

Introduction

The Markets in Financial Instruments Directive 2014/65/EU (the “**MiFID II**”) and the Commission Delegated Regulation (EU) 2017/565 (the “**CDR 2017/565**”) as well as the Commission Delegated Regulation (EU) 2017/576 (RTS 28) introduced new requirements on the information which must be published to the market in relation to the best execution reporting requirements.

In this respect, UCP Asset Management Limited (the “**Company**”), has published this Annual Summary Report on the Quality of Execution Obtained for the year 2017 (the “**Report**”), which is based on the summary of the analysis and monitoring of execution obtained on the Execution Brokers where the Company executed its clients’ orders in the previous year in regards to the following asset classes, as presented in the RTS 28:

- Equities – Shares; and
- Debt instruments – Bonds.

The Company’s aim is to be able to provide its clients with meaningful information in order to effectively assess and scrutinize the execution quality achieved during the year. Therefore, the Company urges its clients to read the Report as it presents a combined analysis and information on the quality of execution obtained when the Company transmits/ executes orders to various execution brokers with respect to the aforementioned asset classes.

Best Execution

For each (sub) class of financial instruments, the Company publishes, once a year, on its website, a ranking of the top five execution brokers to which it has submitted/ transmitted client orders during the preceding year, which have in turn been executed. All brokers mentioned in the top five report have successfully passed the due diligence and have been approved by the Company.

Moreover and as indicated in the Company’s Best Execution Policy ([link](#)), subject to any specific instructions from the client, when executing orders on clients’ behalf and/ or when receiving and transmitting clients’ orders for execution to third parties, the Company requires its brokers to obtain the best possible results for its clients by considering the following execution factors:

- price, in terms of the executed price of the transaction;
- costs, in terms of explicit costs including fees, commissions and implicit costs;
- speed, in terms of the time taken to execute an order from reception of the order by the broker and the time it is allocated;
- likelihood of execution and settlement, in terms of the single case ability to execute the order and the completion of the transaction;
- size and nature of the order, in terms of volume and structure of the order concretely affecting the execution price; and
- any other consideration including qualitative factors when assessing the quality of execution.

The Company is required to appoint only brokers or counterparties which have policies and procedures in place to ensure best execution.

Determination of the relative importance of the execution factors/ criteria

The Company determines the relative importance of the execution factors by using its commercial judgement and experience in the light of the information available on the market with also taking into consideration the following execution factors, which were also considered to be relevant when executing transactions during the year 2017:

- the categorization of the client with all clients being “professional” clients as mentioned above;
- the client needs;
- the characteristics of the client’s order received;
- the characteristics of the financial instruments that are the subject of the client order; and
- the characteristics of the execution brokers to which the order can be directed.

Subject to any client specific instructions, the best possible result is usually determined in terms of the total consideration, representing the price of the execution, which shall include all expenses incurred by the client which are directly related to the execution of the order, including broker fees, clearing and settlement fees any other fees paid to third parties involved in the execution of the order. The selection by the Company of the third party broker for execution of a client order shall be the one that would enable the Company to obtain the best result for the client

Whenever a client gives a specific instruction as to the execution of an order, the Company shall execute the order following the specific instruction. The specific instruction may prevent the Company from taking measures designed as per its Order Execution Policy ([link](#)) to obtain the best possible result for the execution of that order in respect of aspects covered by this instruction. Where the client’s instruction relates to only a part of the order, the Company will continue to apply its Order Execution Policy to those aspects of the order not covered by the specific instruction.

For clients classified as “professional” clients, the Company may consider the total consideration is not an appropriate guide for execution in all cases, e.g. speed of execution may take precedence.

Other important factors for choosing between execution brokers is:

- the availability of the specific type of financial instrument with the brokers;
- the speed of execution and reliability of the broker; and
- the availability of the client’s funds with the Company at the time of the execution.

To view the Top 5 Execution Brokers please click [here](#):

A. EQUITY INSTRUMENTS

The price was generally regarded as the primary factor for obtaining best execution unless and specific instructions by the client required otherwise. There were circumstances that factors other than price took precedence in order to achieve best execution / act in the client’s best interest such as costs, speed, likelihood of execution and settlement and the size and nature of the order.

B. DEBT INSTRUMENTS

The bonds market was fragmented and often subject to limited liquidity and price transparency. Therefore, these instruments were traded OTC.

Unless specifically instructed, the primary execution factor was price. There were circumstances that factors other than price took precedence in order to achieve best execution / act in the Client's best interest such as costs, speed, likelihood of execution and settlement and the size and nature of the order.

Client categorization with respect to execution

- a) Retail clients: the Company does not deal nor has it onboarded any retail clients since the commencement of operations.
- b) For professional clients: this group of clients possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs. The Company recognizes the likelihood and speed of execution that may be of a value to its professional clients due to the higher knowledge and experience of this client group.

The best execution standards, in terms of the quality of the execution that the Company maintains, shall be applied to all client transactions and irrespective of the "professional" client classification. If any application of differing standards for professional clients shall be always be agreed with the clients themselves provided it is in accordance with applicable best execution regulations.

Close Links, conflict of interest and common ownership

The Company has established all the necessary controls and monitoring arrangements and mechanisms so as to ensure that the identification and prevention of conflicts of interest is achieved at all times.

Further to the above, the Company maintains a policy which forbids the reception of any monetary or non-monetary benefits from third parties.

Therefore, in 2017, the Company has not recorded any conflicts of interest with respect to the brokers used for execution of Client orders:

- the execution brokers had no close links or common ownership with the Company;
- there were no rebates, remuneration, discount or non-momentary benefits received for routing client orders to a particular third party broker, which would infringe the Company's obligations with regards to conflicts of interest or inducements received by any of the execution brokers involved; and
- the Company recorded all orders and trades information, confirmations from brokers and all client transaction details in a system from where all best execution criteria and quality of execution obtained can be easily monitored.

Specific arrangements

The Company does not have specific arrangements with any execution venues/ brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.

Data / tools relating to the quality of execution

Due to fact that information related to Article 65 of Directive 2014/65/EU reports would not be expected to be publicly available by end of April 2018, the Company is unable to provide any information relevant to this provision within its best execution

reporting in April 2018. In this respect, it is clarified that the Company did not use the output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

Summary of Analysis and Conclusions

The Company took all sufficient steps in order to deliver best execution and act in the best interest of its Clients. In this respect, the Company has in place a Best Execution Policy, an Order Execution Policy and a Summary of Order Execution Policy, as well as other policies, procedures, controls and monitoring processes, which are designed to achieve the best possible result on a consistent basis. This was also enabled by the Company's ability to select among different well known and respected brokers.