

## **Annual Report on Top Five Execution Venues & Quality of Execution**

## **Annual Reporting**

In accordance with COBS 11.2A.39 R (incorporating Article 3 (3) of RTS28), Charles Taylor Investment Management Company Limited (“CTIM” or “the Firm”) is required to publish the top five execution venues in terms of trading volumes for all executed client orders per class of financial instruments and information on the quality of execution obtained.

## **Quantitative Reports**

The Firm must publish the information on the top five execution venues used in the preceding year which will include information on the volume and number of orders executed on each execution venue. CTIM only provides services to professional clients and all professional clients are treated the same. The information which must be reported is set out in the tables below, per RTS28 Annex I, all orders for the year 2017.

RTS 28 Report for the period ending 31 December 2017

Class of instrument	Currency Derivatives (forwards, spots, swaps), MTF: FXConnect				
Notification if < 1 average trade per business day in the previous year	Y				
Top five execution venues ranked in terms of trading volumes (descending order)	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
The Northern Trust (LEI: 6PTKHDJ8HDUF78PFWH30)	75.56%	74.45%	0.00%	0.00%	0.00%
HSBC (LEI: MP6I5ZYZBEU3UXPYFY54)	18.13%	19.38%	0.00%	0.00%	0.00%
RBS (LEI:213800KUD8LAJWSQ9D15)	6.32%	6.17%	0.00%	0.00%	0.00%

Class of instrument	Debt Instruments (bills, bonds and mmfs) MTFs: Tradeweb and Bloomberg TSOX				
Notification if < 1 average trade per business day in the previous year					
Top five execution venues ranked in terms of trading volumes (descending order)	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
Nomura (LEI: DGQCSV2PHVF7I2743539)	18.26%	12.96%	0.00%	0.00%	0.00%
Toronto Dominions (LEI: PT3QB789TSUIDF371261)	16.17%	22.25%	0.00%	0.00%	0.00%
Barclay (LEI: G5GSEF7VJP5I7OUK5573)	15.60%	11.55%	0.00%	0.00%	0.00%
Merrill (LEI: 969500FHCS1NVZOG4332)	14.07%	12.39%	0.00%	0.00%	0.00%
Arbor (LEI: 969500HVOEH75OALJT97)	6.90%	16.06%	0.00%	0.00%	0.00%

Class of instrument	Equities (commodities and equities); MTF: Tradeweb				
Notification if < 1 average trade per business day in the previous Y year					
Top five execution venues ranked in terms of trading volumes (descending order)	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
Jane Street (LEI: 549300ZHEHX8M31RP142)	45.53%	41.18%	0.00%	0.00%	0.00%
Bk of America (LEI: GGDZP1UYGU9STUHRDP48)	35.38%	23.53%	0.00%	0.00%	0.00%
Morgan Stanley (LEI: 4PQUHN3JPF GFNF3BB653)	11.07%	5.88%	0.00%	0.00%	0.00%
N+1 Singer (LEI: 2138001FDSSUIS78W319)	4.65%	11.76%	0.00%	0.00%	0.00%
Cannacord (LEI: 5493002DR5KW4JP7YS87)	0.71%	5.88%	0.00%	0.00%	0.00%

Class of instrument	Exchange traded products; MTF: Tradeweb				
Notification if < 1 average trade per business day in the previous Y year					
Top five execution venues ranked in terms of trading volumes (descending order)	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
Jane Street (LEI: 549300ZHEHX8M31RP142)	56.77%	53.92%	0.00%	0.00%	0.00%
Morgan Stanley (LEI:4PQUHN3JPFGFNF3BB653)	21.84%	23.53%	0.00%	0.00%	0.00%
Bank of America (LEI: GGDZP1UYGU9STUHRDP48)	21.39%	22.55%	0.00%	0.00%	0.00%

## Qualitative Report

In addition to the tables above, in accordance with Article 3(3) of RTS 28, CTIM hereby publishes a summary of the analysis and conclusions the firm has drawn from detailed monitoring of the quality of execution obtained during 2017. This qualitative report attempts to provide a more transparent picture of the firm's order execution policy in practice, execution strategies and tools used to assess the strategies' quality.

<p>(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;</p>	<p>CTIM regards all execution factors as set out in its <a href="#">Order Execution Policy</a>, however price and likelihood of execution remain the factors of highest importance by CTIM followed by cost &amp; speed of the order and market covered by the counterparty. The main execution factors that have influenced the above top five brokers are price and efficiency in specific markets.</p> <p>In respect of the specific asset classes, please see our observations:</p> <ul style="list-style-type: none"><li>- <b><i>Currency Derivatives (forwards, spots, swaps) MTF; FXConnect</i></b></li></ul> <p>Northern Trust secured the highest proportion of orders executed in this asset class, because as CTIM's custodian they were able to settle smaller orders more efficiently in terms of cost.</p> <ul style="list-style-type: none"><li>- <b><i>Debt Instruments (bills, bonds and mmfs) MTFs: Tradeweb and Bloomberg TSOX</i></b></li></ul> <p>These venues were all found to be competitively priced and were all operationally efficient for settlement purposes.</p> <ul style="list-style-type: none"><li>- <b><i>Exchange traded products; MTF: Tradeweb</i></b></li></ul>
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	<p>- <b><i>Equities (commodities and equities); MTF: Tradeweb</i></b></p> <p>The top 3 are all ETF counterparties.</p> <p>In both classes, Jane Street were best priced to market in this class. Jane Street provided the most consistent, competitive pricing in this asset class.</p>
(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;	CTIM does not trade with any affiliates on any asset classes.
(c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;	CTIM does not have any specific trading arrangements with execution venues, receive any payments, discounts, rebates or non-monetary benefits.
(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;	Brokers & Counterparties are evaluated throughout the year for all asset classes by the portfolio management team. Price remains high on the agenda during this analysis but also likelihood of execution and settlement is important. Certain counterparties, who operationally lack systems to support i.e. overnight trades and large orders. Execution will be influence the accordingly.
(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;	CTIM only provides services to Professional Clients. All professional clients are treated consistently.
(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;	CTIM does not trade/process retail client orders, thus this factor does not apply.
(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	CTIM uses the various Bloomberg MTF electronic platforms and TradeWeb as tools to assist in the collection of data to compare the performance of



Delegated Regulation (EU) 2017/575 [RTS 27];	various counterparties.  CTIM will consider the data published by RTS27 at the time of its release in 2018.
(h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of MiFID II Directive.	Not applicable. There are no currently consolidated tape providers in Europe.

CTIM has taken all reasonable steps to source information to ensure that the first RTS 28 report is as complete and meaningful for its investors as possible. [ESMA Q&A 6](#)

The disclosure of information on execution venue selection (also known as RTS 28 disclosure) for Charles Taylor Investment Management Company (“CTIM”) is subject to the CTIM Order Execution Policy published on the [CTIM official site](#) The data contained is published in-order for CTIM to meet its regulatory requirements, which require this data to be made available to the public. CTIM does not permit any third party to sell the data published from its official site without prior agreement.