

OUR APPROACH TO ORDER EXECUTION

We review our performance internally on a regular basis to ensure we continue to obtain the best price for you. We also meet with counterparties to discuss trading and how we can improve outcomes. We report our results every year, including the top five counterparties we have traded with, and explain any material changes.

Halifax Share Dealing Limited is required to provide annual reports providing information on the top five execution venues for different types of financial instruments, together with analysis of execution performance.

Obtaining Best Execution

We aim to obtain the best price possible for you on a consistent basis in line with the processes set out within our Order Execution Policy. For UK equity, UK Exchange Traded Products and UK fixed income trades we achieve this by requesting prices for you from as many counterparties as possible on each instrument using a process known as “price-polling”.

Where a real time price is available, we have agreements and controls in place that mean you won't receive a worse price than that available on the London Stock Exchange for the size of your trade.

Where a real time price isn't available, your order is routed to a team of dealers. A dealer will review your order, and decide on the best possible strategy to trade. This may involve contacting one or more market counterparties to negotiate a price, with each order considered individually on its own merits. In most cases we will achieve a price equal to or better than that available on the London Stock Exchange or, where a customer has specified a limit according to their instructions. We would only accept a price outside of these circumstances when the size of the trade is outside the quote size in a quote-driven security.

For international equities and international Exchange Traded Products we place all trades with a single market counterparty. They place trades on our behalf and we validate prices achieved to ensure they trade at the price available or better on the Exchange or Trading Facility where they are executed.

In order to ensure we are achieving consistent outcomes we regularly perform checks the day after a trade is executed. We provide trades to an independent third party. They check whether the price achieved met our standards. Where we find trades that didn't meet those standards we correct this; which could be by changing the price or by giving you money to reflect the difference. If this does occur we will get in touch with you to explain what has happened and how we have corrected this.

In 2019 we traded with twenty-seven different market counterparties.

How did we do?

For UK Equities, UK Exchange Traded Products, and Fixed Income Trading 98.02% of trades checked achieved the London Stock Exchange price or better at the time of execution.

The remaining 1.98% of trades checked achieved the best price available for the size of the trade, or where executed accordingly to client specific instructions. This includes 11 trades identified by post execution monitoring where the price achieved was amended. All 11 trades were amended for a total correction value of £1,067.46.

There were no issues identified with any other orders.



LLOYDS BANK

100% of international equity and international Exchange Traded Product trades achieved the best price available on the exchange of execution at the time they were placed.

During 2019 there have been no material changes to our Order Execution Arrangements. From time to time our list of counterparties has changed, and the amount and value of trades executed with those counterparties fluctuated; however we do not consider any of these changes as material. Excluding trades in international equity and international Exchange Traded Product we traded with twenty-seven market counterparties, whilst in 2018 this was thirty market counterparties.

We have found the price and speed of execution consistent throughout the year. Approximately 95.5% of trades are executed electronically without any dealer involvement. From time to time this fluctuates in line with supply and demand however we do not consider this as material, therefore both price and speed of execution were in line with expectations.

The number of directed orders was negligible and is insufficient to register within the tables.

For the purposes of this report we exclude fund trades. As explained in our Order Execution Policy all funds are sent for execution with the underlying fund manager via a third party. Trades in funds result in the redemption or creation of units by the fund manager only.

Execution Venues

We do not have any close links or conflicts of interests with any execution venues or market counterparties.

We executed 18 trades with Lloyds Bank Capital Markets in a single debt instrument, with a total consideration of £28,821.53.

Customer Classification

We treat all customers as Retail Customers, which affords the highest level of protection. The reporting rules state performance tables must be produced separately for different customer classifications; as we only have a single classification only 1 set of tables is required.

Information on the Tables

The financial instruments and reporting formats are defined by regulations. As an example the information in “Equities (Shares and Depository Receipts)” includes UK and international equities, and is split into three tables as follows:

Liquidity Band 1 and 2 – where the instruments in question average between 0 and 79 trades per day across all venues;

Liquidity Band 3 and 4 – where the instruments in question average between 80 and 1,999 trades per day across all venues;

Liquidity Band 5, 6 and 7 – where the instruments in question average over 2,000 trades per day across all venues.

The Liquidity Bands are also defined by regulations. It is possible different shares can move from Band to Band from year to year however not during the year.

The tables can be found below.

Equities – Shares & Depository Receipts (T56)

Client type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Equities – Shares & Depository Receipts (T56)	01/01/2019	31/12/2019	N
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Winterflood Securities – 8BRUP6V1DX3PIG2R0745	47.95	42.22	0	100	0
Peel Hunt LLP – 5493007DWN0R4YBM4C84	25.72	23.6	0	100	0
Virtu Financial Ireland Limited – 549300XG5LFGN1IGYC71	6.48	4.92	0	100	0
Investec Bank plc – 84S0VF8TSMH0T6D4K848	5.11	9.05	0	100	0
Shore Capital Stockbrokers Limited – 2138009KZO3MK7TV6372	4.83	4.59	0	100	0

Equities – Shares & Depositary Receipts (T34)

Client type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Equities – Shares & Depositary Receipts (T34)	01/01/2019	31/12/2019	N
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Peel Hunt LLP – 5493007DWN0R4YBM4C84	36.06	29.75	0	100	0
Winterflood Securities – 8BRUP6V1DX3PIG2R0745	35.02	41.94	0	100	0
Shore Capital Stockbrokers Limited – 2138009KZO3MK7TV6372	7.76	9.24	0	100	0
Investec Bank plc – 84S0VF8TSMH0T6D4K848	5.51	3.18	0	100	0
Stifel Nicolaus Europe Limited – 213800BVEFNZ8UYPKL03	3.08	2.37	0	100	0

Equities – Shares & Depositary Receipts (T12)

Client type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Equities – Shares & Depositary Receipts (T12)	01/01/2019	31/12/2019	N
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Winterflood Securities – 8BRUP6V1DX3PIG2R0745	33.32	36.14	0	100	0
Peel Hunt LLP – 5493007DWN0R4YBM4C84	20.62	18.39	0	100	0
Cantor Fitzgerald – 549300KM6VUHPKQLQX53	11.28	11.27	0	100	0
Shore Capital Stockbrokers Limited – 2138009KZO3MK7TV6372	9.61	12.3	0	100	0
Nplus1 Singer Capital Markets Limited – 213800ITO7QMNQ9SFG53	6.74	7.46	0	100	0

Debt Instruments – Bonds

Client type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Debt instruments, Bonds	01/01/2019	31/12/2019	N
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Peel Hunt LLP – 5493007DWN0R4YBM4C84	41.93	50.24	0	100	0
Winterflood Securities – 8BRUP6V1DX3PIG2R0745	25.52	28.35	0	100	0
Winterflood Securities Ltd – 8BRUP6V1DX3PIG2R0745 – (Gilts)	12.72	7.66	0	100	0
Flow Traders B.V. – 549300CLJI9XDH12XV51	10.74	4.01	0	100	0
Virtu Financial Ireland Limited – 549300XG5LFGN1IGYC71	5.13	6.17	0	100	0

Debt Instruments – Money Markets Instruments

Client type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Debt instruments, Money markets instruments	01/01/2019	31/12/2019	Y
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Winterflood Securities Ltd – 8BRUP6V1DX3PIG2R0745	50.25	50	0	100	0
Peel Hunt LLP – 5493007DWN0R4YBM4C84	49.75	50	0	100	0

Securitized Derivatives – Warrants & Certificate Derivatives

Client type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Securitized Derivatives, Warrants and Certificate Derivatives	01/01/2019	31/12/2019	Y
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Winterflood Securities Ltd – 8BRUP6V1DX3PIG2R0745	94.12	20	0	100	0
Shore Capital Stockbrokers Limited – 2138009KZO3MK7TV6372	3.19	40	0	100	0
Nplus1 Singer Capital Markets Limited – 213800ITO7QMNQ9SFG53	1.96	20	0	100	0
Banca IMI S.p.A – QV4QOGJ70A6PA8SCM14	0.73	20	0	100	0

Securitized Derivatives – Other Securitized Derivatives

Client type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Securitized Derivatives, Other securitized derivatives	01/01/2019	31/12/2019	Y
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Peel Hunt LLP – 5493007DWN0R4YBM4C84	68.34	56.25	0	100	0
Winterflood Securities – 8BRUP6V1DX3PIG2R0745	31.66	43.75	0	100	0

Exchange Traded Products

Client type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)	01/01/2019	31/12/2019	N
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Peel Hunt LLP – 5493007DWN0R4YBM4C84	31.98	22.13	0	100	0
Winterflood Securities – 8BRUP6V1DX3PIG2R0745	30.48	40.46	0	100	0
Stifel Nicolaus Europe Limited – 213800BVEFNZ8UYPKL03	15.54	16.53	0	100	0
Flow Traders B.V. – 549300CLJI9XDH12XV51	10.16	3.63	0	100	0
Investec Bank plc – 84S0VF8TSMH0T6D4K848	6.69	10.29	0	100	0

Other Instruments

Client type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Other instruments	01/01/2019	31/12/2019	N
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Winterflood Securities – 8BRUP6V1DX3PIG2R0745	26.59	32.45	0	100	0
Peel Hunt LLP – 5493007DWN0R4YBM4C84	19.55	17.89	0	100	0
Flow Traders B.V. – 549300CLJ9XDH12XV51	11.87	2.71	0	100	0
Cantor Fitzgerald Europe – 549300KM6VUHPKQLQX53	7.32	10.83	0	100	0
Shore Capital Stockbrokers Limited – 2138009KZO3MK7TV6372	5.85	8.94	0	100	0

Structured Finance Instruments

Client type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Structured finance instruments	01/01/2019	31/12/2019	Y
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Banca IMI S.p.A – QV4QOGJ70A6PA8SCM14	100	100	0	100	0

Counterparties HSDL have executed trades with during 2019:

Arden Partners plc	Peel Hunt LLP
Banca IMI S.p.A	Liberum Capital Ltd
Joh. Berenberg, Gossler & Co. KG	Lloyds Bank plc
BMO Capital Markets Limited	Macquarie Capital Europe Ltd
Canaccord Genuity Limited	Numis Securities Ltd
Cantor Fitzgerald Europe	Shore Capital Stockbrokers Ltd
Cenkos Securities plc	Nplus1 Singer Capital Markets Ltd
FinnCap Ltd	Stifel Nicolaus Europe Ltd
Flow Traders B.V.	Virtu Financial Ireland Limited
Goodbody Stockbrokers UC	W H Ireland Ltd
Investec Bank plc	Westhouse
J & E Davy	Panmure Gordon (UK) Limited
J.P. Morgan Securities plc	Winterflood Securities Ltd
Jefferies International Ltd	

Important information

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