Financial Administration Services Limited

Best Execution Disclosures 2019

F Fidelity ™
INTERNATIONAL

Contents

1.   Introduction

Fidelity International's retail investment platform is operated by Financial Administration Services Limited ("FASL"), a regulated subsidiary entity within the Fidelity International group. This document provides readers with an overview of FASL's retail Best Execution policy procedures as well as the required disclosures under MiFID II on execution quality (RTS 28).

When executing orders on behalf of both retail and professional clients, we take all sufficient steps to obtain the best possible result for our clients taking into account the following execution factors:

- • the price of the investment

- • the costs related to execution

- • the speed of execution

- • the likelihood of execution and settlement

- • the size of the order

- • the nature of the order and

- • any other consideration relevant to the execution of the order

In the majority of circumstances, we will give the highest degree of importance to achieving the best possible overall price for client orders, taking into account any associated costs and charges.

In some other circumstances, for some clients, orders, investments or markets, we may determine that other execution factors are more important than the overall price in obtaining the best possible execution result. In determining the relevant importance of the execution factors, we consider the characteristics of:

- • the client (including the categorisation of the client as retail or professional)

- • the client order

- • the Investments that are the subject of that order

- • the execution venues to which that order can be directed

We currently use two Dealing Partners when we execute orders in Exchange Traded Securities listed in the UK. The Dealing Partner which we use for any order will depend on the arrangements we have in place with that particular client.

The relevant Dealing Partner may execute a client order in a number of ways, including by routing it to one of our selected Retail Service Providers (RSPs) or to another execution venue, or by buying or selling the relevant securities itself without involving an RSP or other execution venue. We have chosen the RSPs based on their ability to provide competitive pricing and suitable stock coverage, together with their financial stability and overall settlement performance record.

2.   Steps taken to achieve Best Execution

To ensure we provide Best Execution for our clients we use an industry leading Best Execution tool (Liquid Metrix) to monitor on a daily basis that our Dealing Partners are meeting both our and their best execution requirements. In the event that Best Execution is not achieved for any given client trade, the client is reimbursed for any loss. The operational team monitors best execution each day and provides analysis to be reviewed and discussed by an oversight group on a monthly basis. An independent Compliance team also monitors best execution, and reports to the oversight group each quarter. Should any trends become apparent through our analysis these will be raised with our Dealing Partners to identify any issues and to discuss potential resolutions.

For more information regarding our order execution policy and our best execution arrangements, please see Appendix 3 of our Doing Business with Fidelity document which is available in the Important Policies section of our website.

3. Quality of execution achieved

a) Equities

97.87% of all Equity trades undertaken during 2019 for retail clients in tick size liquidity bands 5 & 6 achieved best execution

Class of Instrument	Retail Clients: Equities (i) Tick size liquidity bands 5 & 6 (2000 trades per day and above)				
Notification if <1 average trade per business day in the previous year	Yes				
Top five Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Platform Securities (213800DGZGQGCLREAY39)	100%	100%	N/A	N/A	N/A

97.48% of all Equity trades undertaken during 2019 for retail clients in tick size liquidity bands 3 & 4 achieved best execution

Class of Instrument	Retail Clients: Equities (ii) Tick size liquidity bands 3 & 4 (80-1999 trades per day)				
Notification if <1 average trade per business day in the previous year	Yes				
Top five Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Platform Securities (213800DGZGQGCLREAY39)	100%	100%	N/A	N/A	N/A

99.78% of all Equity trades undertaken during 2019 for retail clients in tick size liquidity bands 1 & 2 achieved best execution

Class of Instrument	Retail Clients: Equities (iii) Tick size liquidity bands 1 & 2 (1-79 trades per day)				
Notification if <1 average trade per business day in the previous year	Yes				
Top five Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Platform Securities (213800DGZGQGCLREAY39)	100%	100%	N/A	N/A	N/A

97.98% of all Equity trades undertaken during 2019 for retail clients (across all tick sizes) achieved best execution.

b) ETFs/ETCs

Whilst we have been able to split the volumes and orders for ETF/ETC trades between retail and professional clients, and we are able to perform the retail and professional split on our best execution monitoring of trades sent to Platform Securities for execution, we are unable to do the same for trades sent to JP Morgan for execution because retail and professional trades are aggregated together. Execution quality for ETF/ETC trades at Platform Securities was 99.64% for retail clients. Execution quality for ETF/ETC trades at JP Morgan was 99.18% across both retail and professional clients. Overall, our execution quality for ETF/ETC trades is 99.61%.

Class of Instrument	Retail Clients: ETFs/ETCs				
Notification if <1 average trade per business day in the previous year	*Yes*				
Top five Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Platform Securities (213800DGZGQGCLREAY39)	76.19%	80.34%	N/A	N/A	N/A
JP Morgan (K6Q0W1PS1L1O4IQL9C32)	23.81%	19.66%	N/A	N/A	N/A

Class of Instrument	Professional Clients: ETFs/ETCs				
Notification if <1 average trade per business day in the previous year	Yes				
Top five Venues ranked in terms of volume (descending order)	Percentage of passive orders	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
JP Morgan (K6Q0W1PS1L1O4IQL9C32)	100%	100%	N/A	N/A	N/A

c) Investment Trusts

We classify Investment Trust trades separately from other categories due to their inherently different characteristics and due to Fidelity being an Investment Trust provider that drives significant Investment Trust volume through the FASL platform.

Whilst we have been able to split the volumes and orders for Investment Trust trades between retail and professional clients, and we are able to perform the retail and professional split on our best execution monitoring of trades sent to Platform Securities for execution, we are unable to do the same for trades sent to JP Morgan for execution because retail and professional trades are bulked together.

Execution quality for Investment Trust trades at Platform Securities was 98.58% for retail clients. Execution quality for Investment Trust trades at JP Morgan was 98.98% across both retail and professional clients. Overall, our execution quality for Investment Trust trades is 98.69%.

Class of Instrument	Retail Clients: Others				
Notification if <1 average trade per business day in the previous year	Yes				
Top five Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Platform Securities (213800DGZGQGCLREAY39)	83.04%	73.19%	N/A	N/A	N/A
JP Morgan (K6Q0W1PS1L1O4IQL9C32)	16.96%	26.81%	N/A	N/A	N/A

Class of Instrument	Professional Clients: Others				
Notification if <1 average trade per business day in the previous year	*Yes*				
Top five Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
JP Morgan (K6Q0W1PS1L1O4IQL9C32)	100%	100%	N/A	N/A	N/A

4.   Additional disclosures

Tables have not been included in relation to any category for which no trades have been undertaken during the year.

There are no specific financial arrangements regarding discounts, rebates or other non-monetary benefits related to the execution of trades with any of the execution venues used by FASL, nor are there any close links, conflicts of interest or common ownerships.

FASL does not use RTS 27 disclosures in its analysis of best execution because it is not market facing and because it uses a market-leading best execution software provider to perform its analysis against all trades executed on all UK venues.

5.   Data download

Click here to access the data displayed within the tables of this document in Excel file format.