

Emso Asset Management Limited

RTS 28 Report

BEST EXECUTION POLICY
MONITORING FOR THE PERIOD 2019

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Emso Asset Management Limited (“Firm”) is authorised and regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom and is registered as an Alternative Investment Fund Manager focused on managing global debt portfolios for professional clients only, with FRN: 229812.

Under MiFID II Level 2 Delegated Regulation (2017/565), the Firm indirectly executes trade orders by passing orders to a broker for execution as detailed in the quantitative analysis below. As a result of indirect trade orders being passed to a broker and advising discretionary mandates, passive/aggressive distinction and directed orders are not relevant to the Firm. In ranking the brokers, we have separated the brokers based on LEI’s.

Table 1 - Equities

Equities - Shares & Depositary Receipts					
Notification if < 1 average trade per business day in the previous year				NO	
Top five venues ranked in terms of trading volumes	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
<i>Fiduciaria Corficolombiana</i> 5493007KMI04XOBVCW56	56.62%	0.67%	N/A	N/A	N/A
<i>Morgan Stanley & Co Intl (London)</i> 4PQUHN3JPF GFNF3BB653	24.67%	49.06%	N/A	N/A	N/A
<i>R. W. Pressprich EQ</i> 549300N7J0JV1QRBLW74	11.15%	37.95%	N/A	N/A	N/A
<i>Citigroup Global Markets Ltd (London)</i> XKZZ2JZF41MRHTR1V493	1.99%	2.95%	N/A	N/A	N/A
<i>Goldman Sachs International (London)</i> W22LROWP2IHZNBB6K528	1.81%	4.15%	N/A	N/A	N/A

Table 2 – Debt Instruments

2.1 - Bonds

Debt Instruments - Bonds					
Notification if < 1 average trade per business day in the previous year				NO	
Top five venues ranked in terms of trading volumes	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
<i>HSBC Bank Plc (London)</i> <i>MP6I5ZYZBEU3UXPYFY54</i>	12.50%	8.36%	N/A	N/A	N/A
<i>JPM Securities Plc (London)</i> <i>EVK05KS7XY1DEI13R011</i>	9.72%	8.14%	N/A	N/A	N/A
<i>Barclays Bank Plc (London)</i> <i>G5GSEF7VJP5I7OUK5573</i>	6.48%	7.10%	N/A	N/A	N/A
<i>Merrill Lynch Intl. (London)</i> <i>GGDZP1UYGU9STUHRDP48</i>	6.05%	5.64%	N/A	N/A	N/A
<i>Goldman Sachs International (London)</i> <i>W22LROWP2IHZNBB6K528</i>	5.56%	3.70%	N/A	N/A	N/A

2.2 – Money market instruments

Debt Instruments – Money market instruments					
Notification if < 1 average trade per business day in the previous year				NO	
Top five venues ranked in terms of trading volumes	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
<i>JPM Securities Plc (London)</i> <i>K6Q0W1PS1L1O4IQL9C32</i>	33.36%	9.22%	N/A	N/A	N/A
<i>ING Bank (Amsterdam)</i> <i>3TK20IVIJJ8J3ZU0QE75</i>	31.75%	1.15%	N/A	N/A	N/A
<i>CITI Money Market</i> <i>MBNUM2BPBDO7JBL YG310</i>	9.99%	8.83%	N/A	N/A	N/A
<i>Nomura International Plc</i> <i>DGQCSV2PHVF7I2743539</i>	6.15%	18.06%	N/A	N/A	N/A
<i>CS Securities Europe Ltd</i> <i>DL6FFRRLF74S01HE2M14</i>	4.73%	4.93%	N/A	N/A	N/A

Table 3 – Interest Rate Derivatives

3.1 – Futures and options admitted to trading on a trading venue

Interest Rate Derivatives – Futures and options admitted to trading on a trading venue					
Notification if < 1 average trade per business day in the previous year				NO	
Top five venues ranked in terms of trading volumes	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
<i>JPM Securities Plc (London)</i> <i>K6Q0W1PS1L1O4IQL9C32</i>	48.28%	40.00%	N/A	N/A	N/A
<i>JB Drax Honore (London)</i> <i>549300WYFIFDMB6POR04</i>	34.50%	55.66%	N/A	N/A	N/A
<i>CS International (London)</i> <i>E58DKGMJYYYYJLN8C3868</i>	17.22%	4.30%	N/A	N/A	N/A
<i>Kyte Broking Ltd (London) /</i> <i>1ZU7M6R6N6PXYJ6V0C83</i>	0.00%	0.04%	N/A	N/A	N/A
-	-	-	-	-	-

3.2 – Swaps, forwards, and other interest rate derivatives

Interest Rate Derivatives – Swaps, forwards, and other interest rates derivatives					
Notification if < 1 average trade per business day in the previous year				NO	
Top five venues ranked in terms of trading volumes	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
<i>Citibank Global Markets Ltd (London)</i> <i>5493009MO8D3PKFH2439</i>	38.94%	4.66%	N/A	N/A	N/A
<i>HSBC Bank Plc (London)</i> <i>MP6I5ZYZBEU3UXPYFY54</i>	11.70%	8.36%	N/A	N/A	N/A
<i>JPM Securities Plc (London)</i> <i>K6Q0W1PS1L1O4IQL9C32</i>	10.83%	19.92%	N/A	N/A	N/A
<i>JPM Chase Bank N.A. (New York)</i> <i>7H6GLXDRUGQFU57RNE97</i>	6.95%	4.84%	N/A	N/A	N/A
<i>Goldman Sachs International (London)</i> <i>W22LROWP2IHZNBB6K528</i>	5.63%	14.64%	N/A	N/A	N/A

Table 4 – Credit Derivatives - Other credit derivatives

Credit Derivatives – Other credit derivatives					
Notification if < 1 average trade per business day in the previous year				NO	
Top five venues ranked in terms of trading volumes	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
<i>Barclays Bank Plc (London)</i> <i>G5GSEF7VJP5I7OUK5573</i>	27.13%	29.69%	N/A	N/A	N/A
<i>HSBC Bank Plc (London)</i> <i>MP6I5ZYZBEU3UXPYFY54</i>	22.09%	20.99%	N/A	N/A	N/A
<i>Goldman Sachs International (London)</i> <i>W22LROWP2IHZNBB6K528</i>	16.68%	10.34%	N/A	N/A	N/A
<i>JPM Securities Plc (London)</i> <i>K6Q0W1PS1L1O4IQL9C32</i>	5.43%	7.08%	N/A	N/A	N/A
<i>Morgan Stanley & Co Intl (London)</i> <i>4PQUHN3JPF GFNF3BB653</i>	5.13%	6.22%	N/A	N/A	N/A

Table 5 – Currency Derivatives – Swaps, forwards, and other currency derivatives

Currency Derivatives – Swaps, forwards, and other currency derivatives					
Notification if < 1 average trade per business day in the previous year				NO	
Top five venues ranked in terms of trading volumes	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
<i>Goldman Sachs International (London)</i> <i>W22LROWP2IHZNBB6K528</i>	27.30%	14.63%	N/A	N/A	N/A
<i>HSBC Bank Plc (London)</i> <i>MP6I5ZYZBEU3UXPYFY54</i>	13.06%	11.59%	N/A	N/A	N/A
<i>JPM Securities Plc (London)</i> <i>K6Q0W1PS1L1O4IQL9C32</i>	11.62%	19.81%	N/A	N/A	N/A
<i>DB Overlay (London)</i> <i>7LTWFZYICNSX8D621K86</i>	10.89%	0.32%	N/A	N/A	N/A
<i>Morgan Stanley & Co Intl (London)</i> <i>4PQUHN3JPFGFNF3BB653</i>	7.58%	11.06%	N/A	N/A	N/A

Table 6 – Equity Derivatives

Equity Derivatives – Futures and options admitted to trading on a trading venue					
Notification if < 1 average trade per business day in the previous year				NO	
Top five venues ranked in terms of trading volumes	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
<i>CS International (London)</i> <i>E58DKGMJYYYJLN8C3868</i>	73.83%	16.86%	N/A	N/A	N/A
<i>Barclays Bank Plc (London)</i> <i>G5GSEF7VJP5I7OUK5573</i>	21.73%	1.60%	N/A	N/A	N/A
<i>JB Drax Honore (London)</i> <i>549300WYFIFDMB6POR04</i>	3.03%	52.80%	N/A	N/A	N/A
<i>JPM Securities Plc (London)</i> <i>K6Q0W1PS1L1O4IQL9C32</i>	1.41%	28.59%	N/A	N/A	N/A
<i>Kyte Broking Ltd (London)</i> <i>1ZU7M6R6N6PXYJ6V0C83</i>	0.00%	0.15%	N/A	N/A	N/A

Table 7 – Securitized Derivatives

Securitized Derivatives – Warrants and Certificate Derivatives					
Notification if < 1 average trade per business day in the previous year				NO	
Top five venues ranked in terms of trading volumes	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
<i>Merrill Lynch Intl. (London)</i> <i>GGDZP1UYGU9STUHRDP48</i>	33.95%	12.35%	N/A	N/A	N/A
<i>Liquidity Finance LLP</i> <i>213800FHX4VCUAQ11/21</i>	14.26%	18.73%	N/A	N/A	N/A
<i>Jefferies LLC (New York)</i> <i>58PU97L1C0WSRCWADL48</i>	12.46%	21.12%	N/A	N/A	N/A
<i>Dragon Capital (Cyprus) Ltd</i> <i>315700LK78Z7C0WMIL03</i>	11.41%	14.34%	N/A	N/A	N/A
<i>Stifel Nicolaus & Co Inc</i> <i>5WUVMA08EYG4KEUPW589</i>	11.19%	7.17%	N/A	N/A	N/A

Table 8 – Commodities Derivatives

Commodities Derivatives – Futures and options admitted to trading on a trading venue					
Notification if < 1 average trade per business day in the previous year				NO	
Top five venues ranked in terms of trading volumes	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
<i>JB Drax Honore (London)</i> <i>549300WYFIFDMB6POR04</i>	62.93%	30.19%	N/A	N/A	N/A
<i>JPM Securities Plc (London)</i> <i>K6Q0W1PS1L1O4IQL9C32</i>	36.83%	64.78%	N/A	N/A	N/A
<i>CS International (London)</i> <i>E58DKGMJYYYYJLN8C3868</i>	0.24%	5.03%	N/A	N/A	N/A
-	-	-	-	-	-
-	-	-	-	-	-

Qualitative Analysis

Relative factor importance:

The Firm operates in accordance with its best execution policy at all times and takes all sufficient steps to obtain the best possible result for client transactions. The relative importance of each execution factor is likely to vary depending on the unique characteristics of each trade; as a result, the relative importance of execution factors is variable. The Firm's aim is to find the counterparties/venues that best match the trading philosophy and help the Firm to add value to each transaction or series of transactions. Relevant factors include price, costs, speed, size, likelihood of execution and settlement, and minimizing market impact. Investments primarily focus on directional and relative value opportunities in emerging market local and external debt (sovereign and quasi-sovereign), foreign currency exchange rates, interest rates, corporates, and, to a minor extent, individual equities and equity indices.

Typically, trade price is the most significant factor taken into account. However, this cannot be the case for all instruments or trades. Circumstances may arise whereby other factors may be more important or relevant and, as a discretionary manager, the Firm must enlist its judgement and experience to give greater prominence to them. Generally speaking, as liquidity and transparency decrease, price will need to be increasingly balanced against likelihood other execution factors.

Implicit costs are also relevant to the Firm when assessing the quality of execution. For example, the Firm may achieve total lower costs (and best execution) by working an order over time in order to minimize market impact and avoid having the market and price move against the client. In other instances, the trader may be limited to one or a small number of available counterparties or 'market makers' (i.e., for emerging market debt instruments).

Execution of derivatives, which are typically bi-lateral agreements between two parties, is dependent on additional factors such as having available legal documentation and/or credit lines in place.

Venue conflicts:

The Firm does not trade with any affiliates.

Venue payments:

The Firm does not receive payments, discounts, rebates or non-monetary benefits in its trading arrangements.

Venue changes:

There were several additions to our broker list during the reporting period. Counterparties on our approved brokers list are subject to an authorisation and ongoing monitoring process, which includes, but is not limited to, the broker's credit worthiness and financial stability, a review of the performance of execution services provided by the broker, and the broker's ability to trade effectively on our clients' behalf.

Client categorisation:

The Firm only executes transactions on behalf of professional clients. All clients are treated equally.

Retail factors:

Not applicable, as the Firm does not execute transactions on behalf of retail clients.

Execution analysis tools:

As part of our best execution monitoring procedures we consider the data published under Commission Delegated Regulation (EU) 2017/575 by the trading venues we have used, and those of our counterparties which operate as systematic internalisers.

CTP usage:

Not applicable, as there are currently no consolidated tape providers in Europe.

Disclaimer: OpenGamma has completed this reported with our interpretation of the EMSA Directive 2014/65/EU in good faith, to the best of our ability with the data that was made available at the time of publishing. It may be subject to amendment, following which updated versions will be published and clearly identified as such.

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