

Barclays Investment Solutions Limited: Smart Investor

Top 5 Execution Venues 2019

Part 1 – Top 5 Execution Venue Reporting

Following implementation of the Markets in Financial Instruments Directive (MiFID II) in 2018, investment firms are required to publish their Top 5 Execution Venues in terms of trading volumes (value of trades) and number of trades per Class of Financial Instruments on an annual basis. There are thirteen Classes of Financial Instruments, listed below. It should be noted that Barclays Investment Solutions does not trade in all of these resulting in fewer than 13 reports.

This report sets out the Top 5 Execution Venues for Smart Investor, which acts as a business unit of Barclays Investment Solutions Limited. As part of the regulatory requirements of Top 5 Execution Venue reporting, Barclays Investment Solutions Limited shall publish an aggregated summary of this information, which is available on the Barclays Website

Classes of Financial Instruments:

- | | | |
|------------------------------|-----------------------------------|-----------------------------|
| a) Equities | f) Structured Finance Derivatives | k) Exchange traded Products |
| b) Debt Instruments | g) Equity Derivatives | l) Emission Allowances |
| c) Interest Rate Derivatives | h) Securitised Derivatives | m) Other Instrument |
| d) Credit Derivatives | i) Commodities Derivatives | |
| e) Currency Derivatives | j) Contracts for difference | |

An important distinction needs to be made when it comes to this annual Top 5 report. Barclays Investment Solutions will make separation based on whether they execute the order directly ('Execute') or if they transmit the order for execution to another investment firm referred to in this report as the Receipt and Transmission of Orders ("RTO"). If an investment firm provides both services, MiFID II requires investment firms to publish a separate Top 5 report for each. Adding a further dimension to the Top 5 report on Execution Venues, separate reports have to be made depending on whether the execution venues were used for:

- Professional Client Orders
- Retail Client Orders.

Barclays Smart Investor is a platform for retail clients only, hence there are no professional orders relevant to this business.

Top 5 reports will display the Execution Venue name, the information on the total volume (value of trades) and the number of trades as a percentage of all Client Orders executed on that Execution Venue in that Class of Financial Instrument, as well as a confirmation of whether Barclays Investment Solutions has executed an average of less than one trade per business day in the previous year in that Class of Financial Instrument.

For the reports regarding Professional and Retail Client Orders, additional content needs to be provided:

- Class of Financial Instrument covered
- Percentage of Passive and Aggressive Orders
- Percentage of Directed Orders.

A Passive Order is characterised as an order that is entered into the order book of a trading venue and provides liquidity, whereas an Aggressive Order is defined as an order that is entered into the order book of a trading venue and removes liquidity.

The conditions of a Directed Order are met, when a specific Execution Venue was specified by the client prior to the execution of the order. Note that the number of Directed Orders carried out are very small, and would make no material difference to the reports, therefore, as last year, they have not been included in the overall figures.

Part 2 – Smart Investor Execution Information by Asset Class

A – Equities and Exchange Traded Instruments

Class of Financial Instrument:	Equities
MiFID II Client Classification:	Retail
Order Transmission Type:	Receipt and Transmission of Orders
Liquidity Band:	1&2
Notification if <1 average trade per business day for the period 2019	No

Top 5 Execution Venues ranked in terms of trading volumes	Proportion of Volume traded as a% of total in that class	Proportion of Orders executed as% of total in that class	% of Passive Orders	% of Aggressive Orders
BARCLAYS INVESTMENT BANK (BCSI/ G5GSEF7VJP5I7OUK5573)	80.25 %	97.93 %	0.00 %	87.97 %
LONDON STOCK EXCHANGE – AIM (AIMX)	13.41 %	1.76 %	0.00 %	0.00 %
LONDON STOCK EXCHANGE (XLON)	6.32 %	0.24 %	0.00 %	0.00 %
NEX – TRADING (SECONDARY MARKET) – EQUITY (NEXT)	0.01 %	0.07 %	0.00 %	0.00 %

Class of Financial Instrument:	Equities
MiFID II Client Classification:	Retail
Order Transmission Type:	EXECUTE
Liquidity Band:	1&2
Notification if <1 average trade per business day for the period 2019	No

Top 5 Execution Venues ranked in terms of trading volumes	Proportion of Volume traded as a% of total in that class	Proportion of Orders executed as% of total in that class	% of Passive Orders	% of Aggressive Orders
LONDON STOCK EXCHANGE – AIM (AIMX)	58.36 %	62.50 %	0.00 %	0.00 %
LONDON STOCK EXCHANGE (XLON)	31.96 %	26.15 %	0.00 %	0.00 %
NEX – TRADING (SECONDARY MARKET) – EQUITY (NEXT)	9.33 %	10.72 %	0.00 %	0.00 %
NEX – GROWTH MARKET – EQUITY (NEXG)	0.19 %	0.50 %	0.00 %	0.00 %
LONDON STOCK EXCHANGE MTF (XLOM)	0.15 %	0.12 %	0.00 %	0.00 %

Class of Financial Instrument:	Equities
MiFID II Client Classification:	Retail
Order Transmission Type:	Receipt and Transmission of Orders
Liquidity Band:	3&4
Notification if <1 average trade per business day for the period 2019	No

Top 5 Execution Venues ranked in terms of trading volumes	Proportion of Volume traded as a% of total in that class	Proportion of Orders executed as% of total in that class	% of Passive Orders	% of Aggressive Orders
BARCLAYS INVESTMENT BANK (BCSI/ G5GSEF7VJP5I7OUK5573)	82.16 %	98.92 %	0.00 %	94.53 %
LONDON STOCK EXCHANGE (XLON)	14.99 %	0.43 %	0.00 %	0.00 %
LONDON STOCK EXCHANGE – AIM (AIMX)	2.61 %	0.62 %	0.00 %	0.00 %
NEX – TRADING (SECONDARY MARKET) – EQUITY (NEXT)	0.24 %	0.03 %	0.00 %	0.00 %

Class of Financial Instrument:	Equities
MiFID II Client Classification:	Retail
Order Transmission Type:	EXECUTE
Liquidity Band:	3&4
Notification if <1 average trade per business day for the period 2019	No

Top 5 Execution Venues ranked in terms of trading volumes	Proportion of Volume traded as a% of total in that class	Proportion of Orders executed as% of total in that class	% of Passive Orders	% of Aggressive Orders
LONDON STOCK EXCHANGE (XLON)	75.10 %	71.32 %	0.00 %	0.00 %
LONDON STOCK EXCHANGE – AIM (AIMX)	17.51 %	20.38 %	0.00 %	0.00 %
NEX – TRADING (SECONDARY MARKET) – EQUITY (NEXT)	7.37 %	8.19 %	0.00 %	0.00 %
LONDON STOCK EXCHANGE MTF (XLOM)	0.01 %	0.12 %	0.00 %	0.00 %

Class of Financial Instrument:	Equities
MiFID II Client Classification:	Retail
Order Transmission Type:	Receipt and Transmission of Orders
Liquidity Band:	5&6
Notification if <1 average trade per business day for the period 2019	No

Top 5 Execution Venues ranked in terms of trading volumes	Proportion of Volume traded as a% of total in that class	Proportion of Orders executed as% of total in that class	% of Passive Orders	% of Aggressive Orders
BARCLAYS INVESTMENT BANK (BCSI/ G5GSEF7VJP5I7OUK5573)	89.52 %	54.01 %	0.00 %	95.32 %
LONDON STOCK EXCHANGE (XLON)	9.62 %	40.76 %	0.00 %	0.00 %
PEEL HUNT (5493007DWN0R4YBM4C84)	0.57 %	5.22 %	0.00 %	0.00 %
LONDON STOCK EXCHANGE – AIM (AIMX)	0.29 %	0.01 %	0.00 %	0.00 %

Class of Financial Instrument:	Equities
MiFID II Client Classification:	Retail
Order Transmission Type:	EXECUTE
Liquidity Band:	5&6
Notification if <1 average trade per business day for the period 2019	No

Top 5 Execution Venues ranked in terms of trading volumes	Proportion of Volume traded as a% of total in that class	Proportion of Orders executed as% of total in that class	% of Passive Orders	% of Aggressive Orders
LONDON STOCK EXCHANGE (XLON)	95.90 %	95.86 %	0.00 %	0.00 %
LONDON STOCK EXCHANGE – AIM (AIMX)	3.25 %	3.50 %	0.00 %	0.00 %
NEX – TRADING (SECONDARY MARKET) – EQUITY (NEXT)	0.80 %	0.58 %	0.00 %	0.00 %
LONDON STOCK EXCHANGE MTF (XLOM)	0.05 %	0.06 %	0.00 %	0.00 %

Class of Financial Instrument:	Exchange Traded Products
MiFID II Client Classification:	Retail
Order Transmission Type:	Receipt and Transmission of Orders
Notification if <1 average trade per business day for the period 2019	No

Top 5 Execution Venues ranked in terms of trading volumes	Proportion of Volume traded as a% of total in that class	Proportion of Orders executed as% of total in that class	% of Passive Orders	% of Aggressive Orders
BARCLAYS INVESTMENT BANK (BCSI/ G5GSEF7VJP5I7OUK5573)	94.17 %	99.92 %	0.00 %	91.85 %
NEX – TRADING (SECONDARY MARKET) – NON-EQUITY (NEXN)	4.29 %	0.05 %	0.00 %	0.00 %
LONDON STOCK EXCHANGE (XLON)	1.54 %	0.03 %	0.00 %	0.00 %

Class of Financial Instrument:	Exchange Traded Products
MiFID II Client Classification:	Retail
Order Transmission Type:	EXECUTE
Notification if <1 average trade per business day for the period 2019	No

Top 5 Execution Venues ranked in terms of trading volumes	Proportion of Volume traded as a% of total in that class	Proportion of Orders executed as% of total in that class	% of Passive Orders	% of Aggressive Orders
LONDON STOCK EXCHANGE (XLON)	80.42 %	82.34 %	0.00 %	0.00 %
NEX – TRADING (SECONDARY MARKET) – NON-EQUITY (NEXN)	10.36 %	9.95 %	0.00 %	0.00 %
BLOOMBERG (BMTF)	4.80 %	0.06 %	0.00 %	0.00 %
NEX – TRADING (SECONDARY MARKET) – EQUITY (NEXT)	4.38 %	7.62 %	0.00 %	0.00 %

Due to the high availability of liquidity across a number of different venues and the availability of in depth price discovery, we place the highest importance on price and then costs associated with execution referred to as Total Consideration.

Other execution factors can also be considered (when deemed to deliver the best possible result):

1. Speed of Execution
2. Likelihood of Execution and Settlement
3. Size and Nature of order
4. Market Impact
5. Any Other Implicit Transaction Costs

UK Equities

A two tier price discovery model provides access to Retail Service Providers (RSPs) and trading venues. As a firm, Barclays Investment Solutions utilises the execution capability of Barclays Investment Bank Smart Order Router (SOR) technology in addition to the RSP model to source the best available price. Trades are executed on a venue (via the SOR) having firstly attempted to source the best available RSP price and as such we do not consider this trading model to be a conflict of interest. For trades that are unable to be executed automatically, a Dealer will perform a manual price discovery search.

Equities are categorised into Liquidity Bands. The Liquidity Bands are also defined by regulations. It is possible different shares can move from Band to Band from year to year however not during the year.

Liquidity Band 1 and 2 – where the instruments in question average between 0 and 79 trades per day across all venues;

Liquidity Band 3 and 4 – where the instruments in question average between 80 and 1,999 trades per day across all venues;

Liquidity Band 5 and 6 – where the instruments in question average over 2,000 trades per day across all venues.

Non UK Equities

For International Equity orders, Barclays Investment Bank is one of a number of approved counterparties that we execute trades with as part of an open architecture trading model. We do not consider this execution model to be a conflict of interest as it is subject to the same Best Execution rules as all other venues and counterparties.

For trades where we execute as a member of an underlying exchange or venue we do not pay any execution fees although where applicable we do pay membership fees directly to the relevant exchange or venue. For trades where we are not a member we will pay execution fees to the counterparty we select to execute trades on our behalf.

Our Execution Policy applies the same Best Execution standards to all categorisation of clients.

If we receive any Directed Orders from clients we will execute the order in accordance with the instruction provided.

Execution quality is a key component that is considered as part of the review of counterparty performance carried out at least annually by a Dealing Counterparty meeting. This meeting oversees the onboarding and removal of counterparties and over the last 12 months we onboarded two new counterparties to further enhance our price discovery model in UK Equity quote driven stocks. In addition, in Q4, Barclays Investment Bank rolled out enhancements to their Smart Order Router (SOR) technology for UK Equities. Finally, we removed counterparties who are unable to continue to deliver the execution quality we require.

Exchange Traded Products

In addition, in terms of Exchange Traded Funds (ETFs), trades will be executed through a counterparty (either directly into the market or via an algorithm or MTF) where there is deemed sufficient liquidity for trade execution. We are members of the Bloomberg MTF. Where the size of the trade is deemed too large to trade through a counterparty or venue, then we will execute on a request for quote basis to determine the most competitive overall pricing for each order to be executed. ETFs can also be executed within the model described for UK Equities.

Post trade Execution Monitoring

Post-trade monitoring is carried out by an independent team using a third-party data provider to review execution quality. This involves sourcing benchmark information from a range of venues to compare against the execution price achieved. This process ensures that our choice of counterparties and venues consistently meets the high standards expected.

B – Debt Instruments

Class of Financial Instrument:	Debt Instruments
MiFID II Client Classification:	Retail
Order Transmission Type:	EXECUTE
Notification if <1 average trade per business day for the period 2019	No

Top 5 Execution Venues ranked in terms of trading volumes	Proportion of Volume traded as a% of total in that class	Proportion of Orders executed as% of total in that class	% of Passive Orders	% of Aggressive Orders
TRADEWEB (TREU)	65.75 %	46.26 %	0.00 %	0.00 %
BLOOMBERG (BMTF)	32.75 %	46.61 %	0.00 %	0.00 %
LONDON STOCK EXCHANGE (XLON)	1.20 %	6.86 %	0.00 %	0.00 %
MARKET AXESS (MAEL)	0.25 %	0.19 %	0.00 %	0.00 %

Debt Instrument figures are inclusive primarily of Fixed Income trades. Barclays Investment Solutions Limited ensures it considers the following during the execution process:

1. Price
2. Likelihood of Execution and Settlement
3. Speed of Execution
4. Size and Nature of order
5. Costs

Due to the large variance in liquidity across Fixed Income, it is sometimes necessary in the illiquid markets to place the highest priority on likelihood of execution and settlement. It would be difficult to suggest that this comes at the expense of price as price discovery is incomplete which limits choice. Within the Fixed Income space, execution costs are almost entirely standardised and so that is unlikely to be considered high priority.

The Fixed Income model operates on a request for quote basis to determine the most competitive overall pricing for the size of each order to be executed.

Barclays Investment Bank is one of a number of approved counterparties that we execute trades with as part of an open architecture trading model. We do not consider the use of Barclays Investment Bank for Fixed Income execution to be a conflict of interest due to the nature of the request for quote model and they are subject to the same Best Execution rules as all other venues and counterparties.

There are no specific arrangements concerning rebates or non-monetary benefits with any current execution venues.

We are members of the following MTFs – Bloomberg, Tradeweb and MarketAxess.

Our Execution Policy applies the same Best Execution standards to all categorisation of clients. If we receive any Directed Orders from clients we will execute the order in accordance with the instruction provided.

Execution quality is a key component that is considered as part of the review of counterparty performance carried out at least annually by a Dealing Counterparty meeting. This meeting oversees the onboarding and removal of counterparties. In the last 12 months we added a new Fixed Income counterparty to broaden our coverage in corporate bonds.

Post trade monitoring is carried out by an independent team using a third party data provider to review execution quality. This involves sourcing benchmark information from a range of venues to compare against the execution price achieved. This process ensures that our choice of counterparties and venues consistently meets the high standards expected.