

Information on the identity of execution venues and on the quality of execution under Commission Delegated Regulation (EU) 2017/576 of 8 June 2016 ('RTS 28')

### **Overview of 1167 Capital LLP's execution arrangements in 2019**

1167 Capital LLP ("1167") is a MiFID Investment Firm authorised and regulated by the Financial Conduct Authority. 1167 provides discretionary investment management services to a single professional client in fixed income, foreign exchange and related financial instruments (e.g. interest rates swaps, NDFs, exchange traded and OTC futures and options). 1167 may provide the MiFID investment services of execution of orders on behalf of clients, and reception and transmission of orders in relation to one or more financial instruments. 1167 only provides investment services to Professional clients and Eligible counterparties and does not provide any investment services to Retail clients.

During 2019, 1167 executed client orders by transmitting or placing all client orders (stemming from discretionary portfolio management) with the following counterparties/venues:

#### **Citigroup Global Markets Limited**

Citigroup Global Markets Inc  
Cash Bonds, Credit Linked Notes

#### **E D & F Man Capital Markets Limited**

Exchange Traded Bond and FX Futures and Options, Volatility products

#### **Exotix Partners LLP**

Cash Bonds, Credit Linked Notes

#### **Goldman Sachs International**

Cash Bonds, Credit Linked Notes, FX Forwards, Non-Deliverable Forwards, FX Options, Interest Rate Swaps, Credit Default Swaps, Total Return Swaps

#### **J P Morgan Securities Plc**

Cash Bonds, Credit Linked Notes, FX Forwards, Non-Deliverable Forwards, FX Options, Interest Rate Swaps, Credit Default Swaps, Total Return Swaps

#### **Morgan Stanley Europe SE**

Cash Bonds, Credit Linked Notes

#### **Northern Trust Company**

FX Forwards, Non-Deliverable Forwards

#### **Standard Chartered Bank**

Cash Bonds, Credit Linked Notes

#### **FX Connect**

FX Forwards, Non-Deliverable Forwards

#### **Oppenheimer Europe Ltd**

Cash Bonds, Credit Linked Notes

**Bloomberg Multilateral Trading Facility (BMTF)**

Cash Bonds, Credit Linked Notes

**MarketAxess**

Cash Bonds

1167 therefore provides the following information on execution venues as appropriate for each class of financial instrument, and where necessary sub-class of financial instrument, in which traded in 2019:

- (a) The identity of the top five execution venues (i.e. trading venues and counterparties) where client orders were executed in 2019; as required by Article 27(6) of Directive 2014/65/EU.



**Reporting in accordance with Article 3 of Commission Delegated Regulation (EU) 2017/576**

Class of instruments

Notification if <1 average trade per business day in the previous year

Debt Instruments - Bonds

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
BMTF (LEI: 549300ROEJDDAXM6LU05)	36.72%	54.27%	N/A	N/A	N/A
CITIGROUP GLOBAL MARKETS LIMITED (LEI: XKZZ2JZF41MRHTR1V493)	28.91%	23.73%	N/A	N/A	N/A
JP MORGAN LONDON (LEI: K6Q0W1PS1L1O4IQL9C32)	25.78%	15.78%	N/A	N/A	N/A
GOLDMAN SACHS INTL LTD LONDON (LEI: W22LROWP2IHZNBB6K528)	7.81%	2.11%	N/A	N/A	N/A
MORGAN STANLEY (LEI: 4PQUHN3JPFGFNF3BB653)	0.78%	4.11%	N/A	N/A	N/A



**Reporting in accordance with Article 3 of Commission Delegated Regulation (EU) 2017/576**

Class of instruments

Interest Rates Derivatives - Swaps, Forwards, other Interest Rates Derivatives

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
--	--	------------------------------	---------------------------------	-------------------------------

JP MORGAN LONDON (LEI: K6Q0W1PS1L1O4IQL9C32)

100.00%	100.00%	N/A	N/A	N/A
---------	---------	-----	-----	-----



**Reporting in accordance with Article 3 of Commission Delegated Regulation (EU) 2017/576**

Class of instruments

Notification if <1 average trade per business day in the previous year

Credit Derivatives - other derivatives

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
GOLDMAN SACHS INTL LTD LONDON (LEI: W22LROWP2IHZNBB6K528)	100.00%	100.00%	N/A	N/A	N/A



**Reporting in accordance with Article 3 of Commission Delegated Regulation (EU) 2017/576**

Class of instruments

Notification if <1 average trade per business day in the previous year

Top five execution venues ranked in terms of trading volumes (descending order)

FX Derivatives - futures, options and forwards admitted to trading on trading venue

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
STATE STREET GLOBAL MARKETS INTERNATIONAL LIMITED (LEI: 549300SQM0MRIF4HE647)	99.75%	99.99%	N/A	N/A	N/A
GOLDMAN SACHS INTL LTD LONDON (LEI: W22LROWP2IHZNBB6K528)	0.25%	0.01%	N/A	N/A	N/A

(b) The identity of the top five receiving firms (i.e. external brokers) to which client orders were transmitted in 2019; as required by Article 65(6) Commission Delegated Regulation (EU) 2017/565.



**Reporting in accordance with the requirements of Article 65(6) of Commission Delegated Regulation (EU) 2017/565**

Class of instruments Notification if <1 average trade per business day in the previous year Top five execution venues ranked in terms of trading volumes (descending order)	Interest Rate Derivatives - Futures, Options admitted to trading on trading venue				
	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
E D & F MAN HOLDINGS LIMITED (LEI: GKS4XBH2YSEYMX83N473)	100.00%	100.00%	N/A	N/A	N/A



**Reporting in accordance with the requirements of Article 65(6) of Commission Delegated Regulation (EU) 2017/565**

Class of instruments Notification if <1 average trade per business day in the previous year Top five execution venues ranked in terms of trading volumes (descending order)	Volatility Derivatives - Futures, Options admitted to trading on trading venue				
N	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
E D & F MAN HOLDINGS LIMITED (LEI: GKS4XBH2YSEYMX83N473)	100.00%	100.00%	N/A	N/A	N/A



## **IMPORTANT NOTE:**

'PASSIVE' and 'AGGRESSIVE' order values for classes of instrument noted above are not considered to be applicable due to the market structure for this class of instrument which is primarily based upon a 'request-for-quote' model rather than the 'order book' model more common in other classes of instrument, consequently values are not reported.

## **Information on the quality of execution**

The following information is provided in accordance with the requirements of Article 3(3) of RTS 28 and summarises the analysis and conclusions drawn from the monitoring of the quality of execution obtained through the brokers used by 1167 in 2019.

### ***(a) An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;***

In the light of our business, the primary execution factors which influence execution on a trade by trade basis are:

- The likelihood and speed of execution. When decisions are taken to buy or sell, the primary desire is to implement those purchases or sales without delay. The importance of this factor will be increased in respect of less liquid investments. Orders will thus normally be executed on an “aggressive” basis where appropriate; and
- Price. Whilst the desire to execute is strong, it is tempered by the need to execute at a reasonable price. If we consider the size of the trade we are trying to execute as material to the prevailing trading volume for example in less liquid instruments, we may place a limit order with a broker. However, most of our dealing is on a request for quote basis which is the standard approach in our over-the counter asset classes.

In practice, a number of the execution factors are subject to initial pre-assessment and subsequent ongoing monitoring and review:

- The costs related to execution are within the price or pre-agreed with the broker and not subject to variation or negotiation on a trade by trade basis. Whilst cost is important and excess cost will represent a performance drag, market volatility is such that the ability to execute will likely outweigh pure cost;
- The speed of settlement is not normally an issue as settlement is subject to standard market convention; and
- The likelihood of timely settlement is one of the factors in the initial selection and ongoing monitoring of counterparties and will not be a factor on a trade by trade basis.

### ***(b) A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;***

1167 does not have any close links, conflicts of interests or common ownerships with any trading venue. 1167 executes FX, FX Forwards and Non-Deliverable Forwards with Northern Trust Company whose subsidiaries provide administration and depositary services to 1167 Active Funds ICAV, 1167's sole client. All deals are undertaken on an arm's length basis.

***(c) A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;***

1167 does not receive any payments, discounts, rebates or non-monetary benefits (other than occasional low value hospitality) from the counterparties.

***(d) An explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred;***

1167 added the following venues for operational efficiency. Their inclusion did not affect the list of underlying counterparties.

**FX Connect** - FX Forwards, Non-Deliverable Forwards

**Bloomberg Multilateral Trading Facility (BMTF)** - Cash Bonds, Credit Linked Notes

***(e) An explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements;***

Not applicable as 1167 has a single professional client.

***(f) An explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client;***

Not applicable, 1167 does not provide investment services to Retail clients.

***(g) An explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575;***

Throughout 2019, and in accordance with the best execution obligation under Article 27 of MiFID II, 1167 measured the performance of client orders.

1167 has made limited use of data published under Delegated Regulation (EU) 2017/575 ('RTS 27') by execution venues and continued to rely upon its execution performance.

***(h) Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.***

1167 did not use a consolidated tape provider established under Article 65 of Directive 2014/65/EU in 2019.