

HSBC UK Bank plc

Best Execution Summary for Retail Clients

2018

Retail Banking and Wealth Management

Published April 2019

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This Best Execution Summary (“Summary”) is applicable for the following investment services provided by HSBC UK Bank plc:

- HSBC Premier Investment Management Service and Investors Settlement Plan
- HSBC Premier Discretionary Management Service
- HSBC Trust Discretionary Investment Service
- HSBC InvestDirect
- HSBC InvestDirect Plus
- HSBC InvestDirect Stocks and Shares ISA
- HSBC InvestDirect International
- first direct shares service
- first direct shares service Stocks and Shares ISA
- Global Investment Centre

This Summary covers the period from 01 July 2018 to 31 December 2018.

After the global economic crisis, the UK Government put new rules in place to protect the economy and taxpayers in case something similar happens again. To ensure we meet the new banking rules, we transferred our personal customers and most of our business customers in the UK from HSBC Bank plc to HSBC UK Bank plc on 01 July 2018.

HSBC Bank plc will also publish reports and accompanying summary for retail clients covering the period prior to the above aforementioned transfer from 01 January 2018 to 30 June 2018

In addition, the HSBC Premier Investment Management Service and Investors Settlement Plan and HSBC Trust Discretionary Investment Service transferred from HSBC Trust Company (UK) Limited to HSBC UK Bank plc with effect from 05 November 2018. HSBC Trust Company (UK) Limited will also publish reports and accompanying summary for retail clients, which will include both services prior to 05 November 2018.

These reports will be available at <https://www.hsbc.co.uk/investments/products-and-services/best-execution/>

This Summary is split into two sections.

Section A is applicable for best execution reports which reflect the top five execution venues used by HSBC UK Bank plc.

Section B is applicable for best execution reports which reflect the top five investment firms used by HSBC UK Bank plc to route client orders for execution.

Each section will cover the following financial instruments, as applicable.

- Equities – Shares & Depositary Receipts
 - (i) Tick size liquidity bands 5 and 6 (from 2000 trades per day)
 - (ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)
 - (iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)
- Debt Instruments
 - (i) Bonds
- Structured Finance Instruments, such as Investment Trusts
- Exchange Traded Products, such as Exchange Traded Funds
- Other Instruments,
 - Funds (OEIC or Unit Trusts)

Section A

Top Five Execution Venues

This section contains a summary for each of the below financial instruments:

- Equities – Shares & Depositary Receipts
 - (i) Tick size liquidity bands 5 and 6 (from 2000 trades per day)
 - (ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)
 - (iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)
- Structured Finance Instruments, such as Investment Trusts
- Exchange Traded Products, such as Exchange Traded Funds
- Other Instruments,
 - Funds (OEIC or Unit Trusts)

Equities – Shares & Depositary Receipts

Class of Instrument		(i) Tick size liquidity bands 5 and 6 (from 2000 trades per day)			
Notification if <1 average trade per business day in the previous year		No			
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
Name and Identifier (MIC or LEI)					
HSBC BANK PLC LEI: MP6I5ZYZBEU3UXPYFY54	100	100	0	100	0
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Class of Instrument		(ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)			
Notification if <1 average trade per business day in the previous year		No			
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
Name and Identifier (MIC or LEI)					
HSBC BANK PLC LEI: MP6I5ZYZBEU3UXPYFY54	100	100	0	100	0
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Class of Instrument		(iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)			
Notification if <1 average trade per business day in the previous year		No			
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
Name and Identifier (MIC or LEI)					
HSBC BANK PLC LEI: MP6I5ZYZBEU3UXPYFY54	100	100	0	100	0
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

HSBC UK Bank plc report Equities grouped by their tick size liquidity banding in accordance within FCA COBS 11 Annex1EU Regulatory Technical Standard 28.

HSBC UK Bank plc treat all our customers as retail in terms of delivering the best possible result.

HSBC UK Bank plc have taken all sufficient steps to achieve the best possible result on a consistent basis, including where possible in situations of market stress, taking into account a range of factors which include price, cost, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of transactions. Price and execution costs (total consideration) will be paramount although other factors such as the type of transaction, the type of investments and the choice of execution venue will also be considered where necessary to achieve the best possible result.

HSBC Bank plc have been the execution venue during the period to which this Summary relates for the purpose of the rules.

For further information about HSBC Bank plc, please visit <https://www.hsbcnet.com/bestexecution>

In selecting execution venues, HSBC UK Bank plc have given consideration to the cost of executing, liquidity available for the financial instrument, the speed of execution, reliability, continuity of trading, the creditworthiness of the execution venue and the quality of any related clearing and settlement facilities. We keep our choices of execution venue, even where we use a single internal venue, under regular review using monitoring of best possible result achieved and information from the marketplace to ensure that our execution arrangements continue to meet the obligation that we owe you.

HSBC UK Bank plc and HSBC Bank plc are part of, and have been part of, the HSBC Group during the period to which this Summary covers.

Please be assured that HSBC UK Bank plc have not, nor do we, enter into arrangements whereby we receive payments, discounts, rebates or non-monetary benefits from execution venues in exchange for sending client order flow to them.

HSBC UK Bank plc has established procedures which are designed to take all appropriate steps to identify and prevent or manage any conflicts of interest which may adversely affect clients. Further details regarding our policies and procedures can be located within the relevant Terms and Conditions.

Structured Finance Instruments

Class of Instrument		Structured finance instruments			
Notification if <1 average trade per business day in the previous year			No		
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
Name and Identifier (MIC or LEI)					
HSBC BANK PLC LEI: MP6I5ZYZBEU3UXPYFY54	100	100	0	100	0
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

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Exchange Traded Products

Class of Instrument	Exchange traded products				
Notification if <1 average trade per business day in the previous year			No		
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
Name and Identifier (MIC or LEI)					
HSBC BANK PLC LEI: MP6I5ZYZBEU3UXPYFY54	100	100	0	100	0
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

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HSBC Bank plc have been the execution venue during the period to which this Summary relates for the purpose of the rules.

For further information about HSBC Bank plc, please visit <https://www.hsbcnet.com/bestexecution>

In selecting execution venues, HSBC UK Bank plc have given consideration to the cost of executing, liquidity available for the financial instrument, the speed of execution, reliability, continuity of trading, the creditworthiness of the execution venue and the quality of any related clearing and settlement facilities. We keep our choices of execution venue, even where we use a single internal venue, under regular review using monitoring of best possible result achieved and information from the marketplace to ensure that our execution arrangements continue to meet the obligation that we owe you.

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Please be assured that HSBC UK Bank plc have not, nor do we, enter into arrangements whereby we receive payments, discounts, rebates or non-monetary benefits from execution venues in exchange for sending client order flow to them.

HSBC UK Bank plc has established procedures which are designed to take all appropriate steps to identify and prevent or manage any conflicts of interest which may adversely affect clients. Further details regarding our policies and procedures can be located within the relevant Terms and Conditions.

Other instruments

Class of Instrument	Other instruments				
Notification if <1 average trade per business day in the previous year	No				
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
Name and Identifier (MIC or LEI)					
HSBC GLOBAL ASSET MANAGEMENT (UK) LIMITED LEI: 213800L6ERIFAN15KI98	38.34	35.09	N/A	N/A	N/A
HSBC INVESTMENT FUNDS (LUXEMBOURG) S.A. LEI: 213800KNC1J1NJ11YR95	27.20	24.23	N/A	N/A	N/A
GOLDMAN SACHS INTERNATIONAL LEI: W22LROWP2IHZNBB6K528	14.56	0.52	N/A	N/A	N/A
FUNDROCK MANAGEMENT COMPANY S.A. LEI: 213800SJ3IH3EXMXSJ47	9.80	0.49	N/A	N/A	N/A
BAILLIE GIFFORD & CO LIMITED LEI: N22C6FNZ44MX4YZS4L75	1.23	3.72	N/A	N/A	N/A

HSBC UK Bank plc treat all our customers as retail in terms of delivering the best possible result.

HSBC UK Bank plc have taken all sufficient steps to achieve the best possible result on a consistent basis, including where possible in situations of market stress, taking into account a range of factors which include price, cost, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of transactions. Price and execution costs (total consideration) will be paramount although other factors such as the type of transaction, the type of investments and the choice of execution venue will also be considered where necessary to achieve the best possible result.

For Funds, HSBC UK Bank plc route orders to the relevant fund manager, who will be the execution venue for the purpose of the rules.

HSBC UK Bank plc, HSBC Global Asset Management (UK) Limited and HSBC Investment Funds (Luxemburg) S.A. are part of, and have been part of, the HSBC Group during the period to which this Summary covers.

Please be assured that HSBC UK Bank plc have not, nor do we, enter into arrangements whereby we receive payments from execution venues in exchange for sending client order flow to them.

HSBC UK Bank plc has established procedures which are designed to take all appropriate steps to identify and prevent or manage any conflicts of interest which may adversely affect clients. Further details regarding our policies and procedures can be located within the relevant Terms and Conditions.

Section B

Top Five Investment Firms

This section contains a summary for each of the below financial instruments:

- Equities – Shares & Depositary Receipts
 - (i) Tick size liquidity bands 5 and 6 (from 2000 trades per day)
 - (ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)
 - (iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)
- Debt Instruments
 - (i) Bonds

Equities – Shares & Depositary Receipts

Class of Instrument		(i) Tick size liquidity bands 5 and 6 (from 2000 trades per day)			
Notification if <1 average trade per business day in the previous year		No			
Top five investment firms 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
Name and Identifier (MIC or LEI)					
HSBC SECURITIES (USA) INC. LEI: CYYGQCGNHMHPSMRL3R97	100	100	N/A	N/A	N/A
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Class of Instrument		(ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)			
Notification if <1 average trade per business day in the previous year		No			
Top five investment firms 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
Name and Identifier (MIC or LEI)					
HSBC SECURITIES (USA) INC. LEI: CYYGQCGNHMHPSMRL3R97	100	100	N/A	N/A	N/A
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Class of Instrument		(iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)			
Notification if <1 average trade per business day in the previous year		No			
Top five investment firms 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
Name and Identifier (MIC or LEI)					
HSBC SECURITIES (USA) INC. LEI: CYYGQCGNHMHPSMRL3R97	100	100	N/A	N/A	N/A
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

HSBC UK Bank plc report Equities grouped by their tick size liquidity banding in accordance within FCA COBS 11 Annex1EU Regulatory Technical Standard 28.

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HSBC UK Bank plc have routed orders to HSBC Securities (US) Inc.

HSBC Securities (US) Inc. have executed as agent and chosen the execution venue.

HSBC UK Bank plc and HSBC Securities (US) Inc. are part of, and have been part of, the HSBC Group during the period to which this Summary covers.

Please be assured that HSBC UK Bank plc have not, nor do we, enter into arrangements whereby we receive payments, discounts, rebates or non-monetary benefits from investment firms in exchange for sending client order flow to them.

HSBC UK Bank plc has established procedures which are designed to take all appropriate steps to identify and prevent or manage any conflicts of interest which may adversely affect clients. Further details regarding our policies and procedures can be located within the relevant Terms and Conditions.

Debt instruments

Class of Instrument		Bonds			
Notification if <1 average trade per business day in the previous year			No		
Top five investment firms 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
Name and Identifier (MIC or LEI)					
HSBC BANK PLC LEI: MP6I5ZYZBEU3UXPYFY54	100	100	N/A	N/A	N/A
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

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HSBC UK Bank plc have routed orders to HSBC Bank plc.

HSBC Bank plc have chosen the execution venue.

For further information about HSBC Bank plc, please visit <https://www.hsbcnet.com/bestexecution>

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