

Sculptor Capital Management Europe Limited
Annual RTS 28 Best Execution Disclosures - 2019



June 2020

Sculptor Capital Management Europe Limited

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Best Execution Obligation:

Sculptor Capital Management Europe Limited (the “Firm”) is a member of the Sculptor Capital Management, Inc. Group (the “Group”) and acts as a sub-investment manager to a number of the Group’s investment funds and managed accounts clients (“Clients”). The Firm is authorised and regulated by the Financial Conduct Authority (“FCA”) and is an investment firm subject to the requirements of the FCA Rules that implement the Markets in Financial Instruments Directive and Regulation (“MiFID II”) including the order execution rules under the Regulatory Technical Standard 28 (“RTS 28”).

In order to comply with the above obligations, the Firm must take all sufficient steps to obtain the best possible result for its Clients, taking in to account the “execution factors” specified by MiFID II. It is the Firm’s policy that the Firm’s best execution obligations should be applied in a manner that takes in to account the different circumstances associated with the execution of orders related to particular Instrument Classes (as defined in the “MiFID II Rules”). For each Instrument Class included in this report we have set out the relative importance of each execution factor, although this may vary depending on the characteristics of a specific order.

In addition, the Firm is required to summarise and make public on its website on an annual basis, for each class of financial instrument in which it has traded, the top five Execution Venues where it executes orders, and the top five Brokers to which it transmits orders for execution, in terms of trading volumes, in the preceding calendar year, including information on the quality of execution obtained. This information will be published annually on the Firm’s website by 30 April each year, however due to Covid-19 the FCA has granted an extended deadline of 30 June 2020.

This document is the Firm’s RTS 28 report for calendar year 2019, containing both quantitative and qualitative disclosures for each of the following Instrument Classes:

- Equities - Shares and Depositary Receipts: Tick size liquidity bands 5 and 6
- Equities - Shares and Depositary Receipts: Tick size liquidity bands 3 and 4
- Equities - Shares and Depositary Receipts: Tick size liquidity bands 1 and 2
- Debt Instruments: Bonds
- Debt Instruments: Money Market Instruments
- Interest Rate Derivatives: Futures and options admitted to trading on a trading venue
- Credit Derivatives: Other Credit Derivatives
- Structured Finance Instruments
- Equity Derivatives: Futures and Options Admitted to Trading on a Trading Venue
- Equity Derivatives: Swaps and Other Equity Derivatives
- Securitised Derivatives: Warrants and Certificate Derivatives
- Other Instruments

Disclosures are not provided for the remaining Instrument Classes specified in Annex I to the Commission Delegated Regulation as the Firm did not execute trades in those Instrument Classes in 2019.

Use of data / tools relating to quality of execution

The Firm’s Compliance Officer performs regular monitoring of the quality of execution of trades executed by the Firm. The Firm utilises both external and internal monitoring tools and data in evaluating whether best execution has been achieved, taking into account the relevant execution factors for a given trade(s). The Firm reviews its Order Execution Policy and its order execution arrangements at least annually and whenever a material change occurs that affects the Firm’s ability to continue to obtain the best possible result for its clients on a consistent basis, in accordance with the MiFID II Rules. During 2019, the Firm did not contract directly with any Consolidated Tape Provider but is able to access market pricing data from a variety of third-party sources.

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Differentiation across client categories:

The Firm gives effect to decisions to deal only on behalf of professional clients (as defined in the FCA Rules).

Close links, conflicts of interest and common ownership with respect to execution venues:

The Firm may elect to route certain orders internally to trading desks within the Group in other geographical locations in order to achieve the best possible outcome for its Clients. Consequently, the Firm has included certain Group entities within its top five brokers for certain Instrument Classes, as required by the MiFID II Rules. For 2019, the only relevant Group entity for these purposes is Sculptor Capital LP.

The Firm has policies and procedures in place to identify and to prevent or manage conflicts of interest. In particular, employees or officers of the Firm may hold certain outside business interests, such as directorships, or shareholdings in service providers to the Group. The Firm has identified that such outside business interests or investments could cause a potential conflict of interest between the personal interest of the relevant Employee / director and the interests of the Group's Clients. The Group manages this potential conflict by maintaining and following a Code of Ethics Policy that requires employees and officers to obtain prior consent from Compliance for outside business interests or investments in service providers and to report all conflicts to Compliance. Compliance tracks all outside business interests and may put in place procedures specific to an employee in the event that there is a conflict.

Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received:

During 2019, and as permitted by the relevant regulations during this period, the Firm had Research Commission Charging Agreements in place with certain brokers under which Equity Transactions are effected at an agreed rate with the broker which includes an element for the costs of executing the trade and a proportion which is placed into a Research Payment Account ("RPA"). The Firm may pay certain suppliers from the RPA to remunerate providers of "permitted services" as defined by the FCA Rules. This is monitored by the Compliance Department.

Other than as described above, the Firm does not have any specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received to report. Minor non-monetary benefits may be received from time to time in the form of gifts and entertainment given by third party execution venues and brokers to the Firm's employees. However, the Firm has a Gift & Entertainment, Political Activity and Charitable Giving Policy that places limits on gifts and entertainment, and requires pre-approval and/or reporting of gifts and entertainment above specified thresholds. Compliance undertakes regular monitoring of this process and reviews the aggregate level of gifts and entertainment received by the Firm and its employees to prevent potential conflicts from arising.

Factors leading to a change in the list of execution venues listed in the Order Execution policy:

In order to ensure best execution, the Firm participates in the Group-wide Best Execution Committee. Where it deems appropriate, as part of the Best Execution Review, the Firm will have regard to publicly available data on quality of execution obtained by Executing Brokers; however, the Firm will assess a broad range of factors when determining whether to make changes to the list of execution venues in its order execution policy. The Firm's traders will monitor the market for new Executing Brokers and Execution Venues that should be onboarded to improve the Firm's order execution capabilities. Inactive Executing Brokers and Execution Venues (i.e. those with limited to no trading activity) and those that no longer enable it to obtain on a consistent basis the best possible results for its clients are offboarded.

Choosing Between Order Placement and Direct Execution

Once the Firm has made a decision to deal in a financial instrument on behalf of a client, the relevant Trader will decide whether to place the order with a Broker or to attempt to execute the transaction directly. This decision will be made having regard to the relative importance of the execution factors for the Instrument Class in question. For some Instrument Classes, there will be no choice.

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Equities - Shares and Depository Receipts: Tick size liquidity bands 5 and 6 (from 2,000 trades per day)

Class of Instrument (Non-SFT)	Equities - Shares and Depository Receipts: Tick size liquidity bands 5 and 6		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five BROKERS 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
JOH. BERENBERG, GOSSLER & CO. KG	529900UC2OD7II24Z667	43.10	53.50
LIBERUM CAPITAL	213800U6KUF87S1KCC03	32.58	29.50
KEPLER CHEUVREUX	9695005EOZG9X8IRJD84	16.06	2.00
REDBURN (EUROPE) LTD	213800PKEJQZQXQCOJ04	2.83	8.00
OLIVETREE FINANCIAL LTD	213800WJG33TNCVZK61	2.48	1.00

Class of Instrument (Non-SFT)	Equities - Shares and Depository Receipts: Tick size liquidity bands 5 and 6		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five 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
MORGAN STANLEY & CO. INTERNATIONAL PLC	4PQUHN3JPFQFNF3BB653	52.73	31.58
MAKOR SECURITIES LONDON LIMITED	549300IQTYC8XXQ6C338	16.83	21.05
LIBERUM CAPITAL	213800U6KUF87S1KCC03	7.83	5.26
SMBC NIKKO CAPITAL MARKETS LTD	G7WFA3G3MT5YHH8CHG81	6.72	5.26
LOUIS CAPITAL MARKETS UK LLP	213800KL2QZT2GQMQQ34	5.88	5.26

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Class of Instrument (SFT)	Equities - Shares and Depositary Receipts: Tick size liquidity bands 5 and 6		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five 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
MERRILL LYNCH INTERNATIONAL	GGDZP1UYGU9STUHRDP48	66.06	26.67
JEFFERIES INTERNATIONAL LTD	S5THZMDUJCTQZBTRVI98	18.17	13.33
MORGAN STANLEY & CO. INTERNATIONAL PLC	4PQUHN3JPFGFNF3BB653	6.82	6.67
BARCLAYS CAPITAL SECURITIES LTD	K9WDOH4D2PYBSLSOB484	5.55	6.67
BNP PARIBAS SA	R0MUWSFPU8MPRO8K5P83	1.44	13.33

Execution Factors

Price and transaction cost will usually be the most important execution factors. In appropriate circumstances, the Trader may ascribe the most importance to an execution factor other than price/cost.

In certain circumstances (for example within a convertible arbitrage strategy or certain credit strategies) a bond may be traded simultaneously with another instrument (most commonly with an equity or a benchmark bond) and with the same broker in order to ensure the optimal hedging result (these are commonly referred to as “package trades”). For such trades, the Trader will seek to obtain the best possible result in respect of the overall package trade and select the most important execution factor accordingly.

For Securities Financing Transactions (“SFTs”) involving equity underliers where the Firm is the borrower, certainty of execution (i.e. does the potential lender have access to the requisite amount of borrow) and likelihood of recall will usually be the most important factors, with transaction cost (i.e. the financing rate) and certainty of settlement (i.e. counterparty risk) being important secondary factors. The Trader will select the lender or lenders with a suitable credit profile that have access to the necessary inventory and are prepared to lend them at acceptable rates.

Based on the Firm’s best execution monitoring during 2019 (as described above under ‘Use of data / tools relating to quality of execution’), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class.

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Equities - Shares and Depositary Receipts: Tick size liquidity bands 3 and 4 (from 80 to 1,999 trades per day)

Class of Instrument (Non-SFT)	Equities - Shares and Depositary Receipts: Tick size liquidity bands 3 and 4		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five BROKERS 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
CREDIT SUISSE SECURITIES (EUROPE) LTD	DL6FFRRLF74S01HE2M14	24.97	7.46
MERRILL LYNCH INTERNATIONAL	GGDZP1UYGU9STUHRDP48	21.63	17.91
MORGAN STANLEY & CO. INTERNATIONAL PLC	4PQUHN3JPFGFNF3BB653	19.10	28.36
GOLDMAN SACHS INTERNATIONAL	W22LROWP2IHZNBB6K528	13.59	10.45
OLIVETREE FINANCIAL LTD	213800WJG33TNCVZK61	9.39	2.99

Class of Instrument (SFT)	Equities - Shares and Depositary Receipts: Tick size liquidity bands 3 and 4		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five 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
SCOTIA CAPITAL (USA) INC.	549300BLWPABP1VNME36	32.82	18.18
BARCLAYS CAPITAL SECURITIES LTD	K9WDOH4D2PYBSLSOB484	22.97	18.18
CREDIT SUISSE SECURITIES (EUROPE) LTD	DL6FFRRLF74S01HE2M14	17.18	18.18
CITIGROUP GLOBAL MARKETS LIMITED	XKZZ2JZF41MRHTR1V493	11.79	9.09
SOCIETE GENERALE	O2RNE8IBXP4R0TD8PU41	9.73	18.18

Execution Factors

For smaller orders, the Trader will on many occasions consider that price is the most important execution factor. Other execution factors are permitted to be taken into account at the discretion of the relevant Trader as is appropriate for the size and nature of the relevant order (and one or more of these other factors may displace price as the most important factor). In appropriate circumstances, the Trader may ascribe the most importance to an execution factor other than price/cost.

In certain circumstances (for example within a convertible arbitrage strategy or certain credit strategies) a bond may be traded simultaneously with another instrument (most commonly with an equity or a benchmark bond) and with the same broker in order to ensure the optimal hedging result (these are commonly referred to as “package trades”). For such trades the Trader will seek to obtain the best possible result in respect of the overall package trade and select the most important execution factor accordingly.

For Securities Financing Transactions (“SFTs”) involving equity underliers where the Firm is the borrower, certainty of execution (i.e. does the potential lender have access to the requisite amount of borrow) and likelihood of recall will usually be the most important factors, with transaction cost (i.e. the financing rate) and certainty of settlement (i.e. counterparty risk) being important secondary factors. The Trader will select the lender or lenders with a suitable credit profile that have access to the necessary inventory and are prepared to lend them at acceptable rates.

Based on the Firm’s best execution monitoring during 2019 (as described above under ‘Use of data / tools relating to quality of execution’), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class.

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Equities - Shares and Depositary Receipts: Tick size liquidity bands 1 and 2 (from 0 to 79 trades per day)

Class of Instrument (Non-SFT)	Equities - Shares and Depositary Receipts: Tick size liquidity bands 1 and 2		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five BROKERS 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
Sculptor Capital LP	HL5S0Q35D58KLZHEX572	88.54	53.85
MAKOR SECURITIES LONDON LIMITED	549300IQTYC8XXQ6C338	10.85	43.08
JPMORGAN CHASE BANK NA	7H6GLXDRUGQFU57RNE97	0.41	1.54
JOH. BERENBERG, GOSSLER & CO. KG	529900UC2OD7II24Z667	0.2	1.54

Class of Instrument (Non-SFT)	Equities - Shares and Depositary Receipts: Tick size liquidity bands 1 and 2		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five 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
JP MORGAN SECURITIES LLC	ZBUT11V806EZRVWT807	50.59	17.65
FOSSAR MARKETS HF	529900T0SDZCXS5Q572	30.01	2.94
CREDIT SUISSE (HONG KONG) LIMITED	54930025BDY2HW6EF014	5.61	2.94
LOUIS CAPITAL MARKETS UK LLP	213800KL2QZT2GQM34	4.52	8.82
MAKOR SECURITIES LONDON LIMITED	549300IQTYC8XXQ6C338	3.77	47.06

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Class of Instrument (SFT)	Equities - Shares and Depositary Receipts: Tick size liquidity bands 1 and 2		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five 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
JP MORGAN SECURITIES LLC	ZBUT11V806EZRVTWT807	100	100

Execution Factors

Depending on the available liquidity, for smaller orders, the Trader will on many occasions consider that price is the most important execution factor. Other execution factors are permitted to be taken into account at the discretion of the relevant Trader as is appropriate for the size and nature of the relevant order (and one or more of these other factors may displace price as the most important factor). Relative to the other two equity liquidity bands, the Trader may be more likely to ascribe the most importance to an execution factor other than price/cost to transactions falling within this liquidity band.

In certain circumstances (for example within a convertible arbitrage strategy or certain credit strategies) a bond may be traded simultaneously with another instrument (most commonly with an equity or a benchmark bond) and with the same broker in order to ensure the optimal hedging result (these are commonly referred to as “package trades”). For such trades the Trader will seek to obtain the best possible result in respect of the overall package trade and select the most important execution factor accordingly.

In 2019, the Firm executed one SFT in this Instrument Class.

Based on the Firm’s best execution monitoring during 2019 (as described above under ‘Use of data / tools relating to quality of execution’), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class.

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Debt Instruments: Bonds

Class of Instrument (Non-SFT)	Debt Instruments: Bonds		
Notification if < 1 average trade per business day in the previous year	No		
Top five BROKERS 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
MERRILL LYNCH INTERNATIONAL	GGDZP1UYGU9STUHRDP48	11.54	9.53
JEFFERIES INTERNATIONAL LTD	S5THZMDUJCTQZBTRVI98	10.75	8.32
BARCLAYS CAPITAL SECURITIES LTD	K9WDOH4D2PYBSLSOB484	10.30	10.01
JP MORGAN SECURITIES PLC	K6Q0W1PS1L1O4IQL9C32	10.25	7.84
CITIGROUP GLOBAL MARKETS LIMITED	XKZZ2JZF41MRHTR1V493	6.35	6.76

Class of Instrument (Non-SFT)	Debt Instruments: Bonds		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five 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
BARCLAYS BANK PLC	G5GSEF7VJP5I7OUK5573	27.03	18.28
JP MORGAN SECURITIES PLC	K6Q0W1PS1L1O4IQL9C32	10.23	8.60
BNP PARIBAS SA	R0MUWSFPU8MPRO8K5P83	9.41	5.91
DEUTSCHE BANK AG	7LTFWZYICNSX8D621K86	9.12	5.91
GOLDMAN SACHS INTERNATIONAL	W22LROWP2IHZNBB6K528	7.27	8.60

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Class of Instrument (SFT)	Debt Instruments: Bonds		
Notification if < 1 average trade per business day in the previous year	No		
Top five 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
CREDIT SUISSE SECURITIES (EUROPE) LTD	DL6FFRRLF74S01HE2M14	77.24	39.24
JPMORGAN CHASE BANK NA	ZBUT11V806EZRVTWT807	6.00	15.23
MERRILL LYNCH INTERNATIONAL	GGDZP1UYGU9STUHRDP48	4.60	2.49
GOLDMAN SACHS INTERNATIONAL	W22LROWP2IHZNBB6K528	3.80	5.71
UBS AG	BFM8T61CT2L1QCEMIK50	3.68	19.33

Class of Instrument (SFT)	Debt Instruments: Bonds		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five BROKERS 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
Sculptor Capital LP	HL5S0Q35D58KLZHEX572	94.16	92.21
Sculptor Capital Management Hong Kong Limited	549300WFFVFLMJEX3L40	5.84	7.79

Execution Factors

Certainty of execution (i.e. availability of liquidity) and price will often be the most important execution factors, with speed of execution and minimisation of market impact as important secondary considerations. In certain circumstances there may be very limited sources of liquidity for the bonds where there may, in effect, be no or little choice of Execution Venue.

In certain circumstances (for example within a convertible arbitrage strategy or certain credit strategies) a bond may be traded simultaneously with another instrument (most commonly with an equity or a benchmark bond) and with the same broker in order to ensure the optimal hedging result (these are commonly referred to as “package trades”). For such trades the Trader will seek to obtain the best possible result in respect of the overall package trade and select the most important execution factor accordingly.

For SFTs involving bond underliers (such as repos) where the Firm is the borrower, certainty of execution (i.e. does the potential lender have access to the requisite amount of borrow), and likelihood of recall will usually be the most important factors, with transaction cost (i.e. the financing rate) and certainty of settlement (i.e. counterparty risk) being important secondary factors. The Trader will select the lender or lenders with a suitable credit profile that have access to the necessary inventory and are prepared to lend to them at acceptable rates. For SFTs involving bond underliers (such as repos) where the Firm is the lender, transaction cost (i.e. the financing rate) will usually be the most important factor, with certainty of settlement (i.e. counterparty risk) being an important secondary factor.

Based on the Firm’s best execution monitoring during 2019 (as described above under ‘Use of data / tools relating to quality of execution’), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class.

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Debt Instruments: Money Markets

Class of Instrument (Non-SFT)	Debt Instruments: Money Markets		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five BROKERS 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
GOLDMAN SACHS INTERNATIONAL	W22LROWP2IHZNBB6K528	100.00	100.00

Class of Instrument (Non-SFT)	Debt Instruments: Money Markets		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five 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
MORGAN STANLEY & CO. INTERNATIONAL PLC	4PQUHN3JPFGFNF3BB653	53.74	25.00
JP MORGAN SECURITIES LLC	ZBUT11V806EZRVWT807	45.99	50.00
JEFFERIES INTERNATIONAL LTD	S5THZMDUJCTQZBTRVI98	0.27	25.00

Execution Factors

Certainty of execution (i.e. availability of liquidity) will often be the most important execution factor, with price and minimisation of market impact as important secondary considerations. In certain circumstances there may be very limited sources of liquidity for the money market instruments where there may, in effect, be no or little choice of Execution Venue. In 2019, the Firm did not execute any SFTs in this Instrument Class.

Based on the Firm's best execution monitoring during 2019 (as described above under 'Use of data / tools relating to quality of execution'), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class. The Firm is also satisfied that best execution was achieved using only one broker given the low volume of trades executed in this Instrument Class.

Interest Rate Derivatives: Futures and Options Admitted to Trading on a Trading Venue

Class of Instrument (Non-SFT)	Interest Rate Derivatives: Futures and Options Admitted to Trading on a Trading Venue		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five BROKERS 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
MORGAN STANLEY & CO. INTERNATIONAL PLC	4PQUHN3JPF GFNF3BB653	100.00	100.00

Execution Factors

The Trader will on many occasions consider that price is the most important execution factor. Other execution factors are permitted to be taken into account at the discretion of the relevant Trader as is appropriate for the size and nature of the relevant order (and one or more of these other factors may displace price as the most important factor).

In 2019, the Firm executed transactions in this Instrument Class solely via Brokers and did not trade directly with any Execution Venue. The Firm did not execute any SFTs in this Instrument Class during 2019.

Based on the Firm's best execution monitoring during 2019 (as described above under 'Use of data / tools relating to quality of execution'), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class. In particular, the Firm is satisfied that best execution was achieved using only one broker given the low volume of trades executed in this Instrument Class.

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Credit Derivatives: Other Credit Derivatives

Class of Instrument (Non-SFT)	Credit Derivatives: Other Credit Derivatives		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five BROKERS 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
Sculptor Capital LP	HL5S0Q35D58KLZHEX572	65.64	20.00
HSBC BANK PLC	MP6I5ZYZBEU3UXPYFY54	24.09	16.00
BNP PARIBAS SA	R0MUWSFPU8MPRO8K5P83	7.24	44.00
UBS AG	BFM8T61CT2L1QCEMIK50	2.26	12.00
BANK OF AMERICA N.A.	GGDZP1UYGU9STUHRDP48	0.42	4.00

Class of Instrument (Non-SFT)	Credit Derivatives: Other Credit Derivatives		
Notification if < 1 average trade per business day in the previous year	No		
Top five 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
BANK OF NOVA SCOTIA	L3I9ZG2KFGXZ61BMYR72	27.17	23.90
UBS AG	BFM8T61CT2L1QCEMIK50	17.72	13.29
BNP PARIBAS SA	R0MUWSFPU8MPRO8K5P83	17.12	11.59
HSBC BANK PLC	MP6I5ZYZBEU3UXPYFY54	14.94	8.90
DEUTSCHE BANK AG	7LWTFZYICNSX8D621K86	7.37	5.49

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Class of Instrument (SFT)	Credit Derivatives: Other Credit Derivatives		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five 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
DEUTSCHE BANK AG	7LTFWZYICNSX8D621K86	32.45	22.22
BANK OF NOVA SCOTIA	L3I9ZG2KFGXZ61BMYR72	22.02	16.67
HSBC BANK PLC	MP6I5ZYZBEU3UXPYFY54	15.39	11.11
BNP PARIBAS SA	R0MUWSFPU8MPRO8K5P83	13.96	5.56
SOCIETE GENERALE	O2RNE8IBXP4R0TD8PU41	10.66	27.78

Execution Factors

For transactions in OTC derivatives, the Trader will on many occasions consider that price (including costs) is the most important factor. Other execution factors can be taken into account at the discretion of the relevant Trader as is appropriate for the size and nature of the relevant order.

For SFTs involving credit derivatives underliers where the Firm is the borrower, certainty of execution (i.e. does the potential lender have access to the requisite amount of borrow) and likelihood of recall will usually be the most important factors, with transaction cost (i.e. the financing rate) and certainty of settlement (i.e. counterparty risk) being important secondary factors. The Trader will select the lender or lenders with a suitable credit profile that have access to the necessary inventory and are prepared to lend them at acceptable rates.

Based on the Firm's best execution monitoring during 2019 (as described above under 'Use of data / tools relating to quality of execution'), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class.

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Structured Finance Instruments

Class of Instrument (Non-SFT)	Structured Finance Instruments		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five BROKERS 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
NOMURA INTERNATIONAL PLC	DGQCSV2PHVF7I2743539	47.52	9.09
NATWEST MARKETS PLC	RR3QWICWWIPCS8A4S074	17.04	9.09
BARCLAYS CAPITAL SECURITIES LTD	K9WDOH4D2PYBSLSOB484	14.45	9.09
CITIGROUP GLOBAL MARKETS LIMITED	XKZZ2JZF41MRHTR1V493	8.30	27.27
GOLDMAN SACHS INTERNATIONAL	W22LROWP2IHZNBB6K528	5.98	18.18

Class of Instrument (Non-SFT)	Structured Finance Instruments		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five 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
CITIGROUP GLOBAL MARKETS LIMITED	XKZZ2JZF41MRHTR1V493	59.41	50.00
GOLDMAN SACHS INTERNATIONAL	W22LROWP2IHZNBB6K528	40.59	50.00

Execution Factors

Certainty of execution (i.e. availability of liquidity) will often be the most important execution factor, with price and minimisation of market impact as important secondary considerations. In certain circumstances there may be very limited sources of liquidity for the bonds where there may, in effect, be no or little choice of Execution Venue.

In 2019, the Firm did not execute any SFTs in this Instrument Class.

Based on the Firm's best execution monitoring during 2019 (as described above under 'Use of data / tools relating to quality of execution'), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class.

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Equity Derivatives: Futures and Options Admitted to Trading on a Trading Venue

Class of Instrument (Non-SFT)	Equity Derivatives: Futures and Options Admitted to Trading on a Trading Venue		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five BROKERS 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
MORGAN STANLEY & CO. INTERNATIONAL PLC	4PQUHN3JPF GFNF3BB653	99.11	93.84
MERRILL LYNCH INTERNATIONAL	GGDZP1UYGU9STUHRDP48	0.87	3.42
Sculptor Capital LP	HL5S0Q35D58KLZHEX572	0.01	2.74

Class of Instrument (Non-SFT)	Equity Derivatives: Futures and Options Admitted to Trading on a Trading Venue		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five 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
BNP PARIBAS SA	R0MUWSFPU8MPRO8K5P83	92.77	21.88
UBS AG	BFM8T61CT2L1QCEMIK50	4.72	16.67
MORGAN STANLEY & CO. INTERNATIONAL PLC	4PQUHN3JPF GFNF3BB653	0.88	2.08
CITIGROUP GLOBAL MARKETS LIMITED	XKZZ2JZF41MRHTR1V493	0.83	1.04
CANTOR FITZGERALD EUROPE	549300KM6VUHPKQLQX53	0.45	18.75

Execution Factors

The Trader will on many occasions consider that price is the most important execution factor. Other execution factors are permitted to be taken into account at the discretion of the relevant Trader as is appropriate for the size and nature of the relevant order (and one or more of these other factors may displace price as the most important factor).

In 2019, the Firm did not execute any SFTs in this Instrument Class.

Based on the Firm's best execution monitoring during 2019 (as described above under 'Use of data / tools relating to quality of execution'), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class.

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Equity Derivatives: Swaps and Other Equity Derivatives

Class of Instrument (Non-SFT)	Equity Derivatives: Swaps and Other Equity Derivatives		
Notification if < 1 average trade per business day in the previous year	No		
Top five BROKERS 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
Sculptor Capital LP	HL5S0Q35D58KLZHEX572	17.61	3.34
UBS AG	BFM8T61CT2L1QCEMIK50	17.18	25.79
HSBC BANK PLC	MP6I5ZYZBEU3UXPYFY54	16.46	1.11
GOLDMAN SACHS INTERNATIONAL	W22LROWP2IHZNBB6K528	11.53	6.31
CREDIT SUISSE SECURITIES EUROPE LIMITED	DL6FFRRLF74S01HE2M14	10.63	18.74

Class of Instrument (Non-SFT)	Equity Derivatives: Swaps and Other Equity Derivatives		
Notification if < 1 average trade per business day in the previous year	No		
Top five 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
CREDIT SUISSE SECURITIES EUROPE LIMITED	DL6FFRRLF74S01HE2M14	15.4	23.75
GOLDMAN SACHS INTERNATIONAL	W22LROWP2IHZNBB6K528	13.14	10.63
HSBC BANK PLC	MP6I5ZYZBEU3UXPYFY54	10.03	4.76
BANK OF NOVA SCOTIA	L3I9ZG2KFGXZ61BMYR72	9.87	6.59
BNP PARIBAS SA	R0MUWSFPU8MPRO8K5P83	8.7	3.75

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Class of Instrument (SFT)	Equity Derivatives: Swaps and Other Equity Derivatives		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five BROKERS 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
Sculptor Capital Management Hong Kong Limited	549300WFFVFLMJEX3L40	100	100

Class of Instrument (SFT)	Equity Derivatives: Swaps and Other Equity Derivatives		
Notification if < 1 average trade per business day in the previous year	No		
Top five 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
JPMORGAN CHASE BANK, NA	7H6GLXDRUGQFU57RNE97	35.64	13.53
HSBC BANK PLC	MP6I5ZYZBEU3UXPYFY54	12.42	7.9
SOCIETE GENERALE	O2RNE8IBXP4R0TD8PU41	12.12	14.59
GOLDMAN SACHS INTERNATIONAL	W22LROWP2IHZNBB6K528	10.34	7.9
UBS AG	BFM8T61CT2L1QCEMIK50	5.53	7.14

Execution Factors

For transactions in OTC derivatives, the Trader will on many occasions consider that price (including costs) is the most important factor. Other execution factors can be taken into account at the discretion of the relevant Trader as is appropriate for the size and nature of the relevant order.

For SFTs involving equity derivatives where the Firm is the borrower, certainty of execution (i.e. does the potential lender have access to the requisite amount of borrow) and likelihood of recall will usually be the most important factors, with transaction cost (i.e. the financing rate) and certainty of settlement (i.e. counterparty risk) being important secondary factors. The Trader will select the lender or lenders with a suitable credit profile that have access to the necessary inventory and are prepared to lend them at acceptable rates.

Based on the Firm's best execution monitoring during 2019 (as described above under 'Use of data / tools relating to quality of execution'), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class.

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Securitised Derivatives: Warrants and Certificate Derivatives

Class of Instrument (Non-SFT)	Securitised Derivatives: Warrants and Certificate Derivatives		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five 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
MORGAN STANLEY & CO. INTERNATIONAL PLC	4PQUHN3JPFQFNF3BB653	93.58	50.00
BGC BROKERS LP	ZWNFQ48RUL8VJZ2AIC12	6.42	50.00

Execution Factors

For smaller orders, the Trader will on many occasions consider that price is the most important execution factor. Other execution factors are permitted to be taken into account at the discretion of the relevant Trader as is appropriate for the size and nature of the relevant order (and one or more of these other factors may displace price as the most important factor).

In 2019, the Firm did not execute any SFTs in this Instrument Class.

Based on the Firm's best execution monitoring during 2019 (as described above under 'Use of data / tools relating to quality of execution'), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class. In particular, the Firm is satisfied that best execution was achieved for this Instrument Class.

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Other Instruments

Class of Instrument (Non-SFT)	Other Instruments		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five BROKERS 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
MORGAN STANLEY & CO. INTERNATIONAL PLC	4PQUHN3JPFQFNF3BB653	80.8	33.33
HSBC BANK PLC	MP6I5ZYZBEU3UXPYFY54	12.3	33.33
SOCIETE GENERALE	O2RNE8IBXP4R0TD8PU41	6.91	33.33

Class of Instrument (Non-SFT)	Other Instruments		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five 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
JPMORGAN CHASE BANK, NA	7H6GLXDRUGQFU57RNE97	61.43	44.83
DEUTSCHE BANK AG	7LTFWZYICNSX8D621K86	15.09	3.45
CREDIT SUISSE SECURITIES EUROPE LIMITED	DL6FFRRLF74S01HE2M14	10.15	12.07
SOCIETE GENERALE	O2RNE8IBXP4R0TD8PU41	9.45	8.62
BANK OF NOVA SCOTIA	L3I9ZG2KFGXZ61BMYR72	1.99	5.17

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Class of Instrument (SFT)	Other Instruments		
Notification if < 1 average trade per business day in the previous year	Yes		
Top five 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	
JPMORGAN CHASE BANK, NA	7H6GLXDRUGQFU57RNE97	100	100

Execution Factors

The relative importance of execution factors will depend on the specific nature of the instrument being traded in each instance. Based on the Firm's best execution monitoring during 2019 (as described above under 'Use of data / tools relating to quality of execution'), and taking into account the relevant execution factors for a given trade(s), the Firm is satisfied that it achieved best execution for this Instrument Class (rights issues). With respect to the SFTs, the Firm is satisfied that best execution was achieved using only one venue given the low volume of trades executed in this Instrument Class.