

RTS 28 Quality of Execution Annual Report

Firm: Coremont LLP (“Coremont” or the “Firm”)

Calendar Year Disclosure Period: 1 January 2018 to 31 December 2018

Date: 30 April 2019

Summary of classes of instruments included in this report, and class of instruments not included in this report (because the Firm has not executed client orders in that class of instruments):

- Debt instruments (Bonds)
- Currency Derivatives (Swaps, forwards and other interest rates derivatives)

General

Coremont LLP (“Coremont” or the “Firm”) is MiFID Firm and is authorised and regulated by the Financial Conduct Authority (“FCA”) in the UK. Coremont provides a number of regulated services and unregulated services for third party asset management clients including treasury management.

MiFID II imposes a regulatory obligation upon Coremont to publish, on an annual basis, a report summarising specific information relating to the execution obtained for each relevant financial instrument traded during the previous year. This information includes disclosure relating to trading volumes with the top five counterparties expressed as a percentage of Coremont’s total execution volume and a percentage of the number of executed orders in relation to each relevant class of financial instrument, this is the quantitative element contained with the report below. In addition to the quantitative element, Coremont is also required to provide a qualitative report summarising the conclusions drawn from its monitoring of the quality of execution. It should be noted that this is a Coremont report and activity undertaken by any other asset management entities which are clients of Coremont is not included in this report.

Debt instruments – Bonds

	LEI	Venue	Percent Of Volume	Percent Of Order Count	Percent Of Passive Orders	Percent Of Aggressive Orders	Percent Of Directed Orders
1	AC28XWWI3WIBK2824319	Barclays Capital Inc	63.54	33.33	N/A	N/A	0
2	U7M81AY481YLIOR75625	MUFG Securities EMEA plc	25.17	33.33	N/A	N/A	0
3	DGQCSV2PHVF712743539	Nomura International Plc	11.29	33.33	N/A	N/A	0
4	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Currency derivatives – Swaps, forwards, and other currency derivatives

	LEI	Venue	Percent Of Volume	Percent Of Order Count	Percent Of Passive Orders	Percent Of Aggressive Orders	Percent Of Directed Orders
1	G5GSEF7VJP5I7OUK5573	Barclays Bank PLC	95.09	6.9	N/A	N/A	0
2	7LTFWZYICNSX8D621K86	Deutsche Bank AG - London	3.12	29.31	N/A	N/A	0
3	E58DKGMJYYYJLN8C3868	Credit Suisse International	1.69	50	N/A	N/A	0
4	GGDZP1UYGU9STUHRDP48	Merrill Lynch International	0.09	13.79	N/A	N/A	0
5	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Class of instrument Debt Instruments – Bonds
 Currency Derivatives – Swaps, forwards and other currency derivatives

General observations When making and executing investment decisions, Coremont traders are required to act in good faith and in the best interests of their clients, the asset management clients for whom treasury services are being provided. With respect to execution, this is achieved by taking all sufficient steps, as required under the FCA rules, to obtain the best possible result for the clients, taking into account the relative importance of the execution factors outlined below.

Coremont monitors the effectiveness of its order execution arrangements to identify and, where necessary, correct any deficiencies. There were no deficiencies identified during the reporting period. No single counterparty is favoured compared to others, unless it can be demonstrated that such a counterparty consistently provides a superior service, which would include, for example, providing better pricing, liquidity or speed of execution than its competitors. There were no material changes to Coremont’s execution arrangements during the reporting period.

Summary of analysis

Conclusion

Execution factors A number of execution factors may be considered depending on the transaction and the market in question. These may include:

- 1) Price;
- 2) Speed;
- 3) Likelihood of execution and settlement;
- 4) Costs;
- 5) Size and nature of the order; and
- 6) Any other consideration relevant to the order.

The relative importance of the execution factors detailed above was determined by the following execution criteria:

- the characteristics of the Client, including the categorisation of the Client as professional;
- whether the client has instructed Coremont to act on a discretionary or execution only basis;
- the characteristics of the Client order, including where the order involves a securities financing transaction (“SFT”);
- the characteristics of the financial instrument that are the subject of that order; and
- the characteristics of the brokers and/or execution venues to which that order can be directed.

During the period under review, Coremont’s overarching execution process was based on these execution factors and criteria as detailed in the Firm’s Order Execution Policy.

When effecting transactions on behalf of clients, Coremont will generally weight execution factors in an order of priority based on the asset class in question and the prevailing market conditions, all of which may be subject to changes depending on the execution criteria at the time of the transaction.

Ordinarily, price will merit a high relative importance in obtaining the best possible result. However, Coremont may, in its absolute discretion, decide that any other factor or factors are or may be more important than price in determining the best possible execution result. This is particularly the case where Coremont is acting in an advisory only capacity.

The relative importance given to these execution factors was in line with Coremont’s order execution policy and consistent with Coremont’s process in respect of these classes of financial instruments.

	Summary of analysis (cont.)	Conclusion (cont.)
Close links, conflicts of interest and common ownership with respect to execution venues	Close links The Firm has no close links to report.	Close links N/A
	Conflicts of interest The Firm has no conflicts of interest to report.	Conflicts of interest N/A
	Common ownerships The Firm has no common ownership to report.	Common ownerships N/A
Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received	There were no specific arrangements.	N/A
Factors leading to a change in the list of execution venues listed in the order execution policy	There were no significant changes to the list of execution venues in the Firm's Order Execution Policy.	N/A
Differentiation across client categories	N/A - all of the Firm's clients are professional clients	N/A
Use of data / tools relating to quality of execution	The Firm used a third party TCA tool to review the quality of execution during the relevant period.	N/A
Use of consolidated tape provider output	The Firm has not used output from consolidated tape providers.	N/A