



Exchange Traded Products

Top 5 Execution Venues for Retail Clients

Professional Client		N				
Class of Instrument		Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)				
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SUSQUEHANNA INTERNATIONAL SECS	635400IAV22ZOU1NFS89	47.08	30.43	0	0	0
WINTERFLOODS SECURITIES LTD	8BRUP6V1DX3PIG2R0745	21.19	31.30	0	0	0
BARCLAYS CAPITAL SECURITIES	K9WDOH4D2PYBSLSOB484	16.33	12.53	0	0	0
SOCIETE GENERALE	O2RNE8IBXP4R0TD8PU41	11.57	17.93	0	0	0
WINTERFLOODS SECURITIES LTD (FI)	8BRUP6V1DX3PIG2R0745	3.72	7.26	0	0	0

Top 5 Execution Venues for Professional Clients

Professional Client		Y				
Class of Instrument		Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)				
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
SUSQUEHANNA INTERNATIONAL SECS	635400IAV22ZOU1NFS89	60.36	16.92	0	0	0
SOCIETE GENERALE	O2RNE8IBXP4R0TD8PU41	12.98	10.89	0	0	0
BARCLAYS CAPITAL SECURITIES	K9WDOH4D2PYBSLSOB484	12.28	8.17	0	0	0
WINTERFLOODS SECURITIES LTD	8BRUP6V1DX3PIG2R0745	9.08	49.82	0	0	0
KNIGHT CAPITAL EUROPE LIMITED	549300346EFUPFCXJT79	4.08	0.59	0	0	0

Exchange Traded Products

When trading in exchange traded products we place a high importance on price with the objective of maximising value for both our retail and institutional clients.

Illiquidity and the size of the trade may drive priority in execution factors particularly cost and the likelihood of execution.

Heartwood trade exchange traded products predominantly with Market Makers via order execution platforms such as Tradeweb, outlined in Heartwood's Best Execution and Order Handling Policy. In certain circumstances deals may be executed directly with the Market Maker, usually for smaller orders.

Heartwood rank the execution factors relevant to dealing in exchange traded products as follow:

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

When Heartwood execute deals for both retail and professional clients, deals may be aggregated where appropriate.

There are no links between Heartwood and any counterparty trading exchange traded products and therefore no conflict has been identified.

No arrangement is in place with respect to payment discounts or rebates as there are no fees payable by Heartwood for trading via an execution platform. When we place trades via the order execution platform, our selected Market Makers are polled against each other and the trades are executed based on price. We believe this process maximises value for both our retail and institutional clients. Smaller or illiquid trades where there is limited market capitalisation may be subject to a creation fee set by the Market Maker that may impact the price of the order.

Heartwood have no financial links to any execution venue or Broker.

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

RTS 28 Qualitative Analysis Questionnaire – Exchange Traded Products: ETFs

1. Explain the importance of the execution factors with regards to the instrument type ranking each from a high to low priority.

Factor	Brief Explanation	Ranking
Price	Price sensitivity within the secondary market may be impacted by supply and demand.	1
Cost	No commission is payable except for NAV based trades that account for less than 1% of total value.	5
Speed	In relation to fulfilling the order.	3
Likelihood of Execution and Settlement	In relation to size and speed.	2
Size of Order	Larger orders may require filling impacting the weighted average price whilst small or illiquid orders may impact the cost.	4
Other Factors	NA	NA

Heartwood trade ETF's predominantly via Tradeweb, an execution platform. ETF's are traded in the secondary market, so price is a key factor.

Where an ETF is not available in the market (the size of the ETF is too small or there is no tradeable market), trades are placed directly with the ETF market maker. Trades may be subject to a creation fee or wider market set by the market maker, so cost becomes an important factor.

2. Describe any close links or conflict of interest that may exist between Heartwood, the broker and the execution venue (for example: common ownership).

There are no links between Heartwood and any counterparty to ETF trades. No conflict has been identified.

3. Describe any specific arrangement with the execution venue regarding any payment, discount, rebate or non-monetary benefit.

Tradeweb is used as an execution platform for ETF's. No arrangement is in place with respect to payment discounts or rebates as there are no fees payable by Heartwood.

4. Reasons for changing execution venue or broker (if any).

Tradeweb poll multiple market makers and select the best price at the time of execution.
As such there have been no changes to execution venues during the reporting period.

5. Brief explanation why other factors were given precedence over price and cost on an order for retail investors and how these decisions helped deliver the best possible outcome for the client.

Cost is only a factor for deals that are not available in the secondary market. As these account for less than 1% of the total value it is not deemed a high priority with respect to dealing in ETF's.

6. Brief explanation how tools or information, such as the data published in RTS 27, is used to assess quality of execution.

NA

7. Briefly outline how the output from a consolidated tape provider (CTP) has been used.

NA