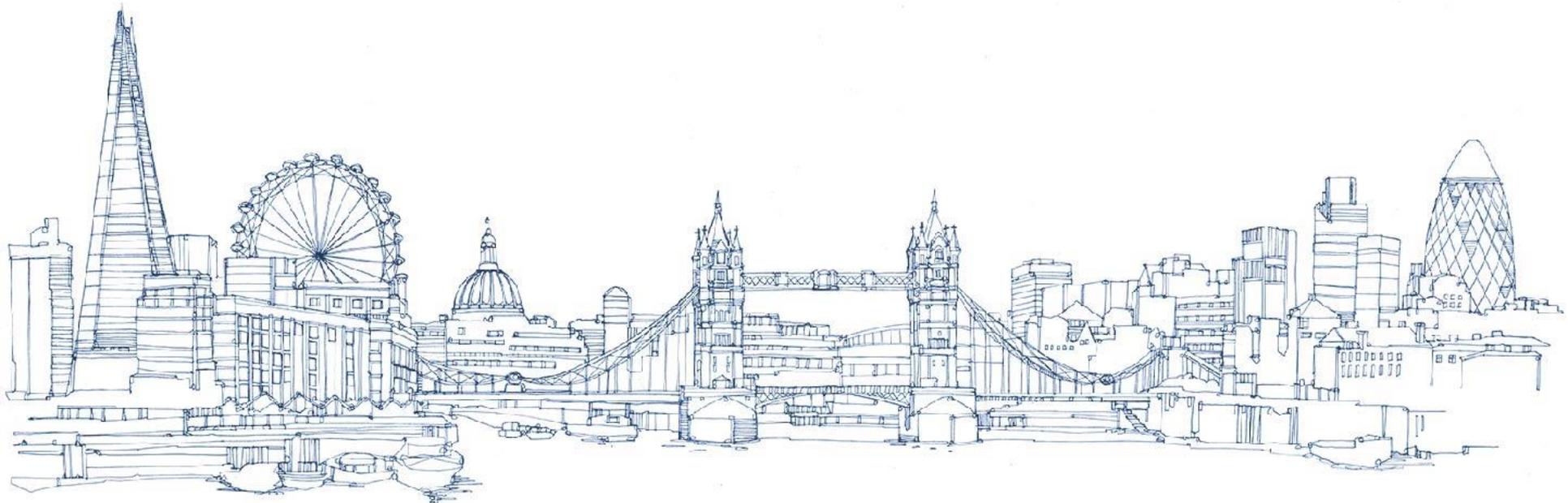


King & Shaxson Limited

Annual Best Execution Disclosure 2019

April 2020



King & Shaxson Limited – Annual Best Execution Disclosures

Background

On an annual basis, King & Shaxson Limited (KSL) is required to provide annual disclosures around the execution venues used for each asset class and certain information on the quality of execution in line with the requirements of Regulatory Technical Standard 28 (“RTS 28”) supplementing the EU Market in Financial Instruments Directive (‘MiFID II’). Disclosures must be made in relation to orders executed for professional clients and retail clients. In 2018, KSL had no retail clients, so this disclosure will only pertain to professional client orders. For the purpose of this report, the currency has been converted to be expressed in a single currency and the values have been expressed in Sterling.

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Debt Instruments – Bonds

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

Top five execution venues ranked by trading volume (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
Bloomberg MTF LEI: 549300ROEJDDAXM6LU05	15.35%	30.27%	N/A	N/A	0%
Citigroup Global Markets Europe Ltd LEI:	6.32%	0.48%	N/A	N/A	0%
Royal Bank of Canada LEI: ES7IP3U3RHIGC71XBU11	4.21%	0.59%	N/A	N/A	0%
Merrill Lynch International LEI: GGDZP1UYGU9STUHRDP48	1.41%	0.28%	N/A	N/A	0%
JP Morgan Securities plc LEI: K6Q0W1PS1L1O4IQL9C32	1.25%	0.59%	N/A	N/A	0%

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Analysis and conclusions

Requirement under Article 3 (3)	KSL Analysis & Conclusions - Bonds
(a) An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, and likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.	<p>When determining the strategy for executing client orders in the market, KSL will take into consideration a number of execution factors dependent upon the characteristics of the order and the prevailing market conditions. In determining the relative importance of the execution factors, KSL will take into account each client’s objectives, the financial instrument(s), price and size to which the order relates, the execution venues available and prevailing market conditions.</p> <p>Price and the size of an order will normally be the most significant factors taken into account by KSL when executing a client order in bonds. For some instruments, the lack of venues or counterparties offering the relevant instrument or competitive pricing or size may mean that the choice of where to execute is limited.</p>
(b) A description of any close links, conflicts of interest and common ownerships with respect to any execution venues used to execute orders.	KSL does not have any close links, conflicts of interest or common ownerships with regard to any of the counterparties. The list of approved counterparties is reviewed regularly and changes over time.
(c) A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.	KSL does not have any specific arrangements whereby it does not accept or receive from approved counterparties any payment, discount, rebate or non-monetary benefit in return for directing client orders to a particular counterparty.
(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	KSL uses a wide range of execution venues. Given the breadth of venues utilised the firm did not feel a change to the execution venues used was required.
(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	KSL does not have any retail clients. As a result, all KSL clients are treated the same way save where the client directs KSL to trade with or on a certain execution venue (e.g. to obtain a certificate of deposit from a certain issuer).
(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.	KSL does not have any retail clients.

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Analysis and conclusions

Requirement under Article 3 (3)	KSL Analysis & Conclusions - Bonds
<p>(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 (RTS 27).</p>	<p>KSL reviews information provided by various venues under RTS 27 in its analysis and oversight of best execution and in order to assess if any venues should be added to its execution policy.</p> <p>A senior management meeting is held on a quarterly basis in order to review adherence to KSL's best execution policy. It is attended by Compliance who review the management information available for all instruments traded and discuss any concerns or issues.</p> <p>Management information is in place to analyse transaction executions, ensuring that competing quotes have been obtained where possible and that exceptions are reviewed (e.g. where the best price quote was not dealt on). Management is satisfied that there is no over-reliance on any one venue and that a sufficiently broad spread of venues is used to discover the consistently best prices and sizes.</p>
<p>(h) Where applicable, an explanation of how we have used output of a consolidated tape provider</p>	<p>Currently there are no consolidated tape providers in Europe, therefore deemed not applicable.</p>

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Debt Instruments – Money Markets

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

Top five execution venues ranked by trading volume (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
Standard Chartered Bank PLC LEI: RILFO74KP1CM8P6PCT96	18.96%	8.66%	N/A	N/A	3.84%
Bloomberg MTF LEI: 549300ROEJDDAXM6LU05	18.10%	10.09%	N/A	N/A	0.00%
Santander UK PLC LEI: MP6I5ZYZBEU3UXPYFY54	1.81%	1.96%	N/A	N/A	1.43%
Danske Bank A/S LEI: MAES062Z21O4RZ2U7M96	1.77%	2.50%	N/A	N/A	0.00%
DZ Bank AG LEI: 529900HNOAA1KXQJUQ27	0.94%	1.07%	N/A	N/A	0.98%

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Analysis and conclusions

Requirement under Article 3 (3)	KSL Analysis & Conclusions – Money Markets
<p>(a) An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, and likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.</p>	<p>When determining the strategy for executing client orders in the market, KSL will take into consideration a number of execution factors dependent upon the characteristics of the order and the prevailing market conditions. In determining the relative importance of the execution factors, KSL will take into account each client’s objectives, the financial instrument(s), price and size to which the order relates, the execution venues available and prevailing market conditions.</p> <p>For money market instruments, price and the size of order will normally be the most significant factors. For some instruments, the lack of venues or counterparties offering the relevant instrument or competitive pricing or size may mean that the choice of where to execute is limited. For some instruments (such as certificates of deposit or commercial paper) there may only be a single issuer and the order will often therefore be directed. Where equivalent instruments are available we may not necessarily transact at the best price where the client is seeking to diversify its credit exposure and directs us to transact with another venue or counterparty.</p>
<p>(b) A description of any close links, conflicts of interest and common ownerships with respect to any execution venues used to execute orders.</p>	<p>KSL does not have any close links, conflicts of interest or common ownerships with regard to any of the counterparties. The list of approved counterparties is reviewed regularly and changes over time.</p>
<p>(c) A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.</p>	<p>KSL does not have any specific arrangements whereby it does not accept or receive from approved counterparties any payment, discount, rebate or non-monetary benefit in return for directing client orders to a particular counterparty.</p>
<p>(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</p>	<p>KSL uses a wide range of execution venues. Given the breadth of venues utilised the firm did not feel a change to the execution venues used was required.</p>
<p>(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</p>	<p>KSL does not have any retail clients. As a result, all KSL clients are treated the same way save where the client directs KSL to trade with or on a certain execution venue (e.g. to obtain a certificate of deposit from a certain issuer).</p>

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Analysis and conclusions

Requirement under Article 3 (3)	KSL Analysis & Conclusions – Money Markets
<p>(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.</p>	<p>KSL does not have any retail clients.</p>
<p>(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 (RTS 27).</p>	<p>KSL reviews information provided by various venues under RTS 27 in its analysis and oversight of best execution and in order to assess if any venues should be added to its execution policy.</p> <p>A senior management meeting is held on a quarterly basis in order to review adherence to KSL's best execution policy. It is attended by Compliance who review the management information available for all instruments traded and discuss any concerns or issues.</p> <p>Management information is in place to analyse transaction executions, ensuring that competing quotes have been obtained where possible and that exceptions are reviewed (e.g. where the best price quote was not dealt on). Management is satisfied that there is no over-reliance on any one venue and that a sufficiently broad spread of venues is used to discover the consistently best prices and sizes.</p>
<p>(h) Where applicable, an explanation of how we have used output of a consolidated tape provider</p>	<p>Currently there are no consolidated tape providers in Europe, therefore deemed not applicable.</p>

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Company Information

King & Shaxson Limited, Reg. No. 869780, is a member of the London Stock Exchange. Our Registered Office is 1st Floor, Cutlers Court, 115 Houndsditch, London, EC3A 7BR. The company is registered in England and is part of the PhillipCapital Group.

King & Shaxson Limited (FCA Regulatory No. 179213) is Authorised and Regulated by the Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN.

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