

## RTS 28 – Qualitative analysis - Annual publication of information on the identity of execution venues and on the quality of execution for the period 1 January 2019 – 31 December 2019

In accordance with Article 27 of the Directive 2014/65/EU in financial instruments, specifically Art 27 (6) and (7) of the Directive, Canaccord Genuity Limited is required to make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where we executed client orders in the preceding year and information on the quality of execution obtained.

This report covers all asset classes that Canaccord Genuity Limited trades.

Canaccord's execution reports can be sourced here:

<https://www.canaccordgenuity.com/capital-markets/regulatory-and-legal-disclosures/uk-regulatory-and-legal-disclosures/>

### Article 3 (3) of RTS 28

- a) *an explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;*

Our execution factors and execution criteria are contained within our order execution policy.

Canaccord Genuity will take many factors into account, including price, costs, speed, likelihood of execution and settlement, size, nature of the order or any other considerations relevant to the execution of that order.

**Price** will ordinarily be the most important factor for the client and thus merits a high relative importance in obtaining the best possible result. However, price will be affected by the size of the order. Most orders received by Canaccord Genuity are in sizes significantly above the displayed size and accordingly there is likely to be a difference between the price attached to the displayed size and the price at which a much larger order can be executed.

There may also be other factors that are important to a client and their order which may impact on price for example the need for **timely execution**: a client may lower their price expectation in favour of quick execution. Other relevant considerations may include availability of price improvement, the liquidity of the market and potential price impact.

We will use our own commercial experience and judgment together with understanding the execution criteria of the specific client order including the nature of the client and their desired

outcome, the particular financial instrument and the size of the order as well as the venues that are available to execute the order.

**Likelihood of settlement** is not generally regarded as relevant to the majority of financial instruments that Canaccord Genuity executes orders in. The majority of orders are in securities listed on the London Stock Exchange or other regulated exchanges which are subject to the centralised clearing and settlement of that market place. However, in deciding the counterparty for an ETF or algorithm transaction where price is equal between venue/counterparty, their past settlement performance would be a relevant factor in taking all sufficient steps to obtain the best possible result for the client;

- b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;*

Canaccord Genuity does not have any close links, conflicts of interest, or common ownerships with respect to any execution venues used to execute orders.

- c) a description of any specific arrangements with any execution venues regarding payments made or received discounts, rebates or non-monetary benefits received;*

Canaccord does not have any specific arrangements in place with any external execution venues or brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.

- d) an explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred;*

In 2019, there was no material change in the list of execution venues. Please note these are listed on a separate standalone document sourced here:

<https://www.canaccordgenuity.com/globalassets/capital-markets/documents/regulatory--legal-disclosures/uk/cgl-execution-venues---march-2020-final.pdf>

- (e) an explanation of how order execution differs according to client categorization, where the firm treats categories of clients differently and where it may affect the order execution arrangements;*

Where best execution is concerned, in general we treat orders in the same way regardless of the client category. For an order executed on behalf of a retail client the best possible result will be determined in terms of the total consideration factoring in the criteria detailed below in (f). For professional clients, the main driver will again usually be driven by price, but other factors such as timely execution, order size, type of order and overall cost will be taken into account.

- (f) an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client;*

Where Canaccord Genuity executes an order on behalf of a retail client, the best possible result is determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which include all expenses incurred by the client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

It is our view that price will always be the single most important factor for a retail client, and it is therefore the single most important factor in obtaining the best possible result.

*(g) an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Commission Delegated Regulation (EU) 2017/575 [RTS 27];*

Canaccord monitors the quality of the execution venues and brokers we use to facilitate execution of our client orders in all asset classes. In real time, our traders monitor the quality of execution, which is then supported by our use of an external provider's transaction cost analysis tool on a T+1 basis.

This is also supplemented by the reviews carried out on a monthly basis by the Canaccord Best Execution Committee which monitors quality of execution, both broker and client specific.

*h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU*

Not applicable