

Information on the Top 5 Execution Venues & Quality of Execution Obtained - Report 2019

This Order Execution Quality Report together with the table ((RTS 28 Annex II (Table 2)) of statistics is for each of the classes of financial instrument (Equities) in which we execute and transmit/place our professional and retail client orders. This report covers orders executed during the period 01/01/2019 to 31/12/2019.

Zeus Capital Ltd publish this report in accordance with the requirements of the EU Markets in Financial Instruments Directive II ("MiFID II") and the rules of our regulator, The Financial Conduct Authority ("FCA").

This supplementary report is intended to provide context to our choice of execution venues, allowing our clients to better understand the analysis and conclusions we draw from our monitoring of the quality of execution obtained on these execution venues.

Execution Factors

When assessing the quality of execution achieved, we pay due regard to the key factors considered by our Dealers when determining the method and venues on which we execute our client orders. This is covered in more detail in the Zeus Capital Ltd Execution Policy which can be found on our website. The key factors are:

- **Price:** We will usually assume that best price is the most important outcome for our clients and this factor is always a primary consideration when determining the importance of the other factors.
- **Size:** The size of the order may determine how an order can be dealt. Small, liquid orders and large or illiquid orders are dealt using our dealers' expertise.
- **Order type:** The type of order will impact the way in which an order is dealt, but not to the extent that price is no longer the most important execution factor in achieving the best possible outcome. For example, 'at best' orders are usually dealt using a combination of liquidity providers and the LSE SETs order book, whereas 'limit' orders are usually published direct on LSE SETs order book. Additionally, if the client has specific directions, we will deal according to those instructions.
- **Speed:** Although achieving the best price is key, sometimes being able to deal immediately may be of greater importance to the client.
- **Likelihood of settlement:** Making sure we choose an appropriate counterparty that can deal with the specific type of order or financial instrument.
- **Any other consideration relevant to the execution of an order:** It may not be possible to execute certain orders via our dealers, for example the financial instrument may be in a foreign currency or only available 'OTC'. Such characteristics may determine how an order is dealt, but not to the extent that price is no longer the most important execution factor in achieving the best possible outcome of that order.

When considering price, we take into account the total amount that the client will pay, known as the 'total consideration', represented by the best available price for the financial instrument at that time, including any associated costs relating to the execution of that order. Regardless of client categorisation, we assume that total consideration is the most important outcome for our clients' orders.

Other execution factors may be given precedence over the immediate price, but only where those factors are instrumental in delivering the best possible result to the client, for example where a client has given us an explicit instruction in relation to the execution of an order, or perhaps the speed of execution takes precedence over price. Such orders are rare, but where they do occur they are more likely to be from a professional client.

Where our monitoring identified trades where best price had not been achieved, this was always because another execution factor had taken precedence in order to achieve the best overall outcome for the client.

Client Categorisation

Our client base is 'Professional' and 'Retail', as defined by the FCA. The considerations for the execution of a client order may differ depending on whether the client is categorised as a retail or a professional client, but not to the extent that it affects our overarching obligation to achieve the 'best possible result' for the client.

The range of factors we consider when selecting an execution venue is the same for all our clients. For professional clients, orders are typically larger in size and speed of execution may take precedence and impact how and where an order is executed. Whenever another factor is given precedence over price, total consideration will always remain the primary factor of consideration in determining the importance of the next relevant factor.

The selection of 'Execution Venues'

We execute our client orders either (or by a combination of) directly on a Regulated Market of which we are a member, e.g. the London Stock Exchange (LSE), or with third party investment firms referred to as Counterparties and/or Market Makers (or in the context of this report, collectively; 'Venues'), so far we have not traded, outside of a Regulated Market, if we do it will only be where we have obtained a client's prior express consent.

The London Stock Exchange (LSE) remains the dominant UK exchange for our order flow. For large orders or illiquid investments that cannot be executed immediately, we will use the expertise of our dealers to choose the most appropriate venue for the order, taking into account the Execution Factors. Using a number of different price sources as an initial reference point, our dealers will approach various Counterparties and Market Makers to try to negotiate a price improvement. Alternatively, an order may be worked direct on exchange, on the LSE's SETS order book.

Execution and Placement / Transmission

From the outset, the type of financial instrument in question will ultimately impact the method of execution and it may not always be possible to immediately execute certain orders via our dealers.

Instead, such orders may need to be placed with other counterparties, or transmitted to a third party, who have the ability to trade in those instruments. Such characteristics may determine how an order is dealt, but not to the extent that price is no longer considered the most important execution factor in achieving the best possible outcome of that order.

Venue Arrangements

There are no specific arrangements concerning discounts, rebates, or non-monetary benefits with any current execution venues, nor any close links, conflicts of interests, or common ownerships with respect to any execution venues used to execute orders. Whether we execute orders on behalf of our clients, or transmit those orders to a third party, the best possible result is determined in terms of the 'total consideration', representing the price of the financial instrument and the costs related to execution, including all expenses incurred by the client which are directly related to the execution of the order. However, any execution costs not included within the market 'price' of the financial instrument are borne by Zeus Capital. Therefore, excluding our own ancillary charges, any additional costs related to execution such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of our clients' orders, will not affect us achieving the best possible result for our clients.

Execution Quality – Monitoring and Review

We monitor the quality of our execution by reviewing our trades and identifying any client orders placed either side of the touch price (not within the bid-offer spread) thus not fulfilling the best price execution factor. Each exception is reviewed to determine whether or not another execution factor took precedence to achieve best execution overall. Where necessary, exceptions will be repaired to ensure that our clients receive the best possible outcome from each transaction.

The review and monitoring of our execution data is also used to determine the performance of the counterparties we use. We also consider whether there are venues or counterparties that we should add that will enhance our dealing process and outcomes for our clients, where data suggests a correlation in better execution outcomes elsewhere.

Our analysis of our 2019 execution data has not resulted in any changes to our order execution policy or selection of counterparties or venues.

RTS 28 Retail Clients - 2019

Class of Instrument	EQUITIES				
Notification if <1 average trade per business day in the previous year	N				
Top 5 Venues ranked in terms of volume (descending order)	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
Winterflood Securities 8BRUP6V1DX3PIG2R0745	35.2%	6.1%	100%	0.0%	0.0%
Zeus Capital 213800F6CHS1SEYK1842	26.7%	33.5%	100%	0.0%	0.0%
Jefferies International S5THZMDUJCTQZBTRVI98	22.6%	0.3%	100%	0.0%	0.0%
LCH Limited F226TOH6YD6XJB17KS62	12.2%	38.8%	84%	16.0%	0.0%
Liquidnet Europe 213800ZIRB79BE5XQM68	1.9%	8.0%	100%	0.0%	0.0%

RTS 28 Professional Clients - 2019

Class of Instrument	EQUITIES				
Notification if <1 average trade per business day in the previous year	N				
Top 5 Venues ranked in terms of volume (descending order)	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
Zeus Capital 213800F6CHS1SEYK1842	67.2%	51.3%	100%	0.0%	0.0%
Winterflood Securities 8BRUP6V1DX3PIG2R0745	16.7%	4.6%	100%	0.0%	0.0%
LCH Limited F226TOH6YD6XJB17KS62	5.7%	26.3%	67%	32.5%	0.0%
Peel Hunt 5493007DWN0R4YBM4C84	3.1%	2.5%	100%	0.0%	0.0%
Liquidnet Europe 213800ZIRB79BE5XQM68	2.7%	6.4%	100%	0.0%	0.0%