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# **Stone Milliner Asset Management LLP Annual Execution Disclosure 2017**

April 2018

### **Execution Disclosure 2017**

On an annual basis Stone Milliner Asset Management LLP (SMAM) is required to provide a disclosure around the execution venues utilised for each asset class it trades and certain information on the quality of execution in line with the requirements set out in the Regulatory Technical Standard 28 supplementing the MiFID II Directive.

When determining the strategy for placing orders or executing transactions, SMAM will take into consideration a number of execution factors which can vary dependent upon the characteristics of the specific financial instruments and the prevailing market conditions. Whilst they may differ depending on the characteristics of each order, for each asset class the typical relative importance of the execution factors is set out alongside each asset class.

SMAM executes transactions or places orders with its approved counterparties. The list of approved counterparties is reviewed at least annually and changes over time. Amendments to the approved counterparties list will be made taking into account a number of factors including amongst others the reputation and credit worthiness of the counterparty, execution performance including accurate and timely execution, ongoing reliability, costs and available market makers. Once available, SMAM will include information under RTS27 in its analysis and oversight of best execution. There is no data available for 2017 on the percentage of directed orders.

SMAM clients are all Professional Clients and so SMAM executes transactions and places orders for all its clients in the same way. SMAM does not receive payments, discounts, rebates or non-monetary benefits in its trading arrangements. SMAM does not trade with any affiliates.

Best Execution monitoring is undertaken regularly. Best execution is reviewed by SMAM management in order to review adherence to the best execution policy and discuss any concerns or issues.

For 2017, SMAM can confirm that it has met its best execution obligations to achieve the best possible results for its clients on a consistent basis.

This report has been reviewed and approved by the Executive Committee of Stone Milliner Asset Management LLP.

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Class of Instrument	Debt Instruments – Bonds				
Notification if <1 average trade per business day in the previous year	No				
Top five execution venues in terms of trading volumes (descending order)	Proportion of volume 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
JP Morgan Chase Bank NA	24.29%	20.02%	n/a	n/a	n/a
Barclays Bank Plc	17.26%	17.93%	n/a	n/a	n/a
EDF Man Capital Markets Inc	14.22%	4.36%	n/a	n/a	n/a
UBS AG	9.48%	12.52%	n/a	n/a	n/a
Goldman Sachs Intl	8.30%	7.97%	n/a	n/a	n/a

**Debt Instruments - Bonds Execution factors:**

Size of order, price and costs will normally be the most significant factors: however, execution speed or a limited number of venues offering instruments may mean price investigation is not as varied as it might.

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Class of Instrument	Debt Instruments – Money Market Instruments				
Notification if <1 average trade per business day in the previous year	No				
Top five execution venues in terms of trading volumes (descending order)	Proportion of volume 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
HSBC Bank Plc	24.04%	24.04%	n/a	n/a	n/a
JP Morgan Chase Bank NA	23.54%	23.54%	n/a	n/a	n/a
Standard Chartered Bank	22.53%	22.53%	n/a	n/a	n/a
Nomura International Plc	14.94%	14.94%	n/a	n/a	n/a
Deutsche Bank AG	3.86%	3.86%	n/a	n/a	n/a

**Debt Instruments – Money Market Instruments Execution Factors:**

Price, size and cost will normally be the most significant factors; however, risk diversification is also an important factor

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<b>Class of Instrument</b>	<b>Interest rate derivatives – Futures and Options admitted to trading on a trading venue.</b>				
Notification if <1 average trade per business day in the previous year	No				
Top five execution venues in terms of trading volumes (descending order)	Proportion of volume 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
Credit Suisse International	44.71%	71.41%	n/a	n/a	n/a
Morgan Stanley & Co International Plc	21.31%	11.00%	n/a	n/a	n/a
Goldman Sachs Intl	20.66%	1.09%	n/a	n/a	n/a
Citigroup Global Markets Ltd	4.47%	4.83%	n/a	n/a	n/a
Nomura International Plc	0.89%	0.57%	n/a	n/a	n/a

<b>Class of Instrument</b>	<b>Interest rate derivatives – swaps, forwards and other interest rates derivatives</b>				
Notification if <1 average trade per business day in the previous year	No				
Top five execution venues in terms of trading volumes (descending order)	Proportion of volume 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
JP Morgan Chase Bank NA	16.60%	14.87%	n/a	n/a	n/a
Citigroup Global Markets Ltd	15.29%	9.45%	n/a	n/a	n/a
Barclays Bank Plc	13.49%	8.46%	n/a	n/a	n/a
Nomura International Llc	11.25%	8.26%	n/a	n/a	n/a
Morgan Stanley & Co International Plc	9.84%	7.14%	n/a	n/a	n/a

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<b>Class of Instrument</b>	<b>Credit Derivatives - Other credit derivatives</b>				
Notification if <1 average trade per business day in the previous year	No				
Top five execution venues in terms of trading volumes (descending order)	Proportion of volume 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
BNP Paribas	29.96%	29.49%	n/a	n/a	n/a
Barclays Bank Plc	12.398%	12.18%	n/a	n/a	n/a
HSBC Bank Plc	12.21%	15.38%	n/a	n/a	n/a
Citibank NA	11.66%	8.33%	n/a	n/a	n/a
Goldman Sachs Intl	8.38%	7.69%	n/a	n/a	n/a

<b>Class of Instrument</b>	<b>Currency Derivatives - Swaps forwards and other currency derivatives</b>				
Notification if <1 average trade per business day in the previous year	No				
Top five execution venues in terms of trading volumes (descending order)	Proportion of volume 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
Citibank NA	34.97%	10.41%	n/a	n/a	n/a
Deutsche Bank AG	12.82%	6.83%	n/a	n/a	n/a
HSBC Bank Plc	8.98%	11.15%	n/a	n/a	n/a
Barclays Bank Plc	8.16%	9.07%	n/a	n/a	n/a
Standard Chartered Bank	6.67%	6.27%	n/a	n/a	n/a

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<b>Class of Instrument</b>	<b>Equity Derivatives – Options and Futures admitted to trading on a trading venue</b>				
Notification if <1 average trade per business day in the previous year	No				
Top five execution venues in terms of trading volumes (descending order)	Proportion of volume 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
Morgan Stanley & Co International Plc	23.66%	16.97%	n/a	n/a	n/a
Credit Suisse International	21.26%	38.40%	n/a	n/a	n/a
Goldman Sachs Intl	15.92%	3.45%	n/a	n/a	n/a
JP Morgan Securities Plc	9.88%	2.93%	n/a	n/a	n/a
Societe Generale	9.86%	2.33%	n/a	n/a	n/a

<b>Class of Instrument</b>	<b>Equity Derivatives – Swaps and other equity derivatives</b>				
Notification if <1 average trade per business day in the previous year	Yes, on average less than one trade per business day in the previous year				
Top five execution venues in terms of trading volumes (descending order)	Proportion of volume 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
Merrill Lynch Intl	43.88%	29.17%	n/a	n/a	n/a
BNP Paribas	33.49%	25.00%	n/a	n/a	n/a
Goldman Sachs Intl	7.62%	12.50%	n/a	n/a	n/a
Barclays Bank Plc	6.58%	4.17%	n/a	n/a	n/a
Morgan Stanley & Co. International Plc	4.47%	16.67%	n/a	n/a	n/a

<b>Class of Instrument</b>	<b>Commodities derivatives and emission allowances derivatives – Options and Futures admitted to trading on a trading venue</b>				
Notification if <1 average trade per business day in the previous year	No				
Top five execution venues in terms of trading volumes (descending order)	Proportion of volume 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
Morgan Stanley and Co International Plc	44.71%	71.41%	n/a	n/a	n/a
Credit Suisse International	21.31%	11.00%	n/a	n/a	n/a
Nomura International Plc	11.55%	0.69%	n/a	n/a	n/a
Goldman Sachs Intl	10.11%	0.40%	n/a	n/a	n/a
BGC Brokers LP	4.47%	4.83%	n/a	n/a	n/a

#### **Exchange- Traded Derivatives (ETDs) execution factors:**

Price, speed of execution, costs and size of order will generally be the most important factors when we trade ETDs. However, other execution factors may mean that the trade is carried out in circumstances where the price of a trade is impacted.

#### **Over-The –Counter Derivatives (OTC) execution factors:**

Size of order versus underlying size of market, price and cost will generally be the most important factors by how we trade in these instruments. However, other execution factors may be taken into account or in exceptional circumstances be considered the principal factors e.g. if speed of execution is essential which may mean the trade is carried out in circumstances where the price of a trade is impacted.

Class of Instrument	Exchange Traded Products – (Exchange traded funds, notes and commodities)				
Notification if <1 average trade per business day in the previous year	No				
Top five execution venues in terms of trading volumes (descending order)	Proportion of volume 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
BNP Paribas	31.98%	37.23%	n/a	n/a	n/a
Morgan Stanley & Co LLC	27.86%	27.74%	n/a	n/a	n/a
Merrill Lynch Intl	16.19%	8.03%	n/a	n/a	n/a
Barclays Bank Plc	13.37%	16.06%	n/a	n/a	n/a
Goldman Sachs Intl	7.10%	6.57%	n/a	n/a	n/a

**Exchange Traded Products Execution Factors:**

Price, speed of execution, costs and size of order will normally be the determining factors but other reasons may mean for example certainty of completion of the order takes priority.

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Class of Instrument	Other instruments				
Notification if <1 average trade per business day in the previous year	Yes, on average less than one trade per business day in the previous year				
Top five execution venues in terms of trading volumes (descending order)	Proportion of volume 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
Bank of America NA	51.26%	51.26%	n/a	n/a	n/a
JP Morgan Chase Bank NA	28.05%	28.05%	n/a	n/a	n/a
Barclays Bank PLC	15.21%	15.21%	n/a	n/a	n/a
BNP Paribas	3.18%	3.18%	n/a	n/a	n/a
Goldman Sachs Intl	1.91%	1.91%	n/a	n/a	n/a

**Other Instrument Execution Factors:**

Price, speed of execution, costs and size of order will normally be the determining factors but other reasons may mean for example certainty of completion of the order takes priority.