

City Asset Management – Top 5 Execution Venue Report 2017/18

In accordance with City Asset Management's (CAM) Best Execution and Order Execution Policy, and the requirements laid out under the Markets in Financial Instruments Directive II ("MiFID II"), CAM takes all sufficient steps to ensure Best Execution on clients' orders.

MiFID II has now enhanced CAM's disclosure requirements around Best Execution meaning that you, as our client, understand which venues we are executing your orders on. As you will see below the venues are split on an asset class basis; those being Equities, Debt instruments, Structured Products and Exchange Traded products. CAM continuously monitors our venues and our trades to ensure that we are getting the best possible result for our clients on our execution venues. To do this we use LiquidMetrix IFS software that flags any of our trades that fall short of the Best Execution criterion, mainly benchmark price.

Below are the Top 5 Execution Venues by type of Financial Instruments traded by CAM, alongside a summary analysis of each. Please refer to CAM's Best Execution and Order Policy for further information.

Top 5 Execution venues by type of financial instrument(s)

Class of instrument	Equities (retail clients)				
Notification if <1 average trade per business day in the previous year	N				
Top 5 execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of volume executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1. NUMIS (213800P3F4RT97WDSX47)*	15.40%	12.96%	0	0	N/A
2. WINTERFLOOD (8BRUP6V1DX3PIG2R0745)	13.72%	13.28%	0	0	N/A
3. STIFEL (213800BVEFNZ8UYPKL03)	13.60%	5.06%	0	0	N/A
4. MORGAN STANLEY (4PQUHN3JPFQFNF3BB653)	10.85%	33.76%	0	0	N/A
5. PEEL HUNT (5493007DWN0R4YBM4C84)	10.29%	3.20%	0	0	N/A

Class of instrument	Equities (professional clients)				
Notification if <1 average trade per business day in the previous year	N				
Top 5 execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of volume executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1. AJ BELL SECURITIES (213800Y4I7TN34WUBD71)	22.97%	22.80%	0	0	N/A
2. NUMIS (213800P3F4RT97WDSX47)	15.14%	13.99%	0	0	N/A
3. MORGAN STANLEY (4PQUHN3JPFQFNF3BB653)	14.26%	12.95%	0	0	N/A
4. WINTERFLOOD (8BRUP6V1DX3PIG2R0745)	14.12%	15.54%	0	0	N/A
5. CANACCORD (ZBU7VFV5NIMN4ILRFC23)	7.56%	2.07%	0	0	N/A

Summary

CAM is comfortable that our Top 5 execution venues are evenly split, in terms of both volume traded and volume executed, within the Equity Asset Class. The top 5 counterparties are as we would expect them to be given our knowledge of our trading during the period. The greater percentage weighting to venue 4, representing the proportion of volume executed, is deemed acceptable when taking into consideration our execution factors, namely that this particular venue's speed and likelihood of execution and settlement is greater due to CAMs Order Management System being directly linked to this particular execution venue's trading platform. In addition, the trades executed on Execution Venue 4's trading platform are of a smaller trade size in comparison to the other venues listed.

CAM can confirm that there are no close links, conflicts of interests, or common ownerships. There are no specific arrangements with any of the execution venues listed above. There has been no change in the list of execution venues at the time of writing. CAM constantly monitors our execution venues taking into consideration each of the Best Execution factors and our Best Execution and Order Execution Policy. CAM continues to monitor its execution venues in tandem with our policy to ensure that they are leading to the best possible outcome for our clients.

Class of instrument	Debt Instruments and Bonds (retail clients)				
Notification if <1 average trade per business day in the previous year	N				
Top 5 execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of volume executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1. AJ BELL SECURITIES (213800Y4I7TN34WUBD71)	82.54%	82.14%	0	0	N/A
2. NCL (D2F0VEF263OY4T3YK397)	8.46%	7.14%	0	0	N/A
3. WINTERFLOOD (8BRUP6V1DX3PIG2R0745)	5.30%	7.14%	0	0	N/A
4. RIA	3.71%	3.57%	0	0	N/A
5. N/A	N/A	N/A	N/A	N/A	N/A

Class of instrument	Debt Instruments and Bonds (professional clients)				
Notification if <1 average trade per business day in the previous year	N				
Top 5 execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of volume executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1. AJ BELL SECURITIES (213800Y4I7TN34WUBD71)	61.98%	66.67%	0	0	N/A
2. RIA (213800OZO2PQP43WCZ92)	38.02%	33.33%	0	0	N/A
N/A	N/A	N/A	0	0	N/A
N/A	N/A	N/A	0	0	N/A
N/A	N/A	N/A	N/A	N/A	N/A

Summary

CAM can confirm there are no material concerns surrounding the greater weighting to one execution venue in terms of both volume traded and volume executed as a percentage of total in the Debt Instruments & Bond asset class. CAM trade through this particular venue due to materiality reasons i.e. low material amounts in the asset class, whilst taking into account speed of execution, the likelihood of execution and settlement.

CAM can confirm that there are no close links, conflicts of interests, or common ownerships. However, **In terms of the Debt Instruments & Bond Asset class CAM can confirm that venue 1 is also our Custodian.** This firm also has a broking operation independent of its Custodian business. We use this venue for the reasons quoted above, namely size, speed and likelihood of execution. There has been no change in the list of execution venues at the time of writing. CAM constantly monitors our execution venues taking into consideration each of the Best Execution factors and our Best Execution and Order Execution Policy. CAM continues to monitor its execution venues in tandem with our policy to ensure that they are leading to the best possible outcome for our clients.

Class of instrument	Structured Products (retail clients)				
Notification if <1 average trade per business day in the previous year	N				
Top 5 execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of volume executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1. MORGAN STANLEY (4PQUHN3JPFGFNF3BB653)	40.06%	44.58%	0	0	N/A
2. CREDIT SUISSE (ANGGYXNXOJLX3X63JN86)	27.46%	12.85%	0	0	N/A
3. HSBC (MP6I5ZYZBEU3UXPYFY54)	23.16%	31.73%	0	0	N/A
4. JP MORGAN (K6Q0W1PS1L1O4IQL9C32)	4.98%	8.43%	0	0	N/A
5. SOCIETE GENERALE (O2RNE8IBXP4R0TD8PU41)	4.32%	2.01%	0	0	N/A

Class of instrument	Structured Products (professional clients)				
Notification if <1 average trade per business day in the previous year	N				
Top 5 execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of volume executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1. MORGAN STANLEY (4PQUHN3JPFGFNF3BB653)	38.40%	52.00%	0	0	N/A
2. HSBC (MP6I5ZYZBEU3UXPYFY54)	29.33%	24.00%	0	0	N/A
3. CREDIT SUISSE (ANGGYXNXOJLX3X63JN86)	25.17%	16.00%	0	0	N/A
4. SOCIETE GENERALE (O2RNE8IBXP4R0TD8PU41)	7.10%	8.00%	0	0	N/A
5. N/A	N/A	N/A	N/A	N/A	N/A

Summary

Again, the Top 5 counterparties within our Structured Product analysis are as we would expect. The greater weighting to venue 1, in both proportion of volume traded and volume executed of the total in this asset class, is due to the execution factor of the type and characteristics of the financial instrument in question. The use of venues in this asset class is driven to a much greater degree by the underlying availability, manufacture and pricing of product. This will inevitably dictate order flow.

CAM can confirm that there are no close links, conflicts of interests, or common ownerships. There are no specific arrangements with any of the execution venues listed above. There has been no change in the list of execution venues at the time of writing. CAM constantly monitors our execution venues taking into consideration each of the Best Execution factors and our Best Execution and Order Execution Policy. CAM continues to monitor its execution venues in tandem with our policy to ensure that they are leading to the best possible outcome for our clients.

Class of instrument	Exchange traded products (Exchange Traded Funds, Exchange Traded Notes, Exchange Traded Commodities) (retail clients)				
Notification if <1 average trade per business day in the previous year	N				
Top 5 execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of volume executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1. AJ BELL SECURITIES (213800Y4I7TN34WUBD71)	51.67%	29.41%	0	0	N/A
2. MORGAN STANLEY (4PQUHN3JPF GFNF3BB653)	43.24%	67.65%	0	0	N/A
3. STIFEL (213800BVEFNZ8UYPKL03)	5.09%	2.94%	0	0	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

Class of instrument	Exchange traded products (Exchange Traded Funds, Exchange Traded Notes, Exchange Traded Commodities) (professional clients)				
Notification if <1 average trade per business day in the previous year	N				
Top 5 execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of volume executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1. NUMIS (213800P3F4RT97WDSX47)	46.81%	20.00%	0	0	N/A
2. STIFEL (213800BVEFNZ8UYPKL03)	41.16%	70.00%	0	0	N/A
3. MORGAN STANLEY (4PQUHN3JPF GFNF3BB653)	12.03%	10.00%	0	0	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

Summary

CAM is comfortable that our Top 5 execution venues are as we would expect given our knowledge and monitoring of trade flow during the period. CAM use a range of specialist venues to execute orders in the Exchange Traded Product sector and we focus on our usual key execution factors.

CAM can confirm that there are no close links, conflicts of interests, or common ownerships. There are no specific arrangements with any of the execution venues listed above. There has been no change in the list of execution venues at the time of writing. CAM constantly monitors our execution venues taking into consideration each of the Best Execution factors and our Best Execution and Order Execution Policy. CAM continues to monitor its execution venues in tandem with our policy to ensure that they are leading to the best possible outcome for our clients.

Conclusion

Each of the instruments listed above have their own characteristics which lead to CAM carefully considering which venue to deal with and the Best Execution criterion to apply. CAM continues to closely monitor our execution venues to ensure that they are executing our clients' trades to produce the best possible result. Where CAM has concerns about any particular venue the venue will be reviewed in line with our Best Execution and Order Execution policy.

Best Endeavors

This report covers April 2017 to April 2018 and includes all available information prescribed by the Markets in Financial Markets Directive ("MiFID II").

Whilst each of the mechanisms are being put in place to ensure a full level of data granularity will be available for the 2018 report, CAM is producing the above report on a 'best endeavors' basis, as formally recognised by the Financial Conduct Authority ("FCA"). In this vein, as can be seen by the reports above, percentage of passive orders, aggressive orders and directed orders are not disclosed. Please note that the European Securities and Markets Authority ("ESMA") have also formally recognised that is likely not relevant to portfolio management services and therefore may be continually absent from the Top 5 Execution Venue reports.

*Execution venues Legal Identity Identifier ("LEI")

27TH April 2018

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