



RTS 28 Annual Report for 2017

Verno Capital UK LLP

April 2018

Summary

There were no conflicts of interest, no specific arrangements for discounts, rebates or non-monetary benefits. No trading was executed on an exchange directly. There was no difference in order execution based on client category. The only clients were professional investors, so there were no retail client orders. No data or tools were used in relation to quality of execution and there was no use of output from a consolidated tape provider.

Equities

The relevant execution criteria were price, liquidity and order confidentiality. The firm maintains an approved broker list. Any changes to the list are approved by the Risk Committee which includes senior management of the firm. Two brokers stopped providing services and one broker was removed as no longer required. There were some changes in types of trading with brokers due to MIFID II.

A review of the brokers was carried out internally using 10 factors. The top five brokers in the internal review differed to those in Table 2 as approximately 75% of our trading is dictated by liquidity/availability of the security, which is the most important factor in our best execution.

Derivatives

During the year there was a single derivatives broker with an ISDA in place and one other broker that was used on an ad hoc basis only where necessary.

Bonds

There were no bond trades executed during the year and so no review was performed.

We are satisfied in the circumstances we have met our obligation to serve the best interest of our clients on a consistent basis.

Table 2 – Professional Clients

Class of Instrument	Equities - Liquidity Band 1				
Notification if <1 average trade per business day in the previous year	Y				
Top five brokers ranked in terms of trading volumes	Proportion of volume traded as a % of total in that class	Proportion of orders executed as a % of total in that class	% of passive orders	% of aggressive orders	% of directed orders
Renaissance Capital Limited 213800RZ3GCUXMBGY N59	35.32	25.00	n/a	n/a	n/a
Sova Capital Limited (formerly Otkrytie Capital International Limited) 213800T9OJMZA69QDM 04	18.25	6.47	n/a	n/a	n/a
Morgan Stanley & Co International plc 4PQUHN3JPF GFNF3BB 653	17.66	26.72	n/a	n/a	n/a
Citigroup Global Markets Limited XKZZ2JZF41MRHTR1V4 93	10.70	12.93	n/a	n/a	n/a
Credit Suisse Securities (Europe) Limited DL6FFRRLF74S01HE2M 14	8.80	7.33	n/a	n/a	n/a

Table 2 – Professional Clients

Class of Instrument	Equities - Liquidity Band 2				
Notification if <1 average trade per business day in the previous year	Y				
Top five brokers ranked in terms of trading volumes	Proportion of volume traded as a % of total in that class	Proportion of orders executed as a % of total in that class	% of passive orders	% of aggressive orders	% of directed orders
Morgan Stanley & Co International plc 4PQUHN3JPFQFN3BB 653	38.00	44.96	n/a	n/a	n/a
Renaissance Capital Limited 213800RZ3GCUXMBGY N59	25.17	17.83	n/a	n/a	n/a
Credit Suisse Securities (Europe) Limited DL6FFRRLF74S01HE2 M14	16.86	9.30	n/a	n/a	n/a
Citigroup Global Markets Limited XKZZ2JZF41MRHTR1V 493	10.18	17.05	n/a	n/a	n/a
VTB Capital plc 74OG4PIVJ3TT4O5NSN 12	5.19	3.49	n/a	n/a	n/a

Table 2 – Professional Clients

Class of Instrument	Equities - Liquidity Band 3				
Notification if <1 average trade per business day in the previous year	Y				
Top five brokers ranked in terms of trading volumes	Proportion of volume traded as a % of total in that class	Proportion of orders executed as a % of total in that class	% of passive orders	% of aggressive orders	% of directed orders
Morgan Stanley & Co International plc 4PQUHN3JPFGFNF3BB 653	61.52	37.93	n/a	n/a	n/a
Renaissance Capital Limited 213800RZ3GCUXMBGY N59	29.80	24.14	n/a	n/a	n/a
Credit Suisse Securities (Europe) Limited DL6FFRRLF74S01HE2M 14	3.86	13.79	n/a	n/a	n/a
Sova Capital Limited (formerly Otkrytie Capital International Limited) 213800T9OJMZA69QDM 04	2.76	3.45	n/a	n/a	n/a
KCG Europe Limited 549300346EFUPFCXJT 9	2.05	20.69	n/a	n/a	n/a

Table 2 – Professional Clients

Class of Instrument	Equity Derivatives				
Notification if <1 average trade per business day in the previous year	Y				
Top five brokers ranked in terms of trading volumes	Proportion of volume traded as a % of total in that class	Proportion of orders executed as a % of total in that class	% of passive orders	% of aggressive orders	% of directed orders
Renaissance Securities (Cyprus) Limited IK9CLH4U15AXJVV229 68	65	80.61	n/a	n/a	n/a
Sova Capital Limited (formerly Otkrytie Capital International Limited) 213800T9OJMZA69QDM 04	35	19.39	n/a	n/a	n/a

Verno Capital UK LLP

16 Old Queen Street
London SW1 9HP
United Kingdom

Investor Relations

ir@verno-capital.com
+44 20 3709 3040

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