

Execution Quality Report

Period from	1 January 2017
Period to	31 December 2017
Division	River and Mercantile Derivatives, a division of P-Solve Investments Limited
Legal Entity Identifier	549300WD664MDCU7L584

1 Introduction

This report covers the activities of River and Mercantile Derivatives ("RMD"), which is a division of P-Solve Investments Limited, which is a subsidiary of River and Mercantile Group Plc. This report has been prepared for the purposes of Regulatory Technical Standard 28 ("RTS 28") supplementing Directive 2014/65/EU ("MiFID II") and covers the period between 1 January 2017 and 31 December 2017, inclusive (the "Relevant Period").

This report sets out information on: (i) the identity of the top five execution venues and the counterparties of RMD for the Relevant Period, (ii) the quality of execution achieved for clients and (iii) certain other matters which RMD is required to report on pursuant to RTS 28.

RMD only deals with professional clients, so no information regarding retail activities or retail venues is provided. RMD does not execute client orders directly and only executes transactions as agents for its clients.

2 Top 5 Execution Venues

The top 5 execution venues for each of the instrument classes traded by RMD in the Relevant Period are set out below. RMD only deals with professional clients, so all following tables relate to professional clients only.

Class of instrument				Credit derivatives (excludes CDS)		
Notification if < 1 average trade per business day				N		
Top 5 execution venues ranked in terms of trading volumes		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
Credit Suisse	E58DKGMJYYYJLN8C3868	39%	44%	0%	100%	0%
Barclays	G5GSEF7VJP517OUK5573	22%	28%	0%	100%	0%
Lloyds	H7FNTJ4851HGoEXQ1Z70	16%	17%	0%	100%	0%
HSBC	MP6I5ZYZBEU3UXPYFY54	8%	4%	0%	100%	0%

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DERIVATIVES

RBS	RR3QWICWWIPCS8A4So74	8%	2%	0%	100%	0%
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Class of instrument					Currency derivatives	
Notification if < 1 average trade per business day					Y	
Top 5 execution venues ranked in terms of trading volumes		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
Morgan Stanley	4PQUHN3JPFGNF3BB653	23%	10%	0%	100%	0%
Goldman Sachs	W22LROWP2IHZNBB6K528	21%	26%	0%	100%	0%
Merrill Lynch	GGDZP1UYGU9STUHRDP48	19%	10%	0%	100%	0%
Lloyds	H7FNTJ4851HG0EXQ1Z70	16%	6%	0%	100%	0%
Barclays	G5GSEF7VJP517OUK5573	11%	29%	0%	100%	0%

Class of instrument					Debt instruments	
Notification if < 1 average trade per business day					N	
Top 5 execution venues ranked in terms of trading volumes		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
Tradeweb	TREU	100%	100%	0%	100%	0%

Class of instrument					Equity derivatives	
Notification if < 1 average trade per business day					Y	
Top 5 execution venues ranked in terms of trading volumes		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
Barclays	G5GSEF7VJP517OUK5573	41%	51%	0%	100%	0%
Credit Suisse	E58DKGMJYYYJLN8C3868	29%	22%	0%	100%	0%
Merrill Lynch	GGDZP1UYGU9STUHRDP48	9%	5%	0%	100%	0%
Goldman Sachs	W22LROWP2IHZNBB6K528	8%	12%	0%	100%	0%
JP Morgan	K6Q0W1PS1L1O4IQL9C32	5%	1%	0%	100%	0%

Class of instrument				Interest rate derivatives		
Notification if < 1 average trade per business day				N		
Top 5 execution venues ranked in terms of trading volumes		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
Barclays	G5GSEF7VJP517OUK5573	41%	38%	0%	100%	0%
Citi	XKZZ2JZF41MRHTR1V493	12%	19%	0%	100%	0%
Credit Suisse	E58DKGMJYYYJLN8C3868	11%	9%	0%	100%	0%
RBS	RR3QWICWWIPCS8A4So74	8%	7%	0%	100%	0%
HSBC	MP6I5ZYZBEU3UXPYFY54	7%	3%	0%	100%	0%

3 Execution Quality for Derivatives

The section of the report covers the following instrument classes:

- Credit derivatives (excludes CDS)
- Currency derivatives
- Equity derivatives
- Interest rate derivatives

RTS Ref.	
3 (a)	RMD executed transactions directly with counterparties and did not use brokers. The likelihood of execution and price were given the most importance when executing transactions. The nature of RMD's trading activities during the period meant that there were no explicit transaction costs or delays between order and execution. Other factors when executing transactions relate to counterparty selection, which include ISDA documentation, credit ratings of counterparties and the ability of the counterparty to settle and collateralise transactions.
3 (b)	RMD had no close links with, or common ownership of or by, any execution venue or counterparty in the Relevant Period. There were no conflicts of interest with venue or counterparties which impacted on RMD's ability to deliver best execution to its clients.
3 (c)	There were no specific arrangements with any execution venues regarding payments made or received, discounts or rebates received. As was standard practice in the market during the period covered by this report, RMD received research from several execution venues. Some of this research would be classed as non-monetary benefit under MIFID II rules.

3 (d)	The list of execution venues has expanded since the prior year. The main reason for this expansion has been to provide RMD's clients with better pricing through increase in competitive bidding.
3 (e) & (f)	RMD only deals with professional clients, hence, order execution does not differ across different client categories.
3 (g)	RMD uses quantitative and qualitative data generated from prospective and executed transactions and ongoing activities with counterparties to monitor the quality of its execution. RMD did not use data published under Commission Delegated Regulation (EU) 08/06/2016 / C(2016) 3333/4 (RTS 27) as this information was not available for the period covered by this report.
3 (h)	There were no consolidated tape providers (CTPs) in the Relevant Period.

4 Execution Quality for Securities

The section of the report covers the following instrument classes:

- Debt instruments

RTS Ref.	
3 (a)	RMD executed transactions in highly liquid government debt instruments directly on Tradeweb MTF. A large number of counterparties are active and make markets in such instruments on Tradeweb MTF. The price of the transaction was given the highest importance. Since the instruments in question are highly liquid, in most cases other execution factors such as speed, likelihood of execution were not relevant. In a handful of cases, particularly for transactions that were large in size, the likelihood of execution was given priority over price, to ensure the full trade could be implemented. This method of trading also meant that there were no explicit transaction costs.
3 (b)	RMD had no close links with, or common ownership of or by, any execution venue or counterparty in the Relevant Period. There were no conflicts of interest with venue or counterparties which impacted on RMD's ability to deliver best execution to its clients.
3 (c)	There are no specific arrangements with any execution venues regarding payments made or received, discounts or rebates received. As was standard practice in the market during the period covered by this report, RMD received research from several

	execution venues. Some of this research would be classed as non-monetary benefit under MIFID II rules.
3 (d)	There were no changes in trading venues for securities.
3 (e) & (f)	RMD only deals with professional clients, hence, order execution does not differ across different client categories.
3 (g)	RMD uses quantitative and qualitative data generated from prospective and executed transactions and ongoing activities with counterparties to monitor the quality of its execution. RMD did not use data published under Commission Delegated Regulation (EU) 08/06/2016 / C(2016) 3333/4 (RTS 27) as this information was not available for the period covered by this report.
3 (h)	There were no consolidated tape providers (CTPs) in the Relevant Period.

5 Conclusion

The conclusions drawn from RMD's monitoring confirm that best execution was achieved for RMD's clients for the calendar year 2017.