

# RTS 28 Disclosure: MiFID II Execution Venue Disclosure – 2019

Devon Equity Management (“Devon”, “the firm”) is a registered trading name of Devon Equity Management Limited, a company authorised and regulated by the FCA (FRN 841960).

The firm is required, on an annual basis, to publish qualitative and quantitative information in relation to its client orders executed on trading venues, systematic internalisers, market makers or other liquidity providers or such entities.

Devon only executes client orders with its approved brokers (“brokers” or “execution venue”). The firm is required to publish the top five execution venues in terms of trading volume and number of trades per class of financial instruments on an annual basis.

Set out below is a summary of the analysis and conclusions drawn from its monitoring of the quality of execution obtained from its brokers. This report has been prepared by Devon for the period ending 31 December 2019 (the “Reporting Period”).

## Classes of Financial Instruments

There are thirteen classes of financial instruments, listed below, which the firm is technically required to report on:

- Equities
- Debt Instruments
- Interest Rate Derivatives
- Credit Derivatives
- Currency Derivatives
- Structured Finance Instruments
- Equity Derivatives
- Securitised Derivatives
- Commodities Derivatives and Emission Allowance Derivatives
- Contracts for Difference
- Exchange Traded Products
- Emission Allowances
- Other Instruments

It should be noted that during the Reporting Period, Devon did not trade in all of the above financial instruments, resulting in Devon only reporting on one class of financial instruments:

- Equities

## Qualitative Analysis of Execution

Qualitative information below is provided on a consolidated basis for all classes of financial instruments since there are no differences in execution methods and strategies depending on the nature of the instrument.

### Execution Factors

**Under RTS 28, the firm must provide an explanation of the relative importance it 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 accordance with Devon's Best Execution and Order Handling Policy, the firm considers various criteria to determine the relative importance of the execution factors.

For all financial instruments set out below, the firm places the highest importance on price and costs associated with execution. In addition to price and cost, Devon considers other factors (when deemed to deliver the best possible result):

- Likelihood of execution and settlement
- Speed of execution
- Size and nature of order
- Market impact
- Any other consideration relevant to the execution of an order

### Close Links and Conflicts

**Under RTS 28, the firm must provide a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders**

Devon does not trade with any affiliated entities. The firm has no close links or ownership in any of the execution venues. No conflicts of interest have been identified.

### Inducements and Specific Arrangements

**Under RTS 28, the firm must provide a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received**

Devon does not receive any payments, discounts, rebates or non-monetary benefits as a consequence of our trading relationships, except for minor non-monetary benefits as allowed by the FCA.

## Change in the List of Execution Venues

**Under RTS 28, the firm must provide 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.**

During the reporting period, Devon added four new venues. This was to increase the diversity of execution venues available to the firm since the firm's inception. Every counterparty must undergo a thorough assessment to ascertain whether they meet the criteria for approval, using both quantitative and qualitative data, and will be subject to ongoing monitoring.

## Client Categories

**Under RTS 28, the firm must provide an explanation of 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.**

Devon only deals with Professional Clients. There is no difference in the execution received.

## Retail Client Orders

**Under RTS 28, the firm must provide 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**

Devon only deals with professional clients and has no retail clients.

## RTS 27

**Under RTS 28, the firm must provide an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27**

To assist in measuring best execution, Devon uses independent Transaction Cost Analysis (TCA) reports and data, along with in-house data from other independent sources. The firm may utilise data published by its execution venues under RTS 27 to contribute to this measurement of best execution. Devon's Compliance team monitors the effectiveness of the execution arrangements.

## Consolidated Tape Provider

**Under RTS 28, the firm must provide, where applicable, an explanation of how the firm has used output of a consolidated tape provider which will allow for the development of enhanced measures of execution quality or any other algorithms used to optimise and assess execution performances (if applicable)**

Devon does not use a consolidated tape provider.

## Quantitative Information of Top Execution Venues

### Financial Instrument - Equity

Class of Instrument	Equities – Shares & Depository Receipts: Tick size liquidity band 3 and 4* (from 80-1999 trades per day)				
Notification if <1 average trade per business day in the previous year	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 a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Redburn (Europe) Limited LEI 213800PKEJQZQXQCOJ04	74.898	88.4615	8.6956	91.3043	0
JP Morgan Securities Plc LEI K6Q0W1PS1L1O4IQL9C32	25.102	11.5385	0	100	0

*\*Please note that liquidity bands 1 and 2 are not in scope for Devon trading activity in the reporting period.*

Class of Instrument	Equities – Shares & Depository Receipts: Tick size liquidity band 5 and 6 (from 2000 trades per day)				
Notification if <1 average trade per business day in the previous year	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 a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs International LEI W22LROWP2IHZNBB6K528	59.7024	55.8876	37.7540	62.2459	0
JP Morgan Securities Plc LEI K6Q0W1PS1L1O4IQL9C32	36.4556	38.4340	43.0793	56.9206	0
Citigroup Global Markets Limited LEI XKZ2ZJZF41MRHTR1V493	3.8420	5.6784	63.1578	36.8421	0

## Definitions

(a) "Passive order" means an order entered into the order book that provided liquidity.

(b) "Aggressive order" means an order entered into the order book that took liquidity.

(c) "Directed order" means an order where a specific execution venue was specified by the client prior to the execution of the order.

Orders for which no market data was available cannot be classified as either 'passive' or 'aggressive' so these percentages may not add up to 100%