

**RTS 28 Order Execution Report 1<sup>st</sup> January to 31<sup>st</sup> December 2020**

The European Securities and Markets Authority (ESMA) requires investment firms to publish, on an annual basis, information on the identity of execution venues and the quality of execution obtained. This reporting falls under MiFID II (Markets in Financial Instruments Directive) which is a European Union law that aims to standardise regulation for investment services across the European Economic Area and enhances the previous requirements relating to Best Execution.

Under MiFID II there are a number of Regulatory Technical Standards (RTS) which investment firms, such as Courtiers Asset Management Limited (CAML), are required to implement. RTS 28 specifically outlines the requirements designed to increase transparency related to the execution of client related orders on trading venues with the aim of improving investor protection. To adhere to RTS 28 CAML must publish a summary on the quality of execution obtained and the top 5 execution venues in terms of trading volumes.

Under MiFID II the Best Execution rules are applied to our range of UCITS funds (Courtiers UCITS Investment Funds ICVC), however, the FCA has delayed the extension of these rules to cover our NURS funds (Courtiers Investment Funds ICVC). At CAML we take the issue of Best Execution very seriously and we apply the same standards of monitoring best execution to both, however, we are not obliged to publish an annual RTS 28 report for both. The Table below can be deemed to cover both ranges of funds but the separate table identifying the top five execution venues only applies to the UCITS funds.

**CAML Summary of Requirements**

**(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 relative importance of the stipulated execution factors will vary depending on the circumstances and context of the order. The stock selection process originates with a quantitative model which applies *inter alia* a liquidity screen which ensure each potential stock meets a minimum liquidity threshold. In addition the equity portfolios are generated with 30 equally weighted positions. Under this process all stock positions should be easily tradable in terms of speed and potential (lack of) impact on the market price. Under these circumstances CAML considers that a brokers ability to handle a large number of simultaneous orders at a competitive cost are the two most important factors when considering an equity broker with whom to place orders. Given the nature of the transactions (liquidity screened and equal weighted) that are executed it is unlikely that trading will have any significant impact on market prices achieved, though prices are still reviewed thoroughly after each trade. CAML does not consider the likelihood of settlement to be a material factor influencing execution as the investment universe consists of securities that are listed on exchanges that have gone through vigorous market eligibility reviews, in addition CAML would only use approved brokers that are themselves regulated and authorised by independent authorities in developed markets. Nonetheless, CAML monitor and vigorously pursue any failing trades with the broker concerned.



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It should be noted that CAML does not execute any trades on any execution venues, instead orders are placed with a counterparty (as an agency broker) who will themselves execute the trades on an execution venue.

CAML through its different funds trade a wide variety of financial instruments not just equities and fixed interest securities, as long as brokers meet the above criteria, they may also be selected ahead of another potential counterparty, that can equally satisfy the factors, on their ability to also execute other instruments at competitive rates that would not be available if the total volume of business placed with them did not reach certain levels.

**(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;**

CAML does not have any close links, conflicts of interest or common ownership with any execution venues that are used to execute orders.

**(c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or nonmonetary benefits received;**

CAML does not have any arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

**(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;**

CAML has an approved list of Brokers that can be used to place trades for execution with. Brokers are subject to an ongoing quarterly review process which includes monitoring of the performance and competitiveness of executed trades, overall quality of service and financial stability.

**(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;**

CAML treats all clients equally.

**(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 CAML only places trades for execution on behalf of the funds it manages rather than directly on behalf of retail clients.

**(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];**

On an on-going basis CAML monitors the quality of the execution obtained from the execution venues that have been used to place client orders for execution. The main equity broker utilised provides a comprehensive Post Trade Analysis Report which details the performance of each trade executed against the VWAP, arrival price, opening and closing prices. These reports are reviewed as part of the ongoing monitoring of Best Execution. All non-equity trades are monitored by CAML but similar analysis reports

have not generally been available though it is a prerequisite of the terms of agreement of all brokers used by CAML that they must provide CAML clients with best execution.

From 2018 CAML have had access to not previously available quarterly reports (RTS 27) that will indicate how well the brokers have performed in achieving best execution in relation to price against others in the market. CAML will use these reports in line with others sources of information currently available to consider whether the brokers used have provided the best possible results for CAML clients or whether CAML needs to reassess the performance of the broker and make changes to the approved list.

CAML is currently confident that it achieves across all funds and financial instruments the best possible execution on behalf of our clients.