other implicit transaction costs, may give precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of total consideration to the Retail clients.

For clients classified as Professional clients, the Company may consider that total consideration is not an appropriate guide for execution in all cases, e.g. speed of execution may take precedence.

### **3. Conflicts of Interest**

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Conflicts of interest generally arise when two or more parties have conflicting interests while at the same time being bound by a duty of due diligence or loyalty towards one another. Consequently, conflicts of interest may arise with other third parties connected to the Company or our clients.

Additional information on handling conflicts of interest is also available on our web-site.

During the reporting period, the Company did not receive any remuneration, discount or non-monetary benefit for routing clients' orders to an Execution Venue, which would infringe any conflicts of interest or inducement requirements under MiFID II. In addition, the Company has no close links, conflicts of interest, and common ownerships with respect to the execution venue.

No change to the list of execution venues occurred in the year under reference.

#### **4. General Conclusion**

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In view of the above stated information, the Company considers that all execution factors and criteria as these are stated above, have been fully and duly considered, and in this respect have enabled the Company to take full advantage and make best efforts to provide best execution to its clients.

**Disclaimer:** MiFID II best execution rules required for investment firms like GPB Financial Services Ltd per specific financial instrument classes dedicated information about the Top 5 Execution Venues/Brokers. This Top 5 Execution Venue/Broker Reporting is the first report for GPB Financial Services Ltd and therefore not all criteria's for such reports are applicable. Since the Top 5 Venue/ Broker Reporting started for the first time in April 2018 a substantial number of orders in financial instruments have not initially been allocated to the respective brokers or financial institutions and to the class of instruments as defined by MiFID II. Consequently the retrospective allocation of orders was performed on a best effort basis and therefore it cannot be ensured that data quality is fully given in 2017.