

Best Execution

How we execute and
arrange transactions
for you

Barclays Bank PLC
Private Bank –
UK and Crown Dependencies



Best Execution – How we Execute and Arrange transactions for you

Introduction

This document sets out the order execution policy that Barclays Private Bank applies when it is providing services to you through Barclays Bank PLC in the UK or the Crown Dependencies. References to “**Barclays**” in this document are to Barclays Private Bank when acting through Barclays Bank PLC from these locations only.

This document does **not** apply to services provided by Barclays Private Bank from any other location (such as Barclays Bank PLC, Monaco branch) or through any other legal entities (such as Barclays Bank Ireland PLC or Barclays Bank (Suisse) SA). Please refer to the separate best execution policies for services provided from those locations.

Barclays Executes and Arranges orders in various asset classes depending on the products and services we are providing to you. When we refer to “**Executes**” or “**Executing**”, we mean where we either act as your agent to deal in investments with a market counterparty or where we deal in investments as principal to fill your order based on pricing we are able to obtain from a market counterparty. This includes when we execute an order that results from us providing you with discretionary portfolio management services. When we refer to “**Arranges**” or “**Arranging**”, we mean where we take an order and pass it to another entity for that entity to execute or where we are providing you with discretionary portfolio management services and we place an order for execution for your portfolio with another entity.

Asset classes include equities, debt instruments, collective investment schemes, derivative instruments and foreign exchange. In carrying out this activity we will Execute orders directly with a trading venue (such as a Regulated Market, Multilateral Trading Facility or Organised Trading Facility, the definitions of which are set out in Part 4 below) or with counterparties that are systematic internalisers or market makers. We may also Arrange transactions for you by transmitting orders to counterparties to Execute.

Before we complete any transactions in investments for you, it is important that you understand how we will Execute or Arrange such transactions. The information contained in this policy is a summary of our best execution procedures and is designed to provide you with a general understanding of our typical dealing arrangements for different asset classes (Part 3) and the execution venues and other counterparties (such as investment firms) to which we transmit orders (Part 4). Please note that this information should not be seen as a prescriptive statement of how a particular order must be dealt with.

Best execution is the requirement to take all sufficient steps to obtain the best possible result for you, taking into account various execution factors relevant to the order. It applies both when we Execute orders and Arrange transactions for you.

Part 1 – When we apply best execution to your investment transactions

We will apply our best execution standards to all of your orders. This is consistent with the general principle that your classification (whether you are classified as a retail, professional or eligible counterparty), whilst an important factor in the overall context of our relationship, will not be usually considered in terms of the quality of execution we obtain for you. If you are an eligible counterparty client best execution will not apply.

Responsibility for best execution applies not only to us but also to other entities with whom we interact on orders. When we place or transmit your orders (i.e. Arrange them, rather than Executing them ourselves) we will act in accordance with your best interests and ensure that the entities with which we Arrange for execution of your order (including where we may utilise a counterparty’s proprietary algorithmic trading) have execution arrangements that enable us to obtain the best possible result for you.

Best execution is delivered by an appropriate consideration of a number of execution factors outlined in the next section.

Part 2 – Factors affecting our selection of an execution venue for orders including the process by which we determine the relative importance of certain execution factors

When Executing or Arranging a transaction on behalf of a retail client, best execution is primarily determined in terms of Total Consideration. “**Total Consideration**” is the price of the relevant financial instrument, plus the costs related to execution, including all expenses incurred by you which are directly related to the order such as execution venue fees, clearing and settlement fees and any other fees paid to entities involved in the order (express costs) and implicit costs such as market impact. While the same process is applied in practice for orders we Execute or Arrange for you if you

are not categorised as a retail client, in that case, we may also bear in mind your investment objective on a case by case basis when determining how to achieve the best outcome for your order and Total Consideration may no longer be the overriding factor.

There are other execution factors to be considered and which may be used over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of Total Consideration. These are:

- (a) speed of execution;
- (b) likelihood of execution and settlement;
- (c) size and nature of order;
- (d) market impact; and
- (e) any other implicit transaction costs.

The relative importance of the execution factors may vary from transaction to transaction depending on the circumstances of the trade or order to trade and the prevailing market conditions.

In coming to our determination, we will consider the type of financial instrument that is the subject of the order, the type of order and its specific characteristics, such as the size of the order and liquidity of the underlying, as well as the execution venues to which the order could be directed or the investment firms to which the order can be passed when we are Executing.

Client instructions and market impact will be crucial in the selection process but we will also consider:

- (a) Historical volumes
- (b) The time of day
- (c) The spread
- (d) Any limit price you supply as part of your instructions
- (e) Historical performance of the counterparty and the algorithms they make available to us for an order to be Executed in line with specific parameters.

There may be circumstances in which we may seek to contact you before Executing your order (for example, where your order would constitute a large trade that could have a potential impact on the relevant market), which may affect the timing of any action we take.

Where you provide a specific instruction.

Our ability to achieve the best possible result, and hence our obligation to do so, will be limited to the extent that we are following a specific instruction from you. For example, where we are given specific instructions on the use of a counterparty or other execution venue this may prevent us from achieving the best possible terms for the order. Where any instruction relates to only part of the order, we will continue to apply our order execution policy to those aspects of the order not covered by the specific instruction.

Where we receive specific instructions from you in relation to the importance of the Execution Factors (for example, if you request that costs of execution should be a more significant factor than price), we will Execute or Arrange the order in accordance with such instructions. If you provide us with specific instructions you should be aware that this may prevent us from the taking the steps in this policy to obtain the best possible result when Executing or Arranging your transaction.

How we analyse the quality of execution and verify the best possible results are obtained.

Order execution is monitored pre and post trade on an ongoing basis and is subject to regular sampling, testing and evidencing against best execution criteria to ensure the best possible result is obtained for you. We ensure that we select appropriate benchmarks and thresholds that determine the quality of execution that should be achieved and employ the use of third party tools such as market data vendors in order to verify the level of execution quality. This is overseen by a governance structure which gives senior management sufficient oversight that we are achieving best execution on a consistent basis and where exceptions to this are identified these can be addressed.

Part 3 – Our typical dealing arrangements for different types of investment

1. Equities

For standard UK market orders, and in normal market conditions, we may poll different execution venues, using automatic execution technology to identify the best terms available to us at the point of trading for the equity concerned.

(a) – UK Equities

UK Equities are largely Executed via a Retail Service Provider (“RSP”), request for quote, model. An RSP is a counterparty which is typically a London Stock Exchange (“LSE”) member firm which provides non-order book price quotes based on the price available on the LSE’s order books. The model has a highly automated price polling mechanism across a panel of RSPs to determine the best terms available at the point of Execution. In order to maximise the effectiveness of the price discovery process, where applicable we also utilise the proprietary trading technology of Barclays Investment Bank for cross trading venue price discovery.

Where orders cannot Execute automatically (typically due to large value or low liquidity) a manual price discovery model is used leveraging market data feeds and approved counterparty relationships which leads to Execution with the counterparty who offers the most competitive terms available (see Part 4).

As part of this model, RSPs (provided that they also comply with their duties as an LSE member firm and registered market maker when executing transactions) are responsible for trade reporting all trades in the stocks we execute with them to the relevant venue. In circumstances where we do not execute a UK equity with an RSP the following applies:

- Via a Multilateral Trading Facility (MTF) – The responsibility will be on the MTF to report
- Where we execute directly on exchange – By executing in this way reporting is automated
- Via a Systematic Internaliser (SI) – The responsibility will be on the SI to report

Barclays does not permit equity transactions to be performed outside of a Trading Venue using any other methods, given that they involve additional risk to customers.

There is typically no execution fee levied by the counterparties due to the fact that Execution is predominantly conducted under LSE member firm status.

(b) – International Equities

International Equities are largely Executed using other entities’ Direct Electronic Access facilities. This provides us with the ability to select various trading strategies provided by an approved counterparty panel. We utilise the exchange membership and trading strategies offered by the counterparty.

Orders are Executed via different execution venues which can be directly on exchange, via Multilateral Trading Facilities (MTFs) or directly with an approved counterparty. This is done either automatically via routing rules which are available on selected exchanges or routed manually by a dealer.

Various proprietary trading algorithms of counterparties may also be used in determining the appropriate strategy to achieve best execution and an execution fee is levied by the counterparties.

(c) – Limit Orders

In some cases, we believe that immediately publishing your unexecuted limit orders may not be in your best interests and may result in us not achieving the best possible result for you, particularly where this concerns best total consideration, speed and certainty of Execution, market impact and avoidance of partially filling your order. Under these circumstances, we consider we should apply our discretion as to when and how your unexecuted limit orders are made publicly available.

For International Equities, where relevant, we will publish your limit order immediately by transmitting it to the relevant trading venue via a third party broker. If you do not wish to make your order public, we will not be able to comply with this request for International Equities because your limit order needs to be transmitted to a trading venue in order to be executed.

2. Debt Securities (or “bonds”)

The debt market in some locations is not centrally organised, and for many non-government issues, is not a liquid market. Where liquidity is available, orders are largely Executed via MTFs or directly with an approved counterparty on a request for quote basis to determine the most competitive overall pricing for the size of order concerned. Where liquidity does not exist, orders will be dealt manually in order to identify counterparties that are quoting prices in the security concerned.

3. Collective Investment Schemes

We will usually trade directly with the fund manager or fund administrator.

4. Over-the-counter (“OTC”) products (other than OTC derivatives)

Over-the-counter (“OTC”) products are products that are traded other than on a formal trading venue (for example structured products). Over the counter products are dealt either directly between us and our client, or may be sourced via a counterparty or other third party. The order routing process will depend firstly on the execution factors. Further issues that may affect the order process are the following:

- (a) for bespoke, highly negotiated transactions or for those which may be original trading ideas or for which we have a duty of confidentiality to the originating firm, we will route such orders exclusively to the originating firm since there will be no other available market liquidity within a reasonable timeframe; and
- (b) for some more standardised products, we will usually select and price poll from a shortlist of counterparties identified by us to be among the most competitive in the field concerned.

5. Over-the-counter (“OTC”) derivative products

Over-the-counter (“OTC”) derivative products are derivatives that are not executed through an exchange or other intermediary. The terms and price are privately negotiated between two parties. The price we are able to provide you with is determined on pricing we are able to obtain from Barclays Investment Bank.

In certain circumstances for FX derivative products, depending on the specific product type and contracting parties, we may determine the price of the transactions we enter into with you based on pricing from non-Barclays FX counterparties.

6. Foreign Exchange (or “FX”)

Under normal market conditions and based on the consideration of the execution factors, Barclays Investment Bank is our primary FX counterparty and the pricing we are able to obtain from Barclays Investment Bank forms the basis of the price we are able to provide you with. Transactions entered into based on prices obtained from Barclays Investment Bank are subject to the same Best Execution criteria as trades done with any other counterparty.

We primarily execute transactions with Barclays Investment Bank using electronic trading tools but in the event that we cannot Execute electronically we will execute manually.

Part 4 – The Execution Venues and investment firms that we use

1. Regulated Markets

Regulated markets are subject to strict operating rules governed by the relevant regulatory body in each jurisdiction in which they operate. Execution via a regulated market occurs in line with the rules of each exchange which are designed to protect market participants.

We use many regulated markets to Execute client orders. However, we place significant reliance on the following regulated markets when we Execute deals on your behalf:

- London Stock Exchange – all markets (generally via our RSP model)
- New York Stock Exchange
- NASDAQ
- Euronext

We use many investment firms when we Arrange transactions. Details of investment firms we place significant reliance on when we Arrange transactions are set out in Part 5 below.

Multilateral Trading Facilities (MTFs)

MTFs are privately operated order matching systems which act in a similar way to an order driven market. Similar to regulated markets, these execution venues are subject to regulatory standards determined and governed, in jurisdictions subject to the legislative powers of the EU, by the requirements of the EU Markets in Financial Instruments Directive (MiFID), and in the UK, by the onshored UK MiFID framework.

We place reliance on the following MTFs when we Execute deals on your behalf:

- Market Axess
- Tradeweb
- Bloomberg
- FX All.

Organised Trading Facilities (OTFs)

An Organised Trading Facility (OTF) is a multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract. We will only Execute on an OTF if it is in your best interests to do so.

2. Trading bilaterally with other Regulated Firms

We may, where regulations permit, make use of the following forms of off-exchange trading when relevant to the service provided to our client:

- (a) Systematic Internalisers, being firms who routinely offer prices on listed investments outside of a regulated market or MTF;
- (b) Other authorised firms which trade in debt securities, and over the counter derivatives.

Off-exchange trading may be conducted with other firms, counterparties or with Barclays Investment Bank.

When transacting outside of a Regulated Market, MTF or OTF we will always consider the best interests of our clients when selecting the counterparty. Executing with a counterparty may create exposure to counterparty risk and, as such, our credit risk assessment of counterparties may have an impact on our selection of counterparty and strategy adopted for each trade.

3. Counterparties

We seek to ensure we have deep relationships with high quality counterparties with an aim of maximising execution quality in terms of price net of any related dealing costs. For example, for equities and debt securities we operate a counterparty panel which has been developed to provide sufficient competition across the assets dealt by our clients. In certain circumstances it may be necessary to transact with counterparties who do not feature on our counterparty panel. We will only do so when we reasonably believe it is necessary to transact in this way in order to achieve best execution.

Our approved counterparty panel is available in Part 5.

We will always make every effort to select execution venues to achieve best execution. This includes use of automated price polling mechanisms, utilisation of connected divisions such as Barclays Investment Bank and manual selection based on factors outlined in Part 2 (above) together with experience and expertise of our dealing teams.

Prior to being accepted onto our panel, all counterparties or venues used for Execution of orders must meet a set of minimum criteria. Counterparties and trading venues are reviewed on a regular basis throughout the year and will be subject to ongoing performance assessment based on quality of Execution and overall efficiency.

Part 5 – Counterparties

Our current approved counterparty panel is set out below; there may be changes to the panel from time to time.

Equities and ETFs

Barclays Investment Bank	Jefferies	Shore Capital
Berenberg	JP Morgan	Singer Capital Markets
Canaccord Genuity	Liberum Capital Ltd	Stifel Nicolaus Europe Limited
Cavendish Securities	Marex	Susquehanna
Flow Traders B.V.	Morgan Stanley	Virtu Financial
Goldman Sachs	Numis Securities Ltd	WH Ireland
Istinet	Optiver	Winterflood Securities
Investec	Panmure Gordon (UK) Ltd	Zeus Capital
J&E Davy	Peel Hunt LLP	
Jane Street Financial Ltd	Royal Bank of Canada	

Debt Securities

ANZ Bank	Flow Traders B.V.	Natwest
Banco Santander	Goldman Sachs	Nomura Securities
Bank of America Merrill Lynch	HSBC	Peel Hunt LLP
Barclays Investment Bank	ING	Royal Bank of Canada
BNP Paribas	Jane Street Financial Ltd	Toronto Dominion
Bridport	Jefferies	UBS
Canaccord Genuity	JP Morgan	Wells Fargo
Canadian Imperial Bank of Commerce	Lloyds	Winterflood Securities
Citigroup	MarketAxess	ZKB (Zurcher Kanonalbank)
Credit Agricole	Mizuho Securities	
Deutsche Zentral Genossenschaftsbank	Morgan Stanley	

Structured Products

Barclays Investment Bank	Goldman Sachs	Royal Bank of Canada
BNP Paribas	JP Morgan	Société Générale
CIBC	Morgan Stanley	UBS
Citigroup	Natixis	
Credit Agricole	Nomura	

Foreign Exchange

Our primary counterparty for Foreign Exchange spot and forward transactions is Barclays Investment Bank.

Over the Counter Derivatives

Barclays Investment Bank

Additionally, we may use the following counterparties to Execute orders for FX Derivative Products, depending on the specific product type and contracting parties.

Citigroup
UBS

We are committed to helping our clients and understand that at times, you may require additional support. If needed, we can provide this in braille, large print or audio. Please get in touch with your usual Barclays contact or use the details on the 'Contact Us' page of our website if you would like to discuss your circumstances or share feedback.

Barclays offers private and overseas banking, credit and investment solutions to its clients through Barclays Bank PLC and its subsidiary companies. Barclays Bank PLC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services Register No. 122702) and is a member of the London Stock Exchange and Aquis. Registered in England. Registered No. 1026167. Registered Office: 1 Churchill Place, London E14 5HP. Barclays Bank PLC, Jersey Branch has its principal business address in Jersey at 13 Library Place, St Helier, Jersey and is regulated by the Jersey Financial Services Commission. Barclays Bank PLC, Isle of Man Branch has its principal business address in the Isle of Man at Eagle Court, 25 Circular Road, Douglas, Isle of Man and is licensed by the Isle of Man Financial Services Authority. Barclays Bank PLC, Guernsey Branch has its principal place of business at St Julian's Court, St Julian's Avenue, St Peter Port, Guernsey, and is licensed by the Guernsey Financial Services Commission for Banking, Lending, Credit & Finance and Investment Business.