



## Annual Trade Execution Report



## **1. Introduction**

The second Markets in Financial Instruments Directive and delegated regulations (“MiFIDII/R”) necessitates that investment firms report on the quality of execution and the top five execution venues for each prescribed class of financial instrument traded on an annual basis. The contents of this report and the traded data provided are published in order to meet the requirements prescribed by Article 3(3) of the Regulatory Technical Standard 28 (“RTS 28”) of MiFID/R.

## **2. RTS 28 Reporting Requirement**

RTS 28 requires investment firms to provide the following information for each prescribed class of financial instrument traded on an annual basis:

- 2.1 an explanation of the relative importance given to the execution factors of price, costs, speed, likelihood of execution, or to any other consideration including qualitative factors when assessing the quality of execution;
- 2.2 a description of any close links, conflicts of interests, and common ownerships with any execution venues and brokers used;
- 2.3 a description of any specific arrangements with any execution venues and brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.
- 2.4 an explanation of the factors that led to any change in the execution venues and brokers listed in the firm's execution policy, if any such change occurred;

- 2.5 an explanation of how order execution differs according to client categorisation, if there is a difference;
- 2.6 an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these helped deliver the best possible result in terms of the total consideration to the client;
- 2.7 an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27 (now Delegated Regulation (EU) 2017/575); and
- 2.8 an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of MiFID II.

### **3. Report Structure**

This report covers the trading activity of Miton Asset Management Limited and Miton Trust Managers Limited where both FCA authorised entities act as the delegated investment managers for a number of clients, further details of which can be found on Miton's website [www.mitongroup.com](http://www.mitongroup.com). This report is structured such, that aside from the general disclosures noted below, our analysis of each of the RTS 28 reporting requirements set out above are considered for each prescribed class of financial instrument traded by each of Miton Asset Management Limited and Miton Trust Managers Limited on behalf of their clients.

#### **4. General Disclosures**

The following table sets out our response to RTS 28 reporting requirements 2.2, 2.3 and 2.5 to 2.8 above.

2.2	Provide a description of any close links, conflicts of interests, and common ownerships with any execution venues and brokers used.	Miton Asset Management Limited and Miton Trust Managers Limited may invest on behalf of their clients in the shares of our brokers who we may also use to execute our orders, where the investment case and our order execution arrangements are considered separately.
2.3	Provide a description of any specific arrangements with any execution venues and brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.	Miton Asset Management Limited and Miton Trust Managers Limited do not make or receive any payments, discounts, or rebates to or from our brokers. Miton Asset Management Limited and Miton Trust Managers Limited may receive minor non-monetary benefits from our brokers where this is consistent with Miton's Policy on Research and use of Research Payment Accounts and Miton's Conflicts of Interest Policy.
2.5	Provide an explanation of how order execution differs according to client	All of our clients are classified as professional and consequently our order execution

	categorisation, if there is a difference.	arrangements do not differ according to client categorisation.
2.6	Provide an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these helped deliver the best possible result in terms of the total consideration to the client.	Miton Asset Management Limited or Miton Trust Managers Limited do not execute retail client orders.
2.7	Provide an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27 (now Delegated Regulation (EU) 2017/575)	Use of internal transaction costs analysis (TCA) has identified where changes can be made to the firm's trading. Attempts at using available RTS 27 reports have not been able to show anything of use to change the firm's trading.
2.8	Provide an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of MiFID II.	As at the date of publication of this report we have not considered any data analysis from consolidated tape providers ("CTPs") as there were no CTPs registered from which we place reliance on.

## 5. Execution Report for Miton Asset Management Limited (LEI: 2138005QPVI3K8CTGY46)

### Class of Financial Instrument: Equity – Shares & Depositary Receipts

Class of Instrument	Equities - Shares and Depositary Receipts: Tick Size liquidity bands 1 and 2				
Notification if <1 average trade per business day in the previous year	N				
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
Instinet Europe Limited - 213800MXAKR2LA1VBM44	15.93	17.06	N/A	100	0
RBC Europe Limited - TXDSU46SXBWIGJ8G8E98	12.19	4.62	N/A	100	0
Autonomous Research LLP - 213800LBM6PT85IGM996	11.15	13.65	N/A	100	0
Robert W. Baird & Co. Incorporated - 549300772UJAHRD6LO53	5.54	1.07	N/A	100	0
RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED - 213800GH3F4OW1COOV72	5.00	1.18	N/A	100	0

Class of Instrument	Equities - Shares and Depositary Receipts: Tick Size liquidity bands 3 and 4				
Notification if <1 average trade per business day in the previous year	N				
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
Autonomous Research LLP - 213800LBM6PT85IGM996	10.26	16.90	N/A	100	0
Liquidnet Euorpe Limited - 213800ZIRB79BE5XQM68	8.40	4.61	N/A	100	0
Instinet Europe Limited - 213800MXAKR2LA1VBM44	7.98	8.10	N/A	100	0
PEEL HUNT LLP - 5493007DWN0R4YBM4C84	6.76	6.34	N/A	100	0
NUMIS SECURITIES LIMITED - 213800P3F4RT97WDSX47	6.69	4.67	N/A	100	0

Class of Instrument	Equities - Shares and Depository Receipts: Tick Size liquidity bands 5 and 6				
Notification if <1 average trade per business day in the previous year	N				
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
Autonomous Research LLP - 213800LBM6PT85IGM996	43.15	47.80	N/A	100	0
REDBURN (EUROPE) LIMITED - 213800PKEJQZQXQCOJ04	15.63	18.10	N/A	100	0
Instinet Europe Limited - 213800MXAKR2LA1VBM44	6.76	9.40	N/A	100	0
Merrill Lynch International - GGDZP1UYGU9STUHRDP48	5.88	1.30	N/A	100	0
Liquidnet Euorpe Limited - 213800ZIRB79BE5XQM68	3.59	2.63	N/A	100	0

## Qualitative Description

2.1	<p>Provide an explanation of the relative importance given to the execution factors of price, costs, speed, likelihood of execution, or to any other consideration including qualitative factors when assessing the quality of execution.</p>	<p>The trading profile for this asset class and the various liquidity bands is varied as it is global in nature and varies across all market capitalisations. This requires the ability to be able to trade in various time zones, and with various liquidity providers. The range of trading partners available allows us to trade in all types of securities. We will not trade with a counterparty who we believe will be unable to ultimately settle a transaction so this ranks highest when choosing a counterparty. After this price will be the most important factor and when trading in less liquid securities, then likelihood of execution will be ranked higher than usual. The current platform of trading partners is adequate for the nature of trading and changes when a partner is identified that offers something not currently available from the current platform of trading partners. The factors in order of importance are: Likelihood of settlement, Price, Costs, Speed, Size, Nature, Likelihood of Execution, Other Relevant Factors.</p>
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2.4	Provide an explanation of the factors that led to any change in the execution venues and brokers listed in the firm's execution policy, if any such change occurred	New counterparts were added in 2018 to our liquidity platform to give us the ability to trade with less associated costs and where they have been identified as being able to trade in less liquid areas of the market.
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## Class of Financial Instrument: Debt Instruments – Bonds

Class of Instrument	Debt Instruments: Bonds				
Notification if <1 average trade per business day in the previous year	N				
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
MarketAxess Capital Limited - 529900CTXON8S5AOBCB70	49.92	53.55	N/A	100	0
Bloomberg Trading Facility Limited - 549300ROEJDDAXM6LU05	26.56	19.91	N/A	100	0
Merrill Lynch International - GGDZP1UYGU9STUHRDP48	7.14	4.63	N/A	100	0
Liquidnet Europe Limited - 213800ZIRB79BE5XQM68	4.09	4.01	N/A	100	0
Morgan Stanley & Co. International PLC - 4PQUHN3JPFGFNF3BB653	3.98	2.78	N/A	100	0

## Qualitative Description

2.1	Provide an explanation of the relative importance given to the execution factors of price, costs, speed, likelihood of execution, or to any other consideration including qualitative factors when assessing the quality of execution.	The trading profile in the fixed income area is varied but the funds that trade in this area specifically look for liquid securities and purposefully avoid illiquid holdings. Most of the trading partners will be large investment banks with access to capital and a large range of clients. Other partners used, specialise in trading as agents and liquidity providers have been added which broaden our access to the fixed income space. Trading in 2018 benefitted from access to a matching platform that gives access to current brokers and additional market counterparts. This allowed for improved liquidity and price capture. We will not trade with a counterparty who we believe will be unable to ultimately settle a transaction so this ranks highest when choosing a counterparty. After this price will be of the highest importance when trading but if liquidity were an issue for any trade then likelihood of execution would be of more importance. The factors in order of importance are:
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		Likelihood of settlement, Price, Likelihood of Execution, Size, Costs, Speed, Nature, Other Relevant Factors.
2.4	Provide an explanation of the factors that led to any change in the execution venues and brokers listed in the firm's execution policy, if any such change occurred	The addition of a liquidity platform to our list of trading partners opened up a broad range of liquidity sources to improve our ability to trade in fixed income.

**Class of Financial Instrument: Currency derivatives – swaps, forwards and other currency derivatives**

Class of Instrument	Currency derivatives: (Swaps - Forwards and other currency derivatives)				
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
Bloomberg Trading Facility Limited - 549300ROEJDDAXM6LU05	99.997	95.50	N/A	100	0
BNY Mellon Capital Markets EMEA Limited - 213800O5FBGOWU89LN14	0.003	4.50	N/A	100	0

## Qualitative Description

2.1	Provide an explanation of the relative importance given to the execution factors of price, costs, speed, likelihood of execution, or to any other consideration including qualitative factors when assessing the quality of execution.	The trading profile in the currency derivatives area requires periodic trades and is highly liquid. We will not trade with a counterparty who we believe will be unable to ultimately settle a transaction so this ranks highest when choosing a counterparty. After this price will be of the highest importance when trading. Likelihood of settlement, Price, Size, Likelihood of Execution, Costs, Speed, Nature, Other Relevant Factors.
2.4	Provide an explanation of the factors that led to any change in the execution venues and brokers listed in the firm's execution policy, if any such change occurred	A need to broaden the list of counterparts has been identified and a move to outsource trading to a chosen broker will give a broader liquidity platform for this trading. The associated costs of outsourcing this trading should be less than the improvement in the price of execution and will be reviewed throughout 2019.

**Class of Financial Instrument: Exchange Traded Products (Exchange Traded Funds, Exchange Traded Notes and Exchange Traded Commodities)**

Class of Instrument	Exchange Traded Products (Exchange Traded Funds - Exchange Traded Notes and Exchange Traded Commodities)				
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
Flow trader B.V. - 549300CLJI9XDH12XV51	98.89	75.00	N/A	100	0
Susquehanna International Securities Limited - 635400IAV22ZOU1NFS89	1.04	6.25	N/A	100	0
Instinet Europe Limited - 213800MXAKR2LA1VBM44	0.05	6.25	N/A	100	0
Virtu Financial Ireland Limited - 549300XG5LFGN1IGYC71	0.02	12.50	N/A	100	0

## Qualitative Description

2.1	Provide an explanation of the relative importance given to the execution factors of price, costs, speed, likelihood of execution, or to any other consideration including qualitative factors when assessing the quality of execution.	Trading in Exchange Traded Products is infrequent and an extremely small proportion of what we trade in but will be large in size when we trade. We will not trade with a counterparty who we believe will be unable to ultimately settle a transaction so this ranks highest when choosing a counterparty. After this price will be of the highest importance when trading but if liquidity were an issue for any trade then likelihood of execution would be of more importance. The factors in order of importance are: Likelihood of settlement, Price, Likelihood of Execution, Size, Costs, Speed, Nature, Other Relevant Factors.
2.4	Provide an explanation of the factors that led to any change in the execution venues and brokers listed in the firm's execution policy, if any such change occurred.	Additional trading counterparts were added to broaden the request for quote panel available to us. This has allowed for improved pricing when trading.

## Class of Financial Instrument: Currency derivatives – Other Instruments

Class of Instrument	Other Instruments				
Notification if <1 average trade per business day in the previous year	N				
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
Instinet Europe Limited - 213800MXAKR2LA1VBM44	76.75	78.58	N/A	100	0
Autonomous Research LLP - 213800LBM6PT85IGM996	6.53	3.54	N/A	100	0
LIBERUM CAPITAL LIMITED - 213800U6KUF87S1KCC03	3.81	0.56	N/A	100	0
REDBURN (EUROPE) LIMITED - 213800PKEJQZQXQCOJ04	3.71	1.12	N/A	100	0
INTL FCStone Financial Inc - 549300LNKU6K5TJCRG93	2.93	1.12	N/A	100	0

## Qualitative Description

2.1	Provide an explanation of the relative importance given to the execution factors of price, costs, speed, likelihood of execution, or to any other consideration including qualitative factors when assessing the quality of execution.	The trading profile for this category will be similar to equities. Trading within this area consists of equities that have not been assigned a liquidity band by ESMA. Trading is varied as it is global in nature and varies across all market capitalisations. This requires the ability to be able to trade in various time zones, and with various liquidity providers. The range of trading partners available allows us to trade in all types of securities. We will not trade with a counterparty who we believe will be unable to ultimately settle a transaction so this ranks highest when choosing a counterparty. After this price will be the most important factor and when trading in less liquid securities, then likelihood of execution will be ranked higher than usual. The current platform of trading partners is adequate for the nature of trading and changes when a partner is identified that offers something not currently available from the current platform of trading partners. The factors in order of importance are: Likelihood of settlement, Price, Costs, Speed, Size, Nature, Likelihood of Execution, Other Relevant Factors.
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2.4	Provide an explanation of the factors that led to any change in the execution venues and brokers listed in the firm's execution policy, if any such change occurred	New counterparts were added in 2018 to our liquidity platform to give us the ability to trade with less associated costs and where they have been identified as being able to trade in less liquid areas of the market.

## 6. Execution Report for Miton Trust Managers Limited (LEI: 21380001473FSBR52K95)

### Class of Financial Instrument: Equity – Shares & Depositary Receipts

Class of Instrument	Equities - Shares and Depositary Receipts: Tick Size liquidity bands 1 and 2				
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
Mirabaud Securities Limited - 213800Z5T61L1ZDWV35	31.51	4.35	N/A	100	0
Stifel Nicolaus Europe Limited - 213800BVEFNZ8UYPKL03	15.41	13.04	N/A	100	0
REDBURN (EUROPE) LIMITED - 213800PKEJQZQXQCOJ04	13.57	15.22	N/A	100	0
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	12.68	2.17	N/A	100	0
Autonomous Research LLP - 213800LBM6PT85IGM996	8.82	6.52	N/A	100	0

Class of Instrument	Equities - Shares and Depositary Receipts: Tick Size liquidity bands 3 and 4				
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
Liquidnet Euorpe Limited - 213800ZIRB79BE5XQM68	21.72	11.30	N/A	100	0
REDBURN (EUROPE) LIMITED - 213800PKEJQZQXQCOJ04	14.06	22.61	N/A	100	0
PEEL HUNT LLP - 5493007DWN0R4YBM4C84	10.80	6.09	N/A	100	0
Autonomous Research LLP - 213800LBM6PT85IGM996	8.66	15.65	N/A	100	0
RBC Europe Limited - TXDSU46SXBWIGJ8G8E98	8.01	6.09	N/A	100	0

Class of Instrument	Equities - Shares and Depositary Receipts: Tick Size liquidity bands 5 and 6				
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
REDBURN (EUROPE) LIMITED - 213800PKEJQZQXQCOJ04	32.85	50.85	N/A	100	0
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	18.07	11.86	N/A	100	0
Autonomous Research LLP - 213800LBM6PT85IGM996	16.54	15.25	N/A	100	0
RBC Europe Limited - TXDSU46SXBWIGJ8G8E98	5.26	3.39	N/A	100	0
JP Morgan Securities Plc - K6Q0W1PS1L1O4IQL9C32	4.44	1.13	N/A	100	0

## Qualitative Description

2.1	<p>Provide an explanation of the relative importance given to the execution factors of price, costs, speed, likelihood of execution, or to any other consideration including qualitative factors when assessing the quality of execution.</p>	<p>The trading profile for this asset class and the various liquidity bands is varied as it is global in nature and varies across all market capitalisations. This requires the ability to be able to trade in various time zones, and with various liquidity providers. The range of trading partners available allows us to trade in all types of securities. We will not trade with a counterparty who we believe will be unable to ultimately settle a transaction so this ranks highest when choosing a counterparty. After this price will be the most important factor and when trading in less liquid securities, then likelihood of execution will be ranked higher than usual. The current platform of trading partners is adequate for the nature of trading and changes when a partner is identified that offers something not currently available from the current platform of trading partners. The factors in order of importance are: Likelihood of settlement, Price, Costs, Speed, Size, Nature, Likelihood of Execution, Other Relevant Factors.</p>
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2.4	Provide an explanation of the factors that led to any change in the execution venues and brokers listed in the firm's execution policy, if any such change occurred	New counterparts were added in 2018 to our liquidity platform to give us the ability to trade with less associated costs and where they have been identified as being able to trade in less liquid areas of the market.
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