Annual qualitative disclosure on the quality of execution obtained

Firm name: [FIRM NAME]

Disclosure Period: 01/01/2017 to 31/12/2017

This disclosure if being made pursuant to Article 3(3) of RTS 28 and/or Article 65(6) of the MiFID II Delegated Organisational Regulation, which require firms to disclose, for each class of financial instruments traded for clients during the period, a summary of the analysis and conclusions drawn from the execution quality monitoring that the Firm has undertaken.

This disclosure covers the following classes of financial instruments that were traded during the period. [As an equity long/short manager, the primary instruments traded were equities and CFDs.] [Insert brief description of primary instruments traded, if desired, to give context to the below.]

Classes of Financial Instrument traded during the period	**Comments**
(a) Equities – Shares & Depositary Receipts	
(i) Tick size liquidity bands 5 and 6 (from 2000 trades per day)	[Note: delete rows containing any instruments not traded]
(ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)	[insert additional explanatory comments as you see fit, for example where you have calculated the liquidity bands of non-EEA equities yourself, or chosen to put non-EEA equities under 'other instruments'.]
(iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)	[You might also want to explain what types of trading you have put in each category, where this is non-obvious or you have otherwise had to take a view on the correct category to put something in]

(b) Debt instruments	
(i) Bonds	
(ii) Money markets instruments	Note: Trading in this instrument was de minimis during the period. [delete if N/A or insert own comments as you see fit]
(c) Interest rates derivatives	
(i) Futures and options admitted to trading on a trading venue	
(ii) Swaps, forwards, and other interest rates derivatives	
(d) credit derivatives	
(i) Futures and options admitted to trading on a trading venue	
(ii) Other credit derivatives	The Firm’s trading in this category primarily consisted of Credit Default Swaps
(e) currency derivatives	
(i) Futures and options admitted to trading on a trading venue	Note: Trading in this instrument was de minimis during the period.
(ii) Swaps, forwards, and other currency derivatives	Note: Trading in this instrument was de minimis during the period.
(f) Structured finance instruments	
(g) Equity Derivatives	
(i) Options and Futures admitted to trading on a trading venue	
(ii) Swaps and other equity derivatives	
(h) Securitized Derivatives	

(i) Warrants and Certificate Derivatives	
(ii) Other securitized derivatives	
(i) Commodities derivatives and emission allowances Derivatives	
(i) Options and Futures admitted to trading on a trading venue	
(ii) Other commodities derivatives and emission allowances derivatives	
(j) Contracts for difference	
(k) Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)	
(l) Emission allowances	
(m) Other MiFID instruments:	
(i) Specify (e.g. units in unlisted investment funds)	
(n) Other instruments outside the scope of MiFID:	[See below]
(i) Specify (e.g. real estate, cryptocurrency)	[Delete this row if N/A or if you choose not to disclose information about trading in non-MiFID instruments.]

The table(s) below covers [FIRM NAME]'s analysis for each of the relevant class of financial instruments:

1) Class of Financial Instrument: e.g. Equities [Note: some grouping of instruments can be done, if appropriate]

RTS 28 / Art. 65(6) requirement:	**Details:**
(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;	The initial priority is to assess which brokers are capable of executing the order on the required terms. In normal market conditions, this is a relatively straightforward exercise that will produce a range of equally ranked execution options for further consideration under the remaining execution factors. Following this, and assuming a range of execution options exist, the highest priority factor is to obtain the best result for the client in terms of the total consideration for the trade, defined as the total price obtained minus any costs or fees. This will either be the highest total price or the lowest total price (net of costs and fees) depending on the direction of the trade. In most situations this will be determined predominantly by the price achieved, although where the price offered by two or more brokers are identical or within a narrow range, or cannot be reliably determined in advance, then the one with the lowest overall cost of execution will be chosen. This analysis will include the implicit costs of the trade, such as slippage and market impact. [This should mirror the prioritisation given in your Execution Policy.]
(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues/brokers used to execute orders;	The Firm does not have any close links, common ownership of other relationships that would give rise to any conflicts of interests with any of the execution venues or brokers used. [Where the Firm has traded with affiliates during the period, provide further details]
(c) a description of any specific arrangements with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received;	The Firm has no specific arrangements to report with any execution venues or brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.

	[Where the Firm has/had such specific arrangements in place, during the period under review, provide further details]
(d) an explanation of the factors that led to a change in the list of execution venues/brokers listed in the firm's execution policy, if such a change occurred;	The Firm's internal list of execution venues / brokers approved for use by the Firm did not change during the period. [Where the firm has added or removed brokers or execution venues from its approved list, provide brief details.]
(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;	This is not applicable as the Firm only deals with Professional Clients. [Where any differences in order execution exist between classes of clients, provide further details.]
(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;	This is not applicable as the Firm does not deal with Retail Clients. [The Firm deals with Retail Client. In all cases during the period under review immediate cost and price were given priority when executing client orders.] [Where other criteria were prioritised for Retail Clients, provide further details.]
(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 Delegated Regulation (EU) 2017/575 [RTS 27];	The Firm uses independent third-party Transaction Cost Analysis tools and providers to assist in its analysis of execution quality obtained. [describe briefly how these are used] [The Firm uses price feed data to establish market prices and intra-day ranges to perform its execution quality analysis. The Firm did not use RTS 27 reports or RTS 28 reports produced by execution venues or brokers during the period under review (2017), as these were not available.
(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.	The Firm has not used the output of any Consolidated Tape Providers in its execution quality analysis. It is noted that there were not any

	authorised Consolidated Tape Providers in Europe during the period under review.
Disclosures around the use of Direct Electronic Access (“DEA”) providers.	Of the top 5 brokers disclosed, X, Y and Z were DEA providers. Of these trades, 40% were directed by the Firm to [Execution Venue A] and 30% were directed to [Execution Venue B]. Of the remaining trades, 25% were not directed to any specific Execution Venue, being left to the discretion of the broker, and 5% were directed to other Execution Venues that were each used on a de minimis basis.
Summary of Analysis	The ongoing monitoring of execution quality and ‘first line’ controls are undertaken by our [trading desk and individual traders/portfolio managers] with independent scrutiny carried out by our [compliance/operations team] as the ‘second line of defence’. The first and second lines of defence are therefore primarily responsible for ex ante and ex post monitoring of best execution on an ongoing basis, with oversight of this monitoring undertaken by senior management by way of the [Broker & Research Committee]
Summary of Conclusions	On average, execution fees of 6 bps were paid over the period on [equity] trades. Analysis of [intra-day prices ranges / VWAP] revealed that [98.2% of trades were executed within the intraday range, with outliers being investigated and feeding into future broker selection] [This should change a bit from year to year (and differ between each class of financial instrument), and should ideally include some basic statistics from your monitoring, where available, such as performance against VWAP, slippage, average implicit and explicit transaction costs.] The Firm is comfortable that its execution policy was adhered to over the period, and that following this policy has delivered best execution for its clients over the period. This analysis will feed in to the Firm’s annual review of its execution policy at which time further enhancements will be considered.

[Duplicate the above table for each class of financial instruments traded. Alternatively, if appropriate you can include your entire disclosure in a single copy of the table above, in which case you must **clearly differentiate** where appropriate between each class of instrument traded. This will especially be the case for the overall summary and conclusion of your monitoring over the period, as a single undifferentiated disclosure here is unlikely to be deemed compliant. There are also likely to be differences in relation to DEA providers, use of data (TCA providers etc.), and perhaps the relative importance of execution factors]