

**Execution Quality Evaluation Statement for the  
Year 2018 for the top 5 Execution Venues**

**Equities (Shares and Depository Receipts)**

**Sub-class: All tick-size liquidity bands**

**Date of Report issued: 30 April 2019**

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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”). The Company is a member of the 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.

Price is considered to be the most important factor for ensuring best execution, unless any other of the below mentioned elements significantly affect the likelihood of execution;

- Costs: venue costs, fees, taxes and charges directly referable to the execution of the order;
- Speed and likelihood 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 is of particular essence and relevance in cases of financial instruments which are of illiquid nature.

- 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.

The execution factor “Likelihood of settlement” is generally not considered to be a significant factor in equity markets since, settlement follows formal clearing procedures or is otherwise organised to facilitate timely settlement where the Company holds a membership on the execution venue (i.e. LSE).

- Any other factor relevant to the execution of the order.

The relative importance of the execution factors taken into consideration by the Company for the selection of an execution venue, can be summarized in the table below:

<b>Factor</b>	<b>Price</b>	<b>Cost</b>	<b>Speed</b>	<b>Likelihood</b>	<b>Size</b>	<b>Nature</b>
<b>Importance</b>	High	Medium	Medium	High	Medium	Low

### **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 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 and likelihood of execution may take precedence during highly volatile market or illiquid instruments.

### **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. Data/tools used relating to the quality of execution**

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As part of this assessment, the Company has considered, amongst others, information published by the Execution Venue itself (RTS27 reports published for 2018) as well as information in relation to the quality of execution made available by financial data providers, such as Bloomberg. It is noted that, when executing clients' orders on LSE, the price offered to client is always the market price, which is considered to be the best price for the client. The Company has also taken into consideration the market landscape, as well as the criteria used for the selection of the specific Execution Venue.

The Company will continue to look for and use any additional data, which will enable further analysis on best execution and the quality of execution obtained.

### **5. 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. The Company considers that the specific execution venue provided sufficient execution arrangements in the relevant market and the outcome obtained was appropriate for its clients.