

# Smith & Williamson Investment Management LLP

## Qualitative Report for Equities - Shares & Depository Receipts

This report was produced by Smith & Williamson Investment Management LLP (“SWIM”, “we” or “our”) and provides a qualitative order execution assessment for Equities - Shares and Depository Receipts (“Equities”), in the format described in Article 3(3) of Commission Delegated Regulation EU/2017/576, for the period 1 January 2018 to 31 December 2018.

### Execution venues

In 2018, SWIM transmitted all client orders in Equities to Smith & Williamson Investment Services Limited (“SWIS”), a Smith & Williamson Group company, for execution or further transmission.

SWIM has policies and procedures in place to monitor any payments, or minor non-monetary benefits, received from third parties to ensure that they are designed to enhance the quality of service to the client and do not impair our ability to act in accordance with the best interests of our clients. In 2018, SWIM has not recorded any conflicts of interest with any venues used in this asset class.

### Execution factors

To achieve the best possible result, SWIM has on a consistent basis, taken into account a number of execution factors, including: price, costs associated with execution, speed of execution, likelihood of execution, the size and nature of the order, and quality of any related clearing and settlement facilities.

SWIM has determined the relative importance of each of these factors and the manner in which each order was executed, based on the circumstances at the time of execution, such as:

- The type of financial instrument and nature of the order;
- The execution venues to which the order could have been directed.

In most cases, price and costs associated with execution (the “total consideration”) were the most important factors; however in markets where liquidity was low, likelihood of execution on some occasions took priority, while in markets where volatility was high, speed of execution was more important.

### Client categorisation

SWIM transmitted orders on behalf of both Retail and Professional clients, however there was no differentiation in client treatment with regards to order execution arrangements.

### Summary of analysis and conclusions

The Best Execution Working Group (“BEWG”) monitored adherence to the firm’s Order Execution Policy and the effectiveness of its order execution arrangements and procedures. Execution quality of orders in this instrument type was reviewed on a monthly basis. BEWG have utilised the services of an independent provider of Transaction Cost Analysis (“TCA”) to assist with this monitoring. This TCA tool enabled us to compare the prices achieved by SWIM with market prices and other industry standard benchmarks, enabling an in-depth analysis of execution performance. All outliers from this analysis were reviewed by BEWG and any instances identified where SWIM did not achieve best execution for its clients were investigated, and in some instances appropriate compensation was paid.

Further information regarding the monitoring carried out on execution quality can be found in the SWIS and NCL qualitative reports for Equities.