

# INFORMATION ON THE IDENTITY OF EXECUTION VENUES AND ON THE QUALITY OF EXECUTION (RTS 28)

Union Bancaire Privée, UBP SA, London Branch, Asset Management division

2020

## Top execution venues

### (a) Equities – Shares & Depositary Receipts

#### More than 1 average trade per business day in the previous year

Traded via brokers

(i) Tick size liquidity bands 5 and 6 (from 2000 trades per day)

Average volume	More than 1 average trade per business day in the previous year		
Top execution brokers	Proportion of total volume traded	Proportion of total executed orders	LEI
UBS EUROPE	37%	59.21%	5299007QVIQ7I064NX37
Morgan Stanley and Co International	13%	3.65%	4PQUHN3JPGFNF38B653
Kepler Equities SA, Paris	11%	6.92%	9695005E0ZG9X8IRJD84
GOLDMAN SACHS INTERNATIONAL	9%	5.54%	W22LROWP2IHZNBB6K528
ITG Europe Ltd, London	8%	7.71%	213800EEC95PRUCEUP63

(ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)

Average volume	More than 1 average trade per business day in the previous year		
Top execution brokers	Proportion of total volume traded	Proportion of total executed orders	LEI
UBS EUROPE	24%	37.35%	5299007QVIQ7I064NX37
ITG Europe Ltd, London	16%	15.02%	213800EEC95PRUCEUP63
GOLDMAN SACHS INTERNATIONAL	11%	10.28%	W22LROWP2IHZNBB6K528
Morgan Stanley and Co International	11%	2.44%	4PQUHN3JPGFNF38B653
Kepler Equities SA, Paris	9%	11.10%	9695005E0ZG9X8IRJD84

(iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)

Average volume	More than 1 average trade per business day in the previous year		
Top execution brokers	Proportion of total volume traded	Proportion of total executed orders	LEI
Morgan Stanley and Co International	32%	18.98%	4PQUHN3JPGFNF38B653
UBS EUROPE	28%	25.81%	5299007QVIQ7I064NX37
BNP Paribas Securities Asia Ltd	7%	3.65%	213800DJA42R21F9J77
Renaissance Capital	5%	10.48%	213800RZ3GCUXMBGYN59
Kepler Equities SA, Paris	4%	4.29%	9695005E0ZG9X8IRJD84

### (b) Debt instruments

(i) Bonds Average volume

#### More than 1 average trade per business day in the previous year

Traded via brokers

Top execution brokers	Proportion of total volume traded	Proportion of total executed orders	LEI
Jefferies International Limited	17.69%	17.88%	S5THZMDUJCTQ2BTRV198
Citigroup Global Markets Ltd	15.98%	13.74%	XKZZ2JZF41MRHTR1V493
BARCLAYS BANK PLC	8.78%	8.44%	G5GSEF7VJPS17OLUK5573
JP MORGAN SECURITIES PLC	8.19%	6.62%	K6QOW1P51L104IQL9C32
ICBC ASIA LTD	8.06%	4.97%	F01VVKN4DRF2NWKQG283

Traded on venue directly

No trade

Traded on MTFs

No trade

(ii) Money markets instruments - Traded via brokers

No trade

### (c) Interest rates derivatives

(i) Futures and options admitted to trading on a trading venue

No trade

(ii) Swaps, forwards, and other interest rates derivatives

No trade

### (d) Credit derivatives

No trade

(e) Currency derivatives

(i) Futures and options admitted to trading on a trading venue No trade

(ii) Swaps, forwards, and other currency derivatives

Average volume	Less than 1 average trade per business day in the previous year		
	Proportion of total volume traded	Proportion of total executed orders	LEI
Top execution brokers			
Pictet & Cie, Geneva	62%	43%	4LCYDN74UCFU5VPM4774
JP Morgan Securities PLC	31%	45%	K6Q0W1PS1L1O4IQL9C32
BBH	4%	11%	5493006KMX1VFTPYPW14
Union Bancaire Privée (Europe) S.A	3%	2%	5493003RJ3TPV33W0108

(f) Structured finance instruments

No trade

(g) Equity derivatives

Less than 1 average trade per business day in the previous year

Top execution brokers	Proportion of total volume traded	Proportion of total executed orders	LEI
Morgan Stanley & Co. International PLC	100%	100%	4LCYDN74UCFU5VPM4774

(h) Securitized derivatives

No trade

(ii) Other securitized derivatives

No trade

(i) Commodities derivatives and emission allowances Derivatives

(i) Options and Futures admitted to trading on a trading venue - Traded via brokers No trade  
(ii) Other commodities derivatives and emission allowances derivatives No trade

(j) Contracts for difference

No trade

(k) Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)

Traded via brokers No trade  
Traded on venue directly No trade

(l) Emission allowances

No trade

(m) Other instruments

No trade

**Summary of the analysis and conclusions drawn from detailed monitoring of the quality of execution obtained on the execution venues where client orders were executed in the previous year**

(a) Equities – Shares & Depositary Receipts

**(a) 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**

In order to assess the quality of execution for European equities, the Compliance functions focus on the price by comparing the price of execution against participation weighted average price on the market.

For emerging market equities, the VWAP is used to assess best execution due to the inherent volatility on that market.

**(b) Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders**

UBP SA has a participation of 1.22% in SIX group AG, the Swiss stock exchange. UBP SA has no conflicts of interests or common ownerships with respect to any execution venues used to execute equity orders.

**(c) Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received**

There are no specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received for the trading of equity instruments

**(d) Factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred**

UBP has a detailed internal process for validating and modifying its authorised third party broker list. The UBP Bank and Broker Committee is responsible at Group level for validating and maintaining the authorised broker list. UBP will obtain assurance by means of execution arrangements from the authorised third party brokers that they have procedures in place equal to the ones adopted and implemented by UBP. UBP also ensures the ongoing monitoring and oversight of these third party brokers.

UBP considers the following as the most important factors when selecting a third party broker:

1. Size, creditworthiness and reputation of the broker (company rating);
2. A well established reputation in relation to a particular market or industry sector;
3. Clearance and settlement capabilities (such as the ability to settle DVP);
4. Access to markets and distribution networks; and
5. Availability and effectiveness of algorithmic trading strategies (Note: this is only relevant when considering an electronic trading relationship)
6. This list shall be completed with qualitative factors such as clearing schemes, circuit breakers, scheduled actions, or any other relevant consideration, and the relative importance of each factor.

**(e) How order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements**

UBP SA London Branch focuses on the price of execution for all of its clients, including retail clients.

**(f) Other criteria that 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**

In specific situations other criteria can take precedence over price, such as the characteristics of the order (e.g., limit orders), volume, or the probability of settlement.

**(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 (RTS27)**

For the year 2020, the Bank used Transaction Cost Analysis reports of brokers to corroborate the qualitative assessment of best selection by its internal clients. In addition the Bank has computed the average difference between the price of execution and the Bloomberg benchmark, weighted by the trade value, as a quantitative indicator of best selection.

**(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**  
For the year 2020, the Bank used no data from consolidated tape providers established under Article 65 of Directive 2014/65/EU.

(b) Debt instruments

**(a) 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**

For fixed income trading, the explicit cost of execution is included in the price executed via a spread that is not public. Trading costs and fees are determined by the liquidity of the security influencing the size of the spread.

In order to assess the quality of execution, Compliance checks whether three different prices were considered before deciding which broker would execute the transaction. If less than 3 prices were available, Compliance checks if the price of execution is in line with CBBT considering the size of the order versus the volume available on the market.

**(b) Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders**

UBP SA has no conflicts of interests or common ownerships with respect to any execution venues used to execute fixed income orders.

**(c) Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received**

There are no specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received for the trading of debt instruments

**(d) Factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred**

UBP has a detailed internal process for validating and modifying its authorised third party broker list. The UBP Bank and Broker Committee is responsible at Group level for validating and maintaining the authorised broker list. UBP will obtain assurance by means of execution arrangements from the authorised third party brokers that they have procedures in place equal to the ones adopted and implemented by UBP. UBP also ensures the ongoing monitoring and oversight of these third party brokers.

UBP considers the following as the most important factors when selecting a third party broker:

1. Size, creditworthiness and reputation of the broker (company rating);
  2. A well established reputation in relation to a particular market or industry sector;
  3. Clearance and settlement capabilities (such as the ability to settle DVP);
  4. Access to markets and distribution networks; and
  5. Availability and effectiveness of algorithmic trading strategies (Note: this is only relevant when considering an electronic trading relationship)
6. This list shall be completed with qualitative factors such as clearing schemes, circuit breakers, scheduled actions, or any other relevant consideration, and the relative importance of each factor.

**(e) How order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements**

UBP SA London Branch focuses on the price of execution for all of its clients, including retail clients.

**(f) Other criteria that 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**

In specific situations other criteria can take precedence over price, such as volume or the probability of settlement (in case of illiquid instruments).

**(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**

For the year 2020, the Bank relied on the qualitative assessment made by its internal clients to assess best selection.

**(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**

For the year 2020, the Bank used no data from consolidated tape providers established under Article 65 of Directive 2014/65/EU.

(c) Interest rates derivatives

- |  |          |
|--|----------|
| (i) Futures and options admitted to trading on a trading venue | No trade |
| (ii) Swaps, forwards, and other interest rates derivatives     | No trade |

(d) Credit derivatives

No trade

(e) Currency derivatives

- |  |          |
|--|----------|
| (i) Futures and options admitted to trading on a trading venue | No trade |
| (ii) Swaps, forwards, and other currency derivatives           | No trade |

**(a) 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**

For swaps and forwards, UBP sought primarily to minimize operational risk in order execution.

**(b) Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders**

UBP SA is facing its clients for all swap and forward transactions (no execution venue involved)

**(c) Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received**

Not relevant as there are no execution venues involved for those transactions

**(d) Factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred**

There were no changes in the list of brokers used to execute currency derivative transactions in 2020.

**(e) How order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements**

Order execution does not differ according to client categorization.

**(f) Other criteria that 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**

UBP sought primarily to minimize operational risk in order execution for swaps and forwards.

**(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**

For the year 2020, the Bank relied on the qualitative assessment made by its internal clients to assess best selection.

**(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**

For the year 2020, the Bank used no data from consolidated tape providers established under Article 65 of Directive 2014/65/EU.

(f) Structured finance instruments

No trade

(g) Equity derivatives

**(a) 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**

UBP SA decided to allocate all its transactions on equity derivatives to UBS as of December 2018, based on the quality of its operational set-up. The first criteria to assess best execution remains price as UBS gives UBP SA an access to all the quotes available on the market and the bank selects the best price available.

**(b) Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders**

UBP SA has no closed links, conflict of interests or common ownerships with respect to any execution venues used to execute equity derivatives.

**(c) Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received**

There are no specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received for the trading of equity derivatives.

**(d) Factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred**

There were no changes in the list of execution venues used for equity derivative transactions in 2020

**(e) How order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements**

UBP Europe focuses on the price of execution for all of his clients, including retail clients.

**(f) Other criteria that 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**

Price availability and operational risk were the two factors used to select executing brokers enabling UBP SA to deal in equity derivatives.

**(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**

For the year 2020, the Bank relied on the qualitative assessment made by its internal clients to assess best selection.

**(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**

For the year 2020, the Bank used no data from consolidated tape providers established under Article 65 of Directive 2014/65/EU.

(h) Securitized derivatives	No trade
(i) Commodities derivatives and emission allowances Derivatives	No trade
(j) Contracts for difference	No trade
(k) Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)	No trade
(l) Emission allowances	No trade
(m) Other instruments	No trade