



Securitised Derivatives: Warrants

Top 5 Execution Venues for Retail Clients

Professional Client		N				
Class of Instrument		Securitised Derivatives - Warrants and Certificate Derivatives				
Notification if <1 average trade per business day in the previous year		Y				
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
J P MORGAN SECURITIES	5493002TGQZJYFGIVG53	100.00	100.00	100.00	0.00	0.00

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When trading in warrants we place a high importance on cost and likelihood of execution with the objective of maximising value for both our retail and institutional clients

Heartwood trade warrants with Market Makers outlined in Heartwood's Best Execution and Order Handling Policy, selected based on the creditworthiness of the counterparty.

Heartwood rank the execution factors relevant for dealing as follows:

1. Cost
2. Likelihood of Execution
3. Price
4. Size
5. Speed

When we execute deals for both retail and institutional clients, deals may be aggregated where appropriate.

In order to obtain the best possible outcome for both retail and professional clients we select Market Makers based on their creditworthiness and the cost of the warrant.

The process we have in place maximises value for both our retail and institutional clients. When taking the decision to invest in derivatives or derivative-embedded structures we aim to ascertain the 'fairness' and 'robustness' of the proposed price from the provider by, where appropriate, gathering data used in the derivation of the price, or comparing with similar products or comparing a model price (from an appropriate data vendor).

On certain occasions it may be difficult to find comparable products or use modelling functions to determine the above owing to the underlying strategy of the product being the intellectual property of the provider. Liquidity conditions may also mean that only one provider is able / willing to provide a price. In such instances, the Investment Team may take the position that the investment case of the product is strong enough to merit an investment in portfolios.

There are no links between Heartwood and any counterparty trading in debt instruments and therefore no conflict has been identified.

Heartwood have no financial links to any Market Maker.

There have been no changes of execution venue during the reporting period.