



EDL Capital (UK) Ltd | 53-54 Grosvenor Street | London W1K 3HU

# BEST EXECUTION DISCLOSURE

2017

## Annual qualitative disclosure on the quality of execution obtained

Firm name: EDL CAPITAL (UK) LTD

Disclosure Period: 01/01/2017 to 31/12/2017

This disclosure is being made pursuant to Article 3(3) of RTS 28 and/or Article 65(6) of the MiFID II Delegated Organisational Regulation.

Equity derivatives - Listed						
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)	LEI	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
Credit Suisse Securities (Europe) Ltd	DL6FFRRLF74S01HE2M14	79.28%	74.20%	N/A	N/A	0%
Goldman Sachs International	W22LROWP2IHZNBB6K528	20.36%	25.72%	N/A	N/A	0%
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	0.26%	0.05%	N/A	N/A	0%
JP Morgan Securites PLC	K6Q0W1PS1L1O4IQL9C32	0.10%	0.03%	N/A	N/A	0%

Equity derivatives - OTC						
Notification if <1 average trade per business day in the previous year		Y				
Top five execution venues ranked in terms of trading volumes (descending order)	LEI	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 International	W22LROWP2IHZNBB6K528	100.00%	100.00%	N/A	N/A	0%

Contracts for difference - Equities						
Notification if <1 average trade per business day in the previous year		Y				
Top five execution venues ranked in terms of trading volumes (descending order)	LEI	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 International	W22LROWP2IHZNBB6K528	71.09%	49.53%	N/A	N/A	0%
Credit Suisse Securities (Europe) Ltd	DL6FFRRLF74S01HE2M14	28.91%	50.47%	N/A	N/A	0%

Equities						
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)	LEI	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 International	W22LROWP2IHZNBB6K528	91.58%	95.48%	N/A	N/A	0%
Credit Suisse Securities (Europe) Ltd	DL6FFRRLF74S01HE2M14	7.49%	3.41%	N/A	N/A	0%
KCG Europe	549300346EFUPFCXJT79	0.91%	1.08%	N/A	N/A	0%
Peregrine & Black Investment Management Ltd	213800VS412437OHQ932	0.02%	0.04%	N/A	N/A	0%

Debt instruments - Bonds						
Notification if <1 average trade per business day in the previous year		Y				
Top five execution venues ranked in terms of trading volumes (descending order)	LEI	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 International	W22LROWP2IHZNBB6K528	72.57%	74.57%	N/A	N/A	0%
JP Morgan Securites PLC	K6Q0W1PS1L1O4IQL9C32	25.49%	23.70%	N/A	N/A	0%
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	1.94%	1.73%	N/A	N/A	0%

Interest rate derivatives - Listed						
Notification if <1 average trade per business day in the previous year		Y				
Top five execution venues ranked in terms of trading volumes (descending order)	LEI	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
Credit Suisse Securities (Europe) Ltd	DL6FFRRLF74S01HE2M14	85.02%	85.97%	N/A	N/A	0%
Goldman Sachs International	W22LROWP2IHZNBB6K528	14.98%	14.03%	N/A	N/A	0%

Interest rate derivatives - OTC						
Notification if <1 average trade per business day in the previous year		Y				
Top five execution venues ranked in terms of trading volumes (descending order)	LEI	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 Securites PLC	K6Q0W1PS1L1O4IQL9C32	61.69%	76.74%	N/A	N/A	0%
Goldman Sachs International	W22LROWP2IHZNBB6K528	35.38%	18.60%	N/A	N/A	0%
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	2.93%	4.65%	N/A	N/A	0%

Commodity derivatives - OTC						
Notification if <1 average trade per business day in the previous year		Y				
Top five execution venues ranked in terms of trading volumes (descending order)	LEI	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 International	W22LROWP2IHZNBB6K528	100.00%	100.00%	N/A	N/A	0%

Currency derivatives (including FX Spot, FX Forwards & FX Options)						
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)	LEI	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 Securites PLC	K6Q0W1PS1L1O4IQL9C32	63.96%	54.63%	N/A	N/A	N/A
Goldman Sachs International	W22LROWP2IHZNBB6K528	17.06%	24.66%	N/A	N/A	N/A
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	7.79%	7.27%	N/A	N/A	N/A
Credit Suisse AG	ANGGYXN0JLX3X63JN86	5.15%	6.98%	N/A	N/A	N/A
UBS AG	BFM8T61CT2L1QCENIK50	3.90%	3.84%	N/A	N/A	N/A

## Annual qualitative disclosure on the quality of execution obtained

### Equities, Equity CFD

<b>RTS 28 / Art. 65(6) requirement:</b>	<b>Details:</b>
(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;	<p>Our Equity and Equity CFD orders are executed in-line with the firms' execution policy in which Price, Speed of Execution, Market Impact and Transactional costs are prioritised.</p> <p>We treat Price as paramount. Our execution is aggressive to compliment the style of the portfolio manager who will often look to trade around market levels. As such we benchmark against arrival price, and are extremely price sensitive.</p> <p>Where Market Impact is minimal, and liquidity allows, we will execute with Price and Speed. Where an order is deemed to have material Market Impact we will take a more passive approach as to not adversely impact Price.</p> <p>The majority of our Equity and Equity CFD orders are routed electronically. We find this gives us the fastest route into the market. We also find the difference in quality of execution between our two main venues via this route, to be negligible. As a result a result we will gravitate towards the broker that has the lowest overall costs to our clients. In 2017 this was Goldman Sachs, which is reflected in the high percentage of trades.</p>
(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues/brokers used to execute orders;	The Firm does not have any close links, common ownership of other relationships that would give rise to any conflicts of interests with any of the execution venues or brokers used.
(c) a description of any specific arrangements with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received;	The Firm has no specific arrangements to report with any execution venues or brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.
(d) an explanation of the factors that led to a change in the list of execution venues/brokers listed in the firm's execution policy, if such a change occurred;	The Firm's internal list of execution venues / brokers approved for use by the Firm did not change during the period.
(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;	This is not applicable as the Firm only deals with Professional Clients.
(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;	This is not applicable as the Firm does not deal with 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 [RTS 27];	The Firm did not use RTS 27 reports or RTS 28 reports produced by execution venues or brokers during the period under review (2017), as these were not available.
(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.	The Firm has not used the output of any Consolidated Tape Providers in its execution quality analysis. It is noted that there were not any authorised Consolidated Tape Providers in Europe during the period under review.
Summary of Analysis	Feedback is given by the PM to the desk after each execution.
Summary of Conclusions	The Firm is comfortable that its execution policy was adhered to over the period, and that following this policy has delivered best execution for its clients over the period. This analysis will feed in to the Firm's annual review of its execution policy at which time further enhancements will be considered.

## Listed Derivatives – Equity, Interest Rate and Commodity

<b>RTS 28 / Art. 65(6) requirement:</b>	<b>Details:</b>
(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;	<p>Listed Derivative orders are executed in-line with the firms' execution policy in which Price, Speed of Execution, Market Impact and Transactional costs are prioritised.</p> <p>We treat Price as paramount. Our execution is aggressive to compliment the style of the portfolio manager who will often look to trade around market levels. As such we benchmark against arrival price, and are extremely price sensitive.</p> <p>Where Market Impact is minimal, and liquidity allows, we will execute with Price and Speed. Where an order is deemed to have material Market Impact we will take a more passive approach as to not adversely impact Price.</p> <p>The majority of our Listed derivative orders are executed via a broker platforms that allows us to directly access the market, while having full control over the order. We can rely on these platforms for speed and price visibility. Each of our derivative counterparties have been set up at the same levels of commission, hence the net consideration payable remains the same regardless of who we trade with.</p>
(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues/brokers used to execute orders;	The Firm does not have any close links, common ownership of other relationships that would give rise to any conflicts of interests with any of the execution venues or brokers used.
(c) a description of any specific arrangements with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received;	The Firm has no specific arrangements to report with any execution venues or brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.
(d) an explanation of the factors that led to a change in the list of execution venues/brokers listed in the firm's execution policy, if such a change occurred;	The Firm's internal list of execution venues / brokers approved for use by the Firm did not change during the period.
(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;	This is not applicable as the Firm only deals with Professional Clients.
(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;	This is not applicable as the Firm does not deal with 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 [RTS 27];	The Firm did not use RTS 27 reports or RTS 28 reports produced by execution venues or brokers during the period under review (2017), as these were not available.
(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.	The Firm has not used the output of any Consolidated Tape Providers in its execution quality analysis. It is noted that there were not any authorised Consolidated Tape Providers in Europe during the period under review.
Summary of Analysis	Feedback is given by the PM to the desk after each execution.
Summary of Conclusions	The Firm is comfortable that its execution policy was adhered to over the period, and that following this policy has delivered best execution for its clients over the period. This analysis will feed in to the Firm's annual review of its execution policy at which time further enhancements will be considered.

## **Bonds, OTC options and other OTC derivatives**

<b>RTS 28 / Art. 65(6) requirement:</b>	<b>Details:</b>
(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;	<p>Orders are executed in-line with the firms' execution policy in which Price, Speed of Execution, Market Impact and Transactional costs are prioritised.</p> <p>Our approach differs in OTC markets where prices are not published on an exchange, where prices are quote driven by market counterparties. We still treat Price as paramount, and approach this by asking several counterparties to quote a two way market, and will execute at best price.</p>
(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues/brokers used to execute orders;	The Firm does not have any close links, common ownership of other relationships that would give rise to any conflicts of interests with any of the execution venues or brokers used.
(c) a description of any specific arrangements with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received;	The Firm has no specific arrangements to report with any execution venues or brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.
(d) an explanation of the factors that led to a change in the list of execution venues/brokers listed in the firm's execution policy, if such a change occurred;	The Firm's internal list of execution venues / brokers approved for use by the Firm did not change during the period.
(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;	This is not applicable as the Firm only deals with Professional Clients.
(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;	This is not applicable as the Firm does not deal with 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 [RTS 27];	The Firm did not use RTS 27 reports or RTS 28 reports produced by execution venues or brokers during the period under review (2017), as these were not available.
(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.	The Firm has not used the output of any Consolidated Tape Providers in its execution quality analysis. It is noted that there were not any authorised Consolidated Tape Providers in Europe during the period under review.
Summary of Analysis	All quotes are recorded at EDL and used to provide feedback to the counterparties to keep them in competition. Optimum pricing is paramount at EDL and EDL continually consider new brokers and platforms that offer the possibility of better prices. Feedback is given by the PM to the desk after each and every execution.
Summary of Conclusions	The Firm is comfortable that its execution policy was adhered to over the period, and that following this policy has delivered best execution for its clients over the period. This analysis will feed in to the Firm's annual review of its execution policy at which time further enhancements will be considered.

## **FX Spot and FX Forwards**

<b>RTS 28 / Art. 65(6) requirement:</b>	<b>Details:</b>
(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;	<p>Our FX orders are executed in-line with the firms' execution policy in which Price, Speed of Execution, Market Impact and Transactional costs are prioritised, but with additional emphasis on completing the order.</p> <p>We treat Price as paramount. Our execution is aggressive to compliment the style of the portfolio manager who will often look to trade around market levels. As such we benchmark against arrival price, and are extremely price sensitive.</p> <p>Where Market Impact is minimal, and liquidity allows, we will execute with Price and Speed. Where an order is deemed to have material Market Impact we will take a more passive approach as to not adversely impact Price.</p> <p>The majority of our G10 FX trading is executed via electronic broker platforms that provide a continuous stream of two way 'risk' liquidity. Through 2017 we found using a single dealer platform we were able to guarantee fast completion of order without sacrificing price. Outside of G10 currencies we will ask 3 brokers to provide a quote for the size of our trade. These brokers are generally selected where they have been historically strong, or are specialists in a particular area.</p> <p>The majority of FX Swaps are executed and rolled with our Prime Broker, JPM. Price is still prioritised, however additional consideration is given to margin capacity when trading away from JPM.</p>
(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues/brokers used to execute orders;	The Firm does not have any close links, common ownership of other relationships that would give rise to any conflicts of interests with any of the execution venues or brokers used.
(c) a description of any specific arrangements with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received;	The Firm has no specific arrangements to report with any execution venues or brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.
(d) an explanation of the factors that led to a change in the list of execution venues/brokers listed in the firm's execution policy, if such a change occurred;	The Firm's internal list of execution venues / brokers approved for use by the Firm did not change during the period.
(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;	This is not applicable as the Firm only deals with Professional Clients.
(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;	This is not applicable as the Firm does not deal with 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 [RTS 27];	The Firm did not use RTS 27 reports or RTS 28 reports produced by execution venues or brokers during the period under review (2017), as these were not available.
(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.	The Firm has not used the output of any Consolidated Tape Providers in its execution quality analysis. It is noted that there were not any authorised Consolidated Tape Providers in Europe during the period under review.
Summary of Analysis	Feedback is given by the PM to the desk after each execution.
Summary of Conclusions	The Firm is comfortable that its execution policy was adhered to over the period, and that following this policy has delivered best execution for its clients over the period. This analysis will feed in to the Firm's annual review of its execution policy at which time further enhancements will be considered.