

## RTS 28 Report - Top Five Execution Venues

### 2019

**N1 Singer Ltd**

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Registered in England (reg. no. 07997006)

Authorised and regulated by the Financial Conduct Authority (FRN: 453676 and 568323)

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### 1. Overview

- 1.1. This document (the “**RTS 28 Report**” or this “**Report**”) outlines how N1 Singer Ltd, its subsidiaries and employees (“**N+1 Singer**”, or the “**Firm**”) have addressed the requirement to comply with Directive 2014/65/EU in financial instruments (“**MiFID II**”) which requires investment firms who execute Client orders to summarise and make public on an annual basis, for each class of financial instruments the top five execution venues in terms of trading volumes where they executed Client orders in the preceding year and information on the quality of execution obtained.
- 1.2. This Report further illustrates N+1 Singer’s compliance with the obligation under Article 24(1) of Directive 2014/65/EU to act in accordance with the best interests of their Clients when transmitting Client orders to other entities for execution.
- 1.3. Further information regarding how we meet the Firm’s best execution requirements for eligible clients can be found in the Firm’s Order Execution Policy, which is available on the Firm’s [Legal and Regulatory](#) page.

### 2. Business Model and Background

- 2.1 N+1 Singer is registered with the London Stock Exchange as a Market Maker in over 650 stocks. We do not trade in a proprietary capacity but facilitate client business by trading instruments on our own book. N+1 Singer’s Market Making desk conducts its business with Eligible Counterparties (“**ECP**”) only, per the FCA COBS 3.6, and per MiFID II these counterparties are not owed Best Execution.
- 2.2 Where orders are handled by N+1 Singer’s Sales Traders, the typical client are categorised as institutional clients that are typically classified as Professional per FCA COBS 3.5. This Client base is placing a ‘legitimate reliance’ on N+1 Singer to execute their business, and hence we owe Best Execution to them.
- 2.3 Additionally, N+1 Singer provides execution only services to a much smaller set of Retail clients, to whom we owe Best Execution.

## 3. Summary of Observations

3.1 N+1 Singer has considered the following range of factors (in order of priority) that are important to fulfil its Best Execution obligation as follows:

1. Execution price and nature of the order affecting the execution price (priority: high)
2. Size and nature of the transaction (priority: high)
3. Likelihood of execution and competition of the transaction (priority: high)
4. Speed of the transaction execution (priority: medium)
5. Total transaction costs, including execution costs and implicit cost elements (priority: medium)
6. Any other factor decisive to match the Best Execution obligation (priority: low)

The individual importance of the Best Execution factors may have varied as specified in further detail N+1 Singer's Best Execution policy, when executing client orders. Best Execution is therefore applied in a manner that has taken into account the different circumstances associated with the transaction:

- The characteristics of the client, including the client categorisation.
- The characteristics of the client order
- The characteristics of the instruments that were the subject of that order
- The characteristics of the execution venues to which that order could be directed
- The legal and regulatory framework under which the transaction was executed

3.2 During this reporting period N+1 Singer had the necessary procedures and arrangements in place as well and appropriate valuation systems. N+1 Singer has taken into account external market data and externally verifiable reference prices (where available) to ensure the fairness of the price for its clients.

3.3 Our client base and our business flows are in line with the previous year, our execution is as expected at over 82% reported to the London Stock Exchange. Our next biggest venue, Winterflood Securities, sees a drop of over 1% from the previous year, again in line with expectations as our gilt and fixed income execution flow was below the levels of the previous year. Under the business model which we operate and considering the class of instruments we trade the London Stock Exchange is not only the primary venue for these instruments, but in some cases the only venue where an instrument is traded and on that basis we consider the London Stock Exchange to be of prime importance to our execution, taking into consideration execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors.

3.4 With direct membership of only one exchange (London Stock Exchange) third party brokers are used for access to other exchanges and liquidity pools. Relationships with Barclays, Virtu and Bank of America Merrill Lynch all contribute to our overall market

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access. Although these venues make up a smaller proportion of our overall execution they provide access to some key liquidity pools such as Posit which are vital to small cap execution.

Although we have access to all of the execution venues we need for the orders and trades executed on behalf of our clients we actively review and assess our market access and our stable of brokers we use. The Liquid Metrix system is used to monitor best execution, trade cost analysis and execution performance via our brokers.

- 3.5 For the quantitative data supporting this report, please find the excel document of our top 5 venues [here](#) broken down as set out in Article 3 (3) Commission Delegated Regulation (EU) 2017/576 (“RTS 28”) and Article 65 (6) of Commission Delegated Regulation (EU) 2017/565.

## 4. Conflicts of Interest

- 4.1 N+1 Singer does not have any close links, conflicts of interests or common ownerships with respect to any execution venues used. Nor does the Firm have any arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

## 5. Governance

- 5.1 The Firm monitors its best execution obligations through a number of preventative, in situ and detective controls. There are system-built automated trading controls and first line daily monitoring. Providing oversight to all trades and orders is the Execution Oversight Committee (“EOC”) who meet regularly to discuss trading observations in line with our regulatory obligations.
- 5.2 Should there be any questions or concerns in regards to this report, please escalate this to the Head of Compliance, who will be obliged to review and escalate your query (should your concern be of a non-minor nature) to the EOC.