

# Execution Quality Report

Period from	01 January 2018
Period to	31 December 2018
River and Mercantile Group Division	River and Mercantile Asset Management LLP
Legal Entity Identifier	213800HIGHFCAY9K8Z97

## Introduction

This report covers the activities of River and Mercantile Asset Management LLP (**RAMAM**) 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 2018 and 31 December 2018, inclusive (**the Relevant Period**).

This report sets out information on the identity of RAMAM's top five execution venues and counterparties for the Relevant Period as well as the quality of execution achieved for clients.

Pursuant to MiFID II RAMAM trades as a Professional Client and on an agency basis for its clients (and does not deal as principal), so no information relating to retail activities is provided.

## Top 5 Execution Counterparties

Class of Instrument	Equity - Shares & Depository Receipts Liquidity Bands 5-6			
<1 Average trade per business day	N			
Top 5 Counterparties ranked in terms of trading volumes		Volume Traded (%)	Proportion of Orders Executed	Directed Trade (% Volume)
UBS AG	BFM8T61CT2L1QCEMIK50	16.3%	10.9%	0.0%
Citigroup Global Markets Limited	XKZZ2JZF41MRHTR1V493	8.4%	9.3%	0.0%
Jefferies International Limited	S5THZMDUJCTQZBTRV198	8.1%	8.7%	0.0%
RBC Europe Limited	TXDSU46SXBWIGJ8G8E98	7.6%	8.0%	0.0%
Investment Technology Group	213800EEC95PRUCEUP63	6.8%	7.4%	0.0%

Class of Instrument	Equity - Shares & Depository Receipts Liquidity Bands 3-4			
<1 Average trade per business day	N			
Top 5 Counterparties ranked in terms of trading volumes		Volume Traded (%)	Proportion of Orders Executed	Directed Trade (% Volume)
Liquidnet Europe Limited	213800ZIRB79BE5XQM68	16.0%	9.6%	0.0%
Numis Securities Limited	213800P3F4RT97WDSX47	8.9%	5.1%	0.0%
Investment Technology Group	213800EEC95PRUCEUP63	8.2%	5.5%	0.0%
Investec Bank PLC	8450VF8TSMHoT6D4K848	7.4%	6.3%	0.0%
Peel Hunt LLP	5493007DWNOR4YBM4C84	6.2%	7.9%	0.0%

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Class of Instrument	Equity - Shares & Depository Receipts Liquidity Bands 1-2			
<1 Average trade per business day	N			
Top 5 Counterparties ranked in terms of trading volumes	Volume Traded (%)	Proportion of Orders Executed	Directed Trade (% Volume)	
Citigroup Global Markets Limited	XKZZ2JZF41MRHTR1V493 17.8%	15.9%	0.0%	
UBS AG	BFM8T61CT2L1QCEMIK50 9.7%	7.6%	0.0%	
Jefferies International Limited	S5THZMDUJCTQZBTRV198 8.3%	9.6%	0.0%	
Atlantic Equities LLP	213800327M9B4D9S1553 6.2%	5.4%	0.0%	
J.P. Morgan Securities PLC	K6QoW1PS1L1O4lQL9C32 5.6%	3.6%	0.0%	

Class of Instrument	Other Instruments Equity - Shares & Depository Receipts falling outside ESMA's tick size liquidity bands			
<1 Average trade per business day	N			
Top 5 Counterparties ranked in terms of trading volumes	Volume Traded (%)	Proportion of Orders Executed	Directed Trade (% Volume)	
Citigroup Global Markets Limited	XKZZ2JZF41MRHTR1V493 13.2%	8.9%	0.0%	
BTG Pactual US Capital, LLC	549300EUEDL5GKQW8U35 12.5%	14.8%	0.0%	
Jefferies International Limited	S5THZMDUJCTQZBTRV198 11.1%	12.8%	0.0%	
Credit Suisse Securities (Europe) Limited	DL6FFRRLF74S01HE2M14 9.0%	8.4%	0.0%	
Itau BBA USA Securities, Inc.	5493008E85XK12EKY122 6.8%	8.4%	0.0%	

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Class of Instrument	Exchange Traded Products			
<1 Average trade per business day	Y			
Top 5 Counterparties ranked in terms of trading volumes	Volume Traded (%)	Proportion of Orders Executed	Directed Trade (% Volume)	
Credit Suisse Securities (Europe) Limited	DL6FFRRLF74S01HE2M14	41.1%	47.6%	0.0%
UBS AG	BFM8T61CT2L1QCEMIK50	28.5%	9.8%	0.0%
J.P. Morgan Securities PLC	K6Q0W1PS1L1O4IQL9C32	17.1%	3.7%	0.0%
Barclays Capital Securities Limited	K9WDOH4D2PYBSLSOB484	6.7%	1.2%	0.0%
Citigroup Global Markets Limited	XKZZ2JZF41MRHTR1V493	5.8%	34.1%	0.0%

Class of Instrument	Currency Derivatives - Swaps, forwards, and other currency derivatives			
<1 Average trade per business day	Y			
Top 5 Counterparties ranked in terms of trading volumes	Volume Traded (%)	Proportion of Orders Executed	Directed Trade (% Volume)	
The Bank of New York Mellon	HPFHU0OO28E4NoNFVK49	39.7%	31.1%	0.0%
JPMorgan Chase Bank	7H6GLXDRUGQFU57RNE97	31.7%	31.5%	0.0%
The Northern Trust Company	6PTKHDJ8HDUF78PFWH30	25.7%	35.9%	0.0%
UBS AG	BFM8T61CT2L1QCEMIK50	2.8%	1.2%	0.0%
Morgan Stanley & Co. International PLC	4PQUHN3JPF GFNF3BB653	0.02%	0.2%	0.0%

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Class of Instrument	Debt Instruments - Bonds			
<1 Average trade per business day	Y			
Top 5 Counterparties ranked in terms of trading volumes		Volume Traded (%)	Proportion of Orders Executed	Directed Trade (% Volume)
BNY Mellon Capital Markets	213800O5FBGOWU8gLN14	100.0%	100.0%	0.0%

Class of Instrument	Equity Derivatives - Options and Futures admitted to trading on a trading venue			
<1 Average trade per business day	Y			
Top 5 Counterparties ranked in terms of trading volumes		Volume Traded (%)	Proportion of Orders Executed	Directed Trade (% Volume)
Morgan Stanley & Co. International PLC	4PQUHN3JPFGFNF3BB653	60.7%	35.7%	0.0%
J.P. Morgan Securities PLC	K6QoW1PS1L1O4lQL9C32	39.3%	64.3%	0.0%

Class of Instrument	Equity Derivatives - Swaps and other equity derivatives			
<1 Average trade per business day	Y			
Top 5 Counterparties ranked in terms of trading volumes		Volume Traded (%)	Proportion of Orders Executed	Directed Trade (% Volume)
J.P. Morgan Securities PLC	K6QoW1PS1L1O4lQL9C32	65.9%	61.4%	0.0%
Morgan Stanley & Co. International PLC	4PQUHN3JPFGFNF3BB653	34.1%	38.6%	0.0%



Class of Instrument	Interest rate derivatives - Futures and options admitted to trading on a trading venue			
<1 Average trade per business day	Y			
Top 5 Counterparties ranked in terms of trading volumes		Volume Traded (%)	Proportion of Orders Executed	Directed Trade (% Volume)
Morgan Stanley & Co. International PLC	4PQUHN3JPFGFNF3BB653	53.7%	45.8%	0.0%
J.P. Morgan Securities PLC	K6QoW1PS1L1O4lQL9C32	46.3%	54.2%	0.0%

## Qualitative analysis and conclusion on the quality of execution obtained for the purpose of RTS 28

- Equities - Shares, Depository Receipts & Exchange Traded Securities

RTS 28, Article 3(3)	
<p><b>(a) an explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution</b></p>	<p>RAMAM is required to ensure that the best possible result is obtained on a consistent basis whether directly executing or transmitting client orders to third parties for execution. What constitutes the best possible result varies depending on the relative importance given to the execution factors for the class of financial instrument executed.</p> <p>Price, costs, the likelihood of execution, latency, as well as settlement were given the most importance when executing transactions during the Relevant Period. The remaining execution factors such as; liquidity, size, as well as the nature of the order were also given consideration where orders were being executed in less liquid stocks, or the order represented a high proportion of the daily volume (measured over various periods).</p> <p>Other relevant considerations included clients’ specific instructions.</p>
<p><b>(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders</b></p>	<p>RAMAM had no close links with, or common ownership of any execution venue or counterparty in the Relevant Period. There were no conflicts of interest with venues or counterparties which impacted RAMAM’s ability to deliver best execution for its clients.</p>

<p><b>(c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received</b></p>	<p>RAMAM does not receive payments, discounts, rebates or non-monetary benefits in regards to its trading arrangements. RAMAM has adopted processes that demonstrate careful consideration and control around execution and research costs. RAMAM has undertaken to pay for research costs post MiFID II.</p>
<p><b>(d) an explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred</b></p>	<p>RAMAM's approved list of counterparties and venues has recently increased to accommodate a number of newly traded financial instruments.</p> <p>Counterparties and venues remain on RAMAM's approved list subject to approval and the results of RAMAM's ongoing monitoring, which includes, but is not limited to, looking at the counterparty's credit worthiness and financial stability, performance of execution and suitability in relation to the overall execution process (straight through process).</p>
<p><b>(e) an explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements</b></p>	<p>RAMAM trades as a Professional Client and on an agency basis for its clients. RAMAM does not treat categories of clients differently.</p>
<p><b>(f) an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client</b></p>	



<p><b>(g) an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Commission Delegated Regulation (EU) 2017/575</b></p>	<p>RAMAM's has used independent TCA (transaction cost analysis) providers to assist with the firm's monitoring of best execution.</p>
<p><b>(h) Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.</b></p>	<p>This is not applicable, as there were no consolidated tape providers (CTPs) during the Relevant Period.</p>

▪ **Currency Derivatives - Swaps, forwards, and other currency derivatives**

RTS 28, Article 3(3) Reference	
<p><b>(a) an explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution</b></p>	<p>In accordance with RAMAM’s Best Execution Policy, the ranking of the Execution Factors is typically as follows:</p> <ul style="list-style-type: none"> <li>▪ Price</li> <li>▪ Likelihood of execution and settlement</li> <li>▪ Costs - implicit and explicit</li> <li>▪ Liquidity and size</li> <li>▪ Speed / latency</li> </ul> <p>RAMAM executed transactions in highly liquid currency derivatives, directly on a MTF, and as such price was given the highest importance.</p>
<p><b>(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders</b></p>	<p>RAMAM had no close links with, or common ownership of any execution venue or counterparty in the Relevant Period. There were no conflicts of interest with venues or counterparties which impacted on RAMAM’s ability to deliver best execution for its clients.</p>
<p><b>(c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received</b></p>	<p>RAMAM does not receive payments, discounts, rebates or non-monetary benefits in regards to its trading arrangements.</p>

<p><b>(d) an explanation of the factors that led to a change in the list of execution venues listed in the firm’s execution policy, if such a change occurred</b></p>	<p>No changes were made to RAMAM’s approved list of venues and counterparties during the Relevant Period.</p>
<p><b>(e) an explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements</b></p>	<p>RAMAM had no close links with, or common ownership of any execution venue or counterparty in the Relevant Period. There were no conflicts of interest with venues or counterparties which impacted on RAMAM’s ability to deliver best execution for its clients.</p>
<p><b>(f) an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client</b></p>	<p>RAMAM trades as a Professional Client and on an agency basis for its clients. Order execution does not differ across different categories of clients.</p>
<p><b>(g) an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Commission Delegated Regulation (EU) 2017/575</b></p>	<p>Transactions are monitored using venue reports provided by RAMAM’s TCA provider. The reports allows RAMAM to assess its quality of execution as well as the performance of its venues and counterparties.</p>
<p><b>(h) Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.</b></p>	<p>This is not applicable, as there were no consolidated tape providers (CTPs) during the Relevant Period</p>

This table covers the following classes of financial instruments:

- **Debt Instruments – Bonds**
- **Equity Derivatives – Swaps and other equity derivatives**
- **Interest Rates Derivatives – Futures and Options admitted to trading on a trading venue**

RTS 28, Article 3(3) Reference	
<p><b>(a) an explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution</b></p>	<p>When executing transactions in liquid instruments, the ranking of the Execution Factors is typically as follows:</p> <ul style="list-style-type: none"> <li>▪ Price</li> <li>▪ Costs</li> <li>▪ Speed</li> <li>▪ Likelihood execution</li> </ul> <p>Consideration is also given to any governing documentation which is in place.</p>
<p><b>(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders</b></p>	<p>RAMAM does not receive payments, discounts, rebates or non-monetary benefits in regards to its trading arrangements.</p>
<p><b>(c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received</b></p>	

<p><b>(d) an explanation of the factors that led to a change in the list of execution venues listed in the firm’s execution policy, if such a change occurred</b></p>	<p>No changes were made to RAMAM’s approved list of venues and counterparties during the Relevant Period.</p>
<p><b>(e) an explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements</b></p>	<p>RAMAM trades as a Professional Client and on an agency basis for its clients. Order execution does not differ across different categories of clients.</p>
<p><b>(f) an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client</b></p>	
<p><b>(g) an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Commission Delegated Regulation (EU) 2017/575</b></p>	<p>RAMAM uses quantitative and qualitative data such as; live price feeds at the time of trading well as best execution reports from venues and counterparties to monitor the quality of its execution.</p>
<p><b>(h) Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.</b></p>	<p>This is not applicable, as there were no consolidated tape providers (CTPs) during the Relevant Period</p>