

Top 5 Execution Venues Report  
Year to 31 December 2018



### Top 5 Execution Venues Report

Words and phrases in this report have the same meaning as in our Best Execution Policy, the latest copy of which can be found on our website, [www.masecopw.com](http://www.masecopw.com).

This report provides information on the top 5 Execution Venues (in terms of trading volumes) where we executed or transmitted orders on behalf of our clients during the year to 31 December 2018 for each class of financial instrument and an assessment of the quality of execution obtained on those venues.

This report is required to be prepared by MASECO LLP under the Markets in Financial Instruments Directive (MiFID). A distinction is made between 'execution' and 'placement'.

#### a. Execution of Client Orders

The technical standards published by the European Securities and Markets Association (ESMA) requires investment firms who execute client orders to summarise and make public on an annual basis, for each class of financial instruments, the top 5 execution venues in terms of trading volumes where they executed client orders in the preceding year and information on the quality of execution obtained.

#### b. Placement of Client Orders

Investment firms who place client orders with other firms to provide order execution services are required to summarise and make public, on an annual basis, for each class of financial instruments, the top 5 firms in terms of trading volumes where they placed client orders with brokers for execution in the preceding year and information on the quality of execution obtained.

Certain data is not currently available. Therefore, this means that this report on the firm's top 5 execution venues may lack some of the details which will be available for subsequent reports. Consequently, we have been unable to provide some granularity on each of the Execution Venues such as being able to split the report by client classification (i.e. Retail Clients and Professional Clients).

### Part One: What is covered in this report

#### 1. Classes of financial instruments

The classes of financial instruments which are the subject of this report are:

- Equities
- Debt Instruments
- Collective Investment Schemes
- Exchange Traded Products
- Currency
- Other instruments

#### 2. Type of client

The report contains the required information for transactions placed for Retail Clients and Professional Clients.

#### 3. Execution venue information

The report includes the name of the Execution Venue and information on:

- a. the total volume (value of trades);
- b. the number of trades as a percentage of all client orders executed on that Execution Venue in that class of financial instrument;
- c. the number of trades as a percentage of passive orders;
- d. the number of trades as a percentage of aggressive orders;
- e. the number of trades as a percentage of directed orders; and
- f. a confirmation whether MASECO has executed an average of less than one trade per business day in the previous year in that class of financial instrument.

"passive order" is an order that is entered into the order book of a trading venue and provides liquidity;

"aggressive order" is an order that is entered into the order book of a trading venue and removes liquidity;

"directed order" is where a specific Execution Venue is specified by the client prior to the execution of the order.

#### 4. Quality of execution

The report includes an assessment of the quality of execution obtained on the Execution Venues where the firm executed all client orders in the previous year.

#### Part Two: Execution Information by Asset Class

The information in the tables below refers to the execution or transmission of orders by the firm on behalf of Retail Clients and Professional Clients.

Some information specified in the technical standards do not apply given the nature of MASECO's business proposition. The firm will generally execute clients' orders via each client's platform which will, in turn, execute the order in the market or, in respect of collective investment schemes, with that scheme's administrator. In addition, the concept of passive and aggressive orders is not relevant as there is no order book. Further, we do not include any information on directed orders as the choice of execution venue is at the firm's discretion in accordance with its Best Execution Policy and will, in any case, be limited to the client's platform.

Class of Financial Instrument			Equities (UK and International)		
Notification if <1 average trade per business day in the previous year:			No		
Top 5 Execution Venues ranked in terms of trading volumes	Proportion of volume traded as a % of total in that class of asset	Proportion of client orders executed as a % of total in that class of asset	% of passive orders	% of aggressive orders	% of directed orders
Raymond James US	81.02%	40.61%	N/A	N/A	N/A
Raymond James UK	10.36%	6.21%	N/A	N/A	N/A
Transact	7.17%	49.75%	N/A	N/A	N/A
Julius Baer Switzerland	0.80%	2.14%	N/A	N/A	N/A
Julius Baer Guernsey	0.65%	1.29%	N/A	N/A	N/A

Class of Financial Instrument			Debt Instruments - Government		
Notification if <1 average trade per business day in the previous year:			Yes		
Top 5 Execution Venues ranked in terms of trading volumes	Proportion of volume traded as a % of total in that class of asset	Proportion of client orders executed as a % of total in that class of asset	% of passive orders	% of aggressive orders	% of directed orders
Transact	67.65%	58.70%	N/A	N/A	N/A
Julius Baer Guernsey	16.15%	8.70%	N/A	N/A	N/A
Raymond James US	12.32%	21.73%	N/A	N/A	N/A
Raymond James UK	3.87%	10.87%	N/A	N/A	N/A

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Class of Financial Instrument			Debt Instruments - Corporate		
Notification if <1 average trade per business day in the previous year:			Yes		
Top 5 Execution Venues ranks in terms of trading volumes	Proportion of volume traded as a % of total in that class of asset	Proportion of client orders executed as a % of total in that class of asset	% of passive orders	% of aggressive orders	% of directed orders
Julius Baer Guernsey	49.37%	7.81%	N/A	N/A	N/A
Raymond James US	28.18%	53.12%	N/A	N/A	N/A
Transact	13.92%	29.69%	N/A	N/A	N/A
Raymond James UK	8.54%	9.38%	N/A	N/A	N/A

  

Class of Financial Instrument			Collective Investment Schemes		
Notification if <1 average trade per business day in the previous year:			No		
Top 5 Execution Venues ranks in terms of trading volumes	Proportion of volume traded as a % of total in that class of asset	Proportion of client orders executed as a % of total in that class of asset	% of passive orders	% of aggressive orders	% of directed orders
Raymond James US	79.94%	80.67%	N/A	N/A	N/A
Raymond James UK	10.90%	13.06%	N/A	N/A	N/A
Julius Baer Guernsey	3.84%	1.98%	N/A	N/A	N/A
Transact	1.66%	0.19%	N/A	N/A	N/A
Julius Baer Switzerland	1.14%	0.44%	N/A	N/A	N/A

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Class of Financial Instrument			Exchange Traded Products (Exchange Traded Funds and Exchange Traded Notes)		
Notification if <1 average trade per business day in the previous year:			No		
Top 5 Execution Venues ranks in terms of trading volumes	Proportion of volume traded as a % of total in that class of asset	Proportion of client orders executed as a % of total in that class of asset	% of passive orders	% of aggressive orders	% of directed orders
Raymond James US	44.55%	22.77%	N/A	N/A	N/A
Raymond James UK	29.28%	41.51%	N/A	N/A	N/A
Julius Baer Guernsey	13.10%	7.59%	N/A	N/A	N/A
UBS	8.95%	24.37%	N/A	N/A	N/A
Aegon	1.62%	1.28%	N/A	N/A	N/A

Class of Financial Instrument			Currency - GBP		
Notification if <1 average trade per business day in the previous year:			No		
Top 5 Execution Venues ranks in terms of trading volumes	Proportion of volume traded as a % of total in that class of asset	Proportion of client orders executed as a % of total in that class of asset	% of passive orders	% of aggressive orders	% of directed orders
Raymond James US	98.94%	90.88%	N/A	N/A	N/A
Julius Baer Guernsey	0.74%	4.26%	N/A	N/A	N/A
Raymond James UK	0.17%	1.91%	N/A	N/A	N/A
Julius Baer Switzerland	0.12%	0.29%	N/A	N/A	N/A
Old Mutual International	0.03%	0.59%	N/A	N/A	N/A

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Class of Financial Instrument			Currency - AUD		
Notification if <1 average trade per business day in the previous year:			Yes		
Top 5 Execution Venues ranks in terms of trading volumes	Proportion of volume traded as a % of total in that class of asset	Proportion of client orders executed as a % of total in that class of asset	% of passive orders	% of aggressive orders	% of directed orders
Julius Baer Guernsey	99.11%	33.33%	N/A	N/A	N/A
Raymond James US	0.89%	66.67%	N/A	N/A	N/A

Class of Financial Instrument			Currency - HKD		
Notification if <1 average trade per business day in the previous year:			Yes		
Top 5 Execution Venues ranks in terms of trading volumes	Proportion of volume traded as a % of total in that class of asset	Proportion of client orders executed as a % of total in that class of asset	% of passive orders	% of aggressive orders	% of directed orders
Raymond James US	100.00%	100.00%	N/A	N/A	N/A

Class of Financial Instrument			Currency - RUB		
Notification if <1 average trade per business day in the previous year:			Yes		
Top 5 Execution Venues ranks in terms of trading volumes	Proportion of volume traded as a % of total in that class of asset	Proportion of client orders executed as a % of total in that class of asset	% of passive orders	% of aggressive orders	% of directed orders
Julius Baer Guernsey	100.00%	100.00%	N/A	N/A	N/A

### Part 3: Assessment of Execution Quality

#### 1. Quality of Execution

Quality of execution has been in line with expectations for all asset classes. This is monitored after each transaction to ensure that the client order has been executed by the platform provider in a timely manner and as expected. In addition, the quality of execution is reviewed by the firm's Operations Committee.

#### 2. Relative Execution Factor Importance

When placing orders for execution or when transmitting client orders, we are required to take all sufficient steps to obtain the best possible result for our clients taking into account the following factors:

- Price
- Costs
- Speed of execution
- Likelihood of execution and settlement
- Size of the order and available market liquidity
- Nature of the order; and
- Any other considerations relevant to the execution of the order (such as potential market impact)

In determining the relative importance of these execution factors, we use our knowledge and experience of dealing in the financial markets and our commercial judgment together with information in the public domain at the time of execution. We also take into account the characteristics of the client, the order type, the financial instruments which are the subject of the order and the choice of execution venues to which the order could be directed.

Where we buy and sell units or shares in collective investment schemes (such as US Mutual Funds and UCITS Funds), typically these financial instruments are forward priced and as such the execution factors noted above may not be as relevant as typically these orders will be executed directly with the relevant fund manager or fund administrator. For most liquid securities (equities and debt instruments), the price and cost of execution of the order will normally be the most important aspect in obtaining the best possible result. Therefore, we assume this is the most important outcome for client orders unless you tell us otherwise.

However, there may be occasions where we change priorities given to the execution factors and other factors will take precedent to achieve the best possible outcome for the client. For example, in periods of severe market disruption or a system outage when speed and certainty of execution and settlement may be of greater importance than price and cost. In such circumstances, we will follow the systems and controls in place and will consider whether or not our ability to continue dealing has been materially affected by such disruptions.

The majority of transactions will be placed with the client's platform for onward execution. Each platform provider has a policy on how it achieves Best Execution which we will periodically monitor.

#### 3. Execution Venues – Close links, conflicts of interest and common ownerships

MASECO LLP has no close links to declare.

For clients who buy or sell shares in the Alternative Credit Fund SP ("ACF SP"), execution of orders in shares of ACF SP are effected via the administrator, APEX Fund Services Ltd. For clients who buy or sell shares in the Alternative Credit Fund LP ("ACF LP"), execution of orders in shares in ACF LP are effected via the administrator, Theorem Fund Services. The General Partner of ACF LP and the investment advisor of ACF SP is MASECO Asset Management Ltd ("MAM"). MAM is an affiliate of MASECO LLP.

Accordingly, in accordance with our Conflicts of Interest policy, we have established procedures in order to mitigate the conflict of interest which arises as a result of the common ownership of MAM and MASECO LLP. This conflict of interest is disclosed to clients who invest in ACF prior to any such investment being undertaken.

#### 4. Execution Venues - payments

MASECO LLP does not receive any remuneration, discounts, rebates or non-monetary benefits for routing client orders to a particular execution venue or trading venue which would not comply with the requirements on Conflicts of Interest or Inducements

**5. Execution Venues - Changes**

Should any changes be required to the Execution Venues, this will be discussed and agreed by the Operations Committee and communicated to relevant clients.

During the year under review, the following changes were made to the firm's Execution Venues.

**Execution Venues Removed:**

No Execution Venues were removed.

**Execution Venues Added:**

Theorem Fund Services was added as an Execution Venue as they were appointed administrator for one of the packaged products in which clients invested.

The new Execution Venue has, so far, performed overall as expected.

**6. Client Categorisation**

Typically, MASECO LLP classifies all of its clients for the purposes of the FCA Rules as Retail Clients. Where a client meets the criteria to be classified as a Per se Professional Client or an Elective Professional Client, MASECO LLP's policy is to treat all of its clients as Retail for the purposes of Best Execution.

**7. Execution Analysis Tools**

Client orders are reviewed post trade to ensure the firm's execution arrangements remain effective and that Best Execution has been achieved.

**8. Consolidated Tape Provider Usage**

At the time of this report there is no consolidated tape showing a comprehensive list of transactions across all Execution Venues. As a result, the firm did not make use of any consolidated tape providers.



