

Quality of Execution and Top Five Venue Report for the year 2020

Introduction

On an annual basis BRI is required to publish a list of its top five execution venues for all executed client orders for the different classes of financial instrument that are traded. In conjunction with this, a review of the quality of the execution achieved by BRI has to be published.

Under MIFID II, BRI has an obligation to take all sufficient steps to obtain the best possible results when executing orders on behalf of our clients. This is known as 'Best Execution'.

BRI Wealth Management (BRI) offers different services to its clients but the main business is the provision of discretionary investment management services to retail clients. BRI does not execute investment orders directly with the market but transmits the orders on to our designated execution entities, Peel Hunt LLP and Cofunds Limited. As a result of this, BRI is classified as an order transmitter as defined in the Markets in Financial Instruments Directive II (MIFID2).

Where we send investment applications or orders on your behalf to third parties (for example, to buy or sell investment holdings), we make every effort to ensure the best possible result for our clients. This is referred to as best execution. We may transmit or place the order via a third-party platform (an online investment administration service), with a broker or another venue, to execute your order.

This report provides information on the following classes of financial instrument:

- Equities (including investment trusts)
- Debt instruments
- Exchange traded products
- Collective Investment Schemes

We're obliged to disclose on an annual basis, the top five third parties / venues that we send our client orders to and provide commentary on the results of our best execution monitoring.

The information in the table below relates to the period 1 January to 31 December 2020. The majority of the business that BRI executes on behalf of its clients are equity instruments with few trades in debt instruments and exchange traded products. As a result of this, the execution statistics have been amalgamated for equities, debt instruments and exchange traded products.

Class of investment:	Equities (liquidity band 1 & 2, from 0 to 79 trades per day), debt instruments and exchange traded products	
Average number of trades less than one per business day?	No	
Top 5 venues ranked in terms of volume (descending order)	Proportion of volume transmitted as a percentage of total in that class This column is based on the monetary value of client orders	Proportion of orders transmitted as a percentage of total in that class This column is based on the number of client orders
London Stock Exchange LEI: 213800QAUUUP6I445N30	67.63%	34.72%
AIM Multi-Lateral Trading Facility LEI: 213800QAUUUP6I445N30	8.21%	1.84%
Turquoise LEI: 2138006SKBMJJUE2HV03	3.02%	2.86%
JP Morgan Securities PLC (Systematic Internaliser) LEI: K6Q0W1PS1L1O4IQL9C32	2.82%	21.20%
CBOE Europe- BXE Periodic LEI: 254900ERRPSKE7UZH711	2.68%	6.37%

We operate in accordance with our Order Execution Policy. A copy of our order execution policy is available at https://brigroup.co.uk/images/Best_Execution_Policy.pdf

Under the terms of our best execution policy, we regularly assess the third parties available to us to identify those that will enable us, on a consistent basis, to obtain the best possible result when arranging for the execution of client orders.

Order Execution

BRI assesses best execution on a number of different factors as follows:

- Price
- Speed
- Likelihood of execution
- Size
- Nature of order
- Settlement
- Costs

For the purpose of best execution, BRI treats all clients as retail clients. As a result of this, wherever possible, BRI will use price and costs as the primary considerations when executing orders. BRI aims to obtain the best possible result in terms of total consideration, being the price of the financial instrument and the direct costs associated with executing the order. Where a client may give a specific instruction for dealing in a financial instrument this may lead to other criteria being prioritised over price and costs. For less liquid instruments, likelihood of execution and speed may be given priority over other factors.

BRI does not have any conflicts, close links or common ownerships with respect to execution venues. BRI does not receive any rebates, discounts or payments for sending orders to a particular broker, platform or venue.

Over the course of the year we have amended our order execution policy, with the main changes being the removal of FNZ Securities from our list of execution venues and entities and the addition of Cofunds Limited.

Due to the very small amount of orders that are executed in exchange traded funds and bonds, it has been decided to consolidate these into the equity top venue report. All debt instruments and exchange traded products are still executed via Peel Hunt LLP.

BRI's portfolio management team is responsible for transmitting and processing all orders in financial instruments and ensuring best execution.

BRI use Peel Hunt LLP as our sole execution entity for equity, bond and exchange traded products, with Peel Hunt using multiple execution venues to execute the orders. Peel Hunt is subject to the same rules in relation to best execution that apply to BRI. BRI conduct ongoing monitoring of Peel Hunt to ensure best execution for our clients. This review is carried out at least annually or whenever a significant change occurs that we feel could affect our ability to continue to obtain the best possible results for our clients.

Collective Investment Scheme orders

A large portion of the orders that BRI execute are in collective investment schemes (CIS) which is conducted through Cofunds Limited. Price achieved is not relevant to these orders as CIS trade once a day at one price. As a result of this, the main focus for best execution is speed, to ensure that trades are submitted ahead of the trading deadline. CIS have different cut off points for their daily dealing and these are monitored by BRI to ensure that trades are executed in a timely manner. Any late trades are identified and analysed with the causes reviewed by the Order Execution Committee. Trading in CIS during 2020 was in line with our order execution policy and any trades that didn't satisfy the policy were rectified.

Oversight

BRI has a number of different processes that ensure that best execution is monitored by the portfolio management team, the order execution committee (OEC) and the compliance department. The following arrangements are in place that allow effective monitoring of our best execution obligations:

- Daily monitoring of transactions
- Annual review (or when there is any material change) of the order execution policy
- Due diligence of the execution entities that are used
- Annual review of best execution by the Chief Investment Officer and Compliance Officer
- Annual review of BRI's order execution arrangements

The Portfolio Management Team headed by the Chief Investment Officer is responsible for processing orders in financial instruments and ensuring best execution on a day-to-day basis. Daily monitoring is aided by third party software which analyses the quality and cost of execution. This scrutiny is to ensure adherence to our policy and any transactions falling outside the normal market price at the time the transaction was executed are investigated.

BRI's execution policy and order execution arrangements are reviewed on an annual basis by the Chief Investment Officer and Compliance Officer, with oversight by senior management.

