

RTS 28 and Article 65(6) MiFID II Reporting

1 January – 31 December 2019

This report covering trading during 2019 has been prepared to comply with the requirements imposed by Article 3(3) of Regulatory Technical Standard 28 (“RTS 28”) of MiFID/R and Article 65(6) of the MiFID II Delegated Organisational Regulation. Mondrian Investment Partners Limited (“Mondrian”) is required to disclose its top five execution venues by asset class traded for clients during the period together with a summary of the analysis and conclusions drawn from the execution quality monitoring that Mondrian has undertaken. This report is designed to address Mondrian’s disclosure obligations.

If you have any questions or require further detail regarding our Trade Execution Policy please contact your client representative.

Mondrian may execute orders directly with counterparties and also place orders with those counterparties for onward execution. ‘Execution’ occurs where the Mondrian executes an order directly against an execution venue: e.g. a regulated market, a Multi-lateral Trading Facility (“MTF”), a market maker or other liquidity provider. This includes MTFs such as MarketAxess and TradeWeb for Fixed Income instruments or FX Connect for currency forwards. In these instances, such trades will be reported in the RTS 28 reports.

‘Placement’ is where Mondrian places an order with another entity for it to execute, such as a broker or group dealing desk. In these instances, trades will be reported in the Article 65(6) data. This covers the majority of Mondrian’s Equity trading.

Qualitative Analysis

- Mondrian’s Trading Desk determines which broker to use at the point of execution based on their judgment as to which broker will be able to execute the trade most effectively.
- The primary consideration of the Trading Desk is to execute all transactions at best execution with the approved list of counterparties and the guidelines set out by the Best Execution and Trading Oversight Committee and any client-specific requirements.
- For Equity transactions, Mondrian places the highest equal importance on price and liquidity, followed by speed, likelihood of execution and finally costs associated with execution.
- For Fixed Income & Money Market transactions, Mondrian places the highest importance on price, followed by liquidity, speed and finally likelihood of execution.
- For deliverable and non-deliverable currency forwards, Mondrian places the highest equal importance on price and liquidity, followed by speed, likelihood of execution and finally costs associated with execution. In order to ensure that competitive rates of execution are achieved, forward foreign exchange trade execution with all approved counterparties is actively managed by Mondrian’s Trading Desk.
- Further details on the importance of the various execution factors are set out in Mondrian’s Trade Execution Policies & Procedures.

- Generally, trading commissions are paid on equity trades only. Normally fixed income trading is done on a principal basis with the broker or directly through multilateral trading facilities so it should be expected that no commissions would be paid on these trades. Certain minimal trading venue/platform fees may be chargeable where applicable.
- Clients' custodians typically impose a trade away cost when executing currency forwards with a counterparty other than the custodian. When determining whether or not to trade away from a client's custodian on individual trades, Mondrian will consider the impact of the fee that custodians may levy for processing such transactions. Unless Mondrian has been notified otherwise, a reasonable estimate of that fee will be applied.
- Equity commission rates will be negotiated in advance annually or more frequently if necessary, and Mondrian will typically agree a single flat rate of commission for each market with each broker.
- All Clients governed by the same or a similar mandate will be structured similarly (that is, will hold the same or comparable stocks), and will exhibit similar characteristics. Sale and purchase opportunities identified at regular investment committee meetings will be applied to portfolios across the board, subject to the requirements of individual client mandates and cash availability. Mondrian's execution policy does not differentiate between Clients.
- Mondrian has no close links or other conflicts of interest with respect of any counterparties or execution venues used to execute client orders.
- Mondrian does not receive payments, discounts, rebates or non-monetary benefits in its trading arrangements. Mondrian has adopted a policy to pay for all externally-acquired research directly without passing the cost on to clients.
- The Best Execution Trading & Oversight Committee have discussed and appraised execution venues in detail throughout the year, supported by our own in house monitoring and third party independent Trade Cost Analysis.
- Additionally, Mondrian has conducted a summary review of the data published by our top counterparties under RTS 27. Nothing in this data indicated an impact to best execution either positively or negatively.
- We have determined that the venues engaged with over the period are suitable counterparties to facilitate Mondrian's execution in accordance with its Trade Execution Policies & Procedures.
- Mondrian does not currently have any retail clients. All of our clients are classified as professional and are treated equally.
- As required by MiFID II, equities traded in the European Economic Area ("EEA") have been split into the liquidity bands set out below. These are based on average daily number of transactions in the most relevant market in terms of trading for that instrument during the reporting period.
 - (i) Tick size liquidity bands 5 and 6 (from 2000 trades per day)
 - (ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)
 - (iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)
- Equities which do not trade in the EEA have not been allocated a liquidity band by the European Securities and Markets Authority and have therefore been reported under 'other instruments'.
- The distinction between 'passive' and 'aggressive' is not relevant to Mondrian's trading. Consequently, this column has been removed.

Quantitative Analysis

Article 65(6) Reporting

Class of Instrument RTS 65(6) Report

(a) Equities – Shares & Depositary Receipts (i) Tick size liquidity bands 5 and 6 (from 2000 trades per day)

Notification if <1 average trade per business day in the previous year		No	
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	
1. Sanford C Bernstein – 54930049G8WQ50OUSD19	34.9	27.2	
2. Merrill Lynch International – GGDZP1UYGU9STUHRDP48	16.1	3.9	
3. Exane S.A – 969500UP76J52A9OXU27	10.3	1.9	
4. Goldman Sachs International – W22LROWP2IHZNBB6K528	7.8	21.6	
5. Jefferies International Ltd – S5THZMDUJCTQZBTRV198	5.7	0.7	

Class of Instrument RTS 65(6) Report

(a) Equities – Shares & Depositary Receipts (ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)

Notification if <1 average trade per business day in the previous year		No	
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	
1. Sanford C Bernstein – 54930049G8WQ50OUSD19	26.1	21.3	
2. JP Morgan – K6Q0W1PS1L1O4IQL9C32	12.2	10.9	
3. Instinet Europe Limited – 213800MXAKR2LA1VBM44	10.8	14.1	
4. UBS AG – BFM8T61CT2L1QCCEMIK50	11.1	11.3	
5. HSBC PLC – MP6I5ZYZBEU3UXPYFY54	8.6	5.7	

Class of Instrument RTS 65(6) Report

(a) Equities – Shares & Depositary Receipts (iii) Tick size liquidity bands 1 and 2 (from 0 to 79 trades per day)

Notification if <1 average trade per business day in the previous year		No	
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	
1. Instinet Europe Limited – 213800MXAKR2LA1VBM44	15.4	13.0	
2. Goldman Sachs International – W22LROWP2IHZNBB6K528	13.1	19.4	
3. HSBC PLC – MP6I5ZYZBEU3UXPYFY54	12.4	11.0	
4. SMBC Nikko Capital Markets Ltd – G7WFA3G3MT5YHH8CHG81	9.5	3.5	
5. CLSA (UK) – 213800VZMAGVIU2IJA72	9.3	7.9	

Class of Instrument RTS 28 Report

(a) Equities – Shares & Depositary Receipts (i) Tick size liquidity bands 5 and 6 (from 2000 trades per day)

Notification if <1 average trade per business day in the previous year		Yes	
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	
1. Merrill Lynch International – GGDZP1UYGU9STUHRDP48	100.0	100.0	
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–	–	–	
–	–	–	
–	–	–	

Class of Instrument RTS 28 Report

(a) Equities – Shares & Depositary Receipts (ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)

Notification if <1 average trade per business day in the previous year		Yes	
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	
–	–	–	
–	–	–	
–	–	–	
–	–	–	
–	–	–	

(a) Equities – Shares & Depositary Receipts
(iii) Tick size liquidity bands 1 and 2 (from 0 to 79 trades per day)

Class of Instrument RTS 28 Report		Yes	
Notification if <1 average trade per business day in the previous year			
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	
1. UBS AG – BFM8T61CT2L1QCCEMIK50	69.8	50.0	
2. Merrill Lynch International – GGDZP1UYGU9STUHRDP48	28.1	25.0	
3. Citigroup – XKZZ2JZF41MRHTR1V493	2.1	25.0	
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–	–	–	

(b) Debt Instruments
(i) Bonds

Class of Instrument RTS 28 Report		Yes	
Notification if <1 average trade per business day in the previous year			
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	
Tradeweb – MTF (TREU)	49.8	53.9	
JP Morgan – K6Q0W1PS1L1O4IQL9C32	21.7	10.6	
Market Axess – 529900CTXON8S5AOCB70	6.5	11.9	
Barclays Bank PLC – G5GSEF7VJP5I7OUK5573	6.2	4.6	
HSBC – MP6I5ZYZBEU3UXPYFY54	5.6	5.7	
The regulations stipulate that where a transaction is carried out under the rules of the trading venue, then the firm should show, in its RTS 28 report, the trading venue used (e.g. FXConnect TradeWeb or MarketAxess). It should not show the counterparty with whom the transaction was agreed. For full transparency, the identity of the top five counterparties against whom this class of financial instrument was executed is as follows:			
Top 5 underlying counterparties in terms of volume (descending order) executed as a percentage of total in that class	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	
1. JP Morgan – K6Q0W1PS1L1O4IQL9C32	23.2	14.3	
2. Barclays Bank PLC – G5GSEF7VJP5I7OUK5573	15.7	14.8	
3. Deutsche Bank – 7LTFWZYICNSX8D621K86	10.6	11.5	
4. HSBC – MP6I5ZYZBEU3UXPYFY54	10.1	12.6	
5. Royal Bank of Scotland – RR3QWICWWIPCS8A4S074	7.4	7.1	

(b) Debt instruments
(ii) Money markets instruments

Class of Instrument RTS 28 Report		Yes	
Notification if <1 average trade per business day in the previous year			
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	
Tradeweb – MTF (TREU)	100.0	100.0	
–	–	–	
–	–	–	
–	–	–	
–	–	–	
The regulations stipulate that where a transaction is carried out under the rules of the trading venue, then the firm should show, in its RTS 28 report, the trading venue used (e.g. FXConnect TradeWeb or MarketAxess). It should not show the counterparty with whom the transaction was agreed. For full transparency, the identity of the top five counterparties against whom this class of financial instrument was executed is as follows:			
Top 5 underlying counterparties in terms of volume (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	
1. Citigroup – XKZZ2JZF41MRHTR1V493	45.4	38.9	
2. Deutsche Bank – 7LTFWZYICNSX8D621K86	28.5	27.8	
3. Barclays Bank PLC – G5GSEF7VJP5I7OUK5573	20.4	22.2	
4. Morgan Stanley and Co. International PLC – 4PQUHN3JPFQFN3BB653	5.4	5.6	
5. Royal Bank of Scotland – RR3QWICWWIPCS8A4S074	0.3	5.6	

Class of Instrument RTS 28 Report		(e) Currency derivatives – Swaps, forwards, and other currency derivatives	
Notification if <1 average trade per business day in the previous year		No	
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	
FX Connect - MTF (MFXC)	100.0	100.0	
–	–	–	
–	–	–	
–	–	–	
–	–	–	
The regulations stipulate that where a transaction is carried out under the rules of the trading venue, then the firm should show, in its RTS 28 report, the trading venue used (e.g. FXConnect TradeWeb or MarketAxess). It should not show the counterparty with whom the transaction was agreed. For full transparency, the identity of the top five counterparties against whom this class of financial instrument was executed is as follows:			
Top 5 underlying counterparties in terms of volume (descending order) executed as a percentage of total in that class	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	
State Street – 571474TGEMMWANRLN572	36.5	8.0	
Northern Trust – 6PTKHDJ8HDUF78PFWH30	28.9	59.2	
BONY Mellon – HPFHU0OQ28E4N0NFVK49	14.3	5.3	
JP Morgan Securities PLC – K6Q0W1PS1L1O4IQL9C32	11.6	13.7	
Barclays Bank PLC – G5GSEF7VJP5I7OUK5573	5.4	4.0	

Class of Instrument RTS 65(6) Report		(m) Other Instruments	
Notification if <1 average trade per business day in the previous year		No	
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	
1. CLSA (UK) – 213800VZMAGVIU2IJA72	18.1	22.1	
2. JP Morgan – K6Q0W1PS1L1O4IQL9C32	15.5	11.1	
3. Citigroup – XKZZ2JZF41MRHTR1V493	11.0	4.4	
4. Merrill Lynch International – GGDZP1UYGU9STUHRDP48	10.9	2.6	
5. HSBC PLC – MP6I5ZYZBEU3UXPYFY54	10.3	17.6	

Class of Instrument RTS 28 Report		(m) Other Instruments	
Notification if <1 average trade per business day in the previous year		Yes	
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	
1. JP Morgan – K6Q0W1PS1L1O4IQL9C32	93.0	50.0	
2. UBS AG – BFM8T6ICT2L1QCCEMIK50	7.0	50.0	
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–	–	–	
–	–	–	