

# MiFID II Execution Venue Disclosure – 2020

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.

When carrying out client transactions, Devon considers its orders to be “placed” with brokers rather than “executed” directly with the underlying exchange or venue. Consequently, Devon defines the top execution venues as the counterparties with which Devon’s orders are placed. Devon only places client orders with its approved brokers (“brokers” or “counterparties”).

The firm is required to publish these 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 Devon’s monitoring of the quality of execution obtained from its brokers. This report has been prepared by the firm for the period between 1<sup>st</sup> January 2020 and 31<sup>st</sup> December 2020 (the “Reporting Period”).

## Classes of Financial Instruments

Devon has permission to trade the thirteen classes of financial instrument below.

- 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

However, during the Reporting Period Devon only traded equities and consequently was required to only report on this asset class.

## 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 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 18 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

Devon only trades equity instruments. The tables below have been separated into groups representing different liquidity bands.

Transaction: Order Placement

Client Type: Professional

Financial Instrument - Equity

| Class of Instrument   | Equities - Shares and Depositary Receipts: Tick size liquidity bands 1 and 2 (from 0 to 79 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 Ltd<br>213800PKEJQZQXQCOJ04                                      | 45.28  | 63.45  | 53.44                        | 46.56                           | 0                             |
| Liberum Capital<br>213800U6KUF87S1KCC03   | 10.25  | 17.81  | 22.89                        | 77.11                           | 0                             |
| JP Morgan Securities<br>K6Q0W1PS1L1O4IQL9C32                                    | 6.86   | 8.87   | 32.21                        | 67.78                           | 0                             |
| Peel Hunt LLP<br>5493007DWN0R4YBM4C84   | 6.76   | 1.28   | 68.83                        | 31.16                           | 0                             |
| Liquidnet Europe<br>213800ZIRB79BE5XQM68  | 5.85   | 0.05   | 0                            | 100                             | 0                             |

Transaction: Order Placement

Client Type: Professional

Financial Instrument - Equity

| Class of Instrument   | Equities – Shares & Depositary 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 |
| Kepler Cheuvreux<br>9695005EOZG9X8IRJD84  | 37.62   | 40.93  | 57.80                        | 42.20                           | 0                             |
| Redburn Europe Ltd<br>213800PKEJQZQXQCOJ04                                      | 22.08   | 21.96  | 49.28                        | 50.72                           | 0                             |
| JP Morgan Securities<br>K6Q0W1PS1L1O4IQL9C32                                    | 15.14   | 14.70  | 40.96                        | 59.03                           | 0                             |
| GS International Securities<br>W22LROWP2IHZNBB6K528                             | 8.12  | 8.58   | 61.05                        | 38.95                           | 0                             |
| Liquidnet Europe<br>213800ZIRB79BE5XQM68  | 5.11  | 0.02   | 0                            | 100                             | 0                             |

Transaction: Order Placement

Client Type: Professional

Financial Instrument - Equity

| Class of Instrument   | Equities – Shares & Depositary 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 |
| GS International Securities<br>W22LROWP2IHZNBB6K528                             | 27.30  | 31.62  | 49.73                        | 50.27                           | 0                             |
| JP Morgan Securities<br>K6Q0W1PS1L1O4IQL9C32                                    | 24.10  | 22.10  | 45.32                        | 54.68                           | 0                             |
| Redburn Europe Ltd<br>213800PKEJQZQXCOJ04                                       | 14.54  | 11.96  | 52.13                        | 47.87                           | 0                             |
| Kepler Cheuvreux<br>9695005EOZG9X8IRJD84  | 7.91   | 12.80  | 61.43                        | 38.56                           | 0                             |
| BTIG Ltd<br>213800YZXS7U4QZP6441  | 7.35   | 3.97   | 69.97                        | 30.03                           | 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%