

RTS 28 Quality of Execution Annual Report

Firm: Adelphi Capital LLP (“The Firm”)

Calendar Year Disclosure Period: 1 January 2019 to 31 December 2019

Date: 30 April 2020

Firm business covered by this report: The Firm is an authorised AIFM regulated under AIFMD. As such, it is subject to RTS 28 only in respect of certain of its MiFID business and therefore this report has been completed only in respect of the Firm’s separately managed accounts and the Adelphi European Select Equity (UCITS) Fund.

Summary of classes of instruments included in this report, and classes of instruments not included in this report (because the Firm has not executed client orders in that class of instruments):

Classes of instruments included in this report	Classes of instruments not included in this report
<ul style="list-style-type: none"> • Equities – Shares & Depositary Receipts Tick size liquidity bands 5 and 6 (from 2000 trades per day) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day) • Debt instruments Bonds • Currency derivatives Swaps, forwards, and other currency derivatives • Contracts for difference 	<ul style="list-style-type: none"> • Equities – Shares & Depositary Receipts Tick size liquidity bands 1 and 2 (from 0 to 79 trades per day) • Debt instruments Money markets instruments • Interest rates derivatives Futures and options admitted to trading on a trading venue Swaps, forwards, and other interest rates derivatives • Credit derivatives Futures and options admitted to trading on a trading venue Other credit derivatives • Currency derivatives Futures and options admitted to trading on a trading venue • Structured finance instruments • Equity Derivatives Options and Futures admitted to trading on a trading venue Swaps and other equity derivatives • Securitized Derivatives Warrants and Certificate Derivatives Other securitized derivatives • Commodities derivatives and emission allowances Derivatives Options and Futures admitted to trading on a trading venue Other commodities derivatives and emission allowances derivatives • Exchange traded products • Emission allowances • Other Instruments

Class of instrument	Equities – Shares and depositary receipts – Tick size liquidity bands 5 and 6 (from 2000 trades per day)	
General observations	The Firm routes all orders for this instrument class to third party brokers for indirect execution. The supplemental RTS 28 quantitative report discloses the top 5 brokers ranked in terms of trading volume during 2019. The Firm utilizes a third party transaction cost analysis (TCA) system to assist with monitoring the execution performance of the brokers we transact with. On a post trade basis the system assists with the analysis of trading data and provides reporting on the performance of the brokers in comparison to a pre-defined benchmark. The Best Execution Committee meets on an ongoing basis to evaluate the execution of the trades in this instrument class.	
	Summary of analysis	Conclusion
Execution factors	The relative importance of the execution factors was determined by the following execution criteria: <ul style="list-style-type: none"> the characteristics of the financial instrument that are the subject of that order; the characteristics of the Client order, the prevailing market conditions 	The relative importance given to the execution factors was in line with the Firm's Order Execution Policy. When trading equities within this tick size liquidity band, price was usually the execution factor with the highest priority. Client orders with specific characteristics or stock/market conditions may increase the priority on size and speed of execution factors to ensure the satisfactory completion of a trade.
Close links, conflicts of interest and common ownership with respect to execution venue	Close links The Firm has no close links to report.	Close links N/A
	Conflicts of interest The Firm has no conflicts of interest to report.	Conflicts of interest N/A
	Common ownerships The Firm has no common ownership to report.	Common ownerships N/A
Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received	The Firm has no specific arrangements to report.	N/A
Factors leading to a change in the list of execution venues listed in the Order Execution Policy	There were no changes to the list of execution venues/brokers in the Firm's Order Execution Policy.	N/A
Differentiation across client categories	N/A - all of the Firm's clients are professional clients	N/A
Use of data / tools relating to quality of execution	The Firm has used a third party transaction cost analysis system to assist with the monitoring of execution quality for this instrument class.	The Firm monitors the execution performance of all brokers it transacts with. The use of a TCA system enables detailed analysis of execution. Exception based reporting allows for the monitoring and enhanced analysis of individual trades whilst quarterly performance data and broker comparison reports are reviewed by the Best Execution Committee.
Use of consolidated tape provider output	The Firm has not used output from consolidated tape providers.	N/A

Class of instrument	Equities - Shares & Depositary Receipts – Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)	
General observations	The Firm routes all orders for this instrument class to third party brokers for indirect execution. The supplemental RTS 28 quantitative report discloses the top 5 brokers ranked in terms of trading volume during 2019. The Firm utilizes a third party transaction cost analysis (TCA) system to assist with monitoring the execution performance of the brokers we transact with. On a post trade basis the system assists with the analysis of trading data and provides reporting on the performance of the brokers in comparison to a pre-defined benchmark. The Best Execution Committee meets on an ongoing basis to evaluate the execution of the trades in this instrument class.	
	Summary of analysis	Conclusion
Execution factors	The relative importance of the execution factors was determined by the following execution criteria: <ul style="list-style-type: none"> the characteristics of the financial instrument that are the subject of that order; the characteristics of the Client order, the prevailing market conditions 	The relative importance given to the execution factors was in line with the Firm's Order Execution Policy. When trading equities within this tick size liquidity band, price was usually the execution factor with the highest priority. Client orders with specific characteristics or stock/market conditions may increase the priority on size and speed of execution factors to ensure the satisfactory completion of a trade.
Close links, conflicts of interest and common ownership with respect to execution venue	Close links The Firm has no close links to report.	Close links N/A
	Conflicts of interest The Firm has no conflicts of interest to report.	Conflicts of interest N/A
	Common ownerships The Firm has no common ownership to report.	Common ownerships N/A
Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received	The Firm has no specific arrangements to report.	N/A
Factors leading to a change in the list of execution venues listed in the Order Execution Policy	There were no changes to the list of execution venues/brokers in the Firm's Order Execution Policy.	N/A
Differentiation across client categories	N/A - all of the Firm's clients are professional clients	N/A
Use of data / tools relating to quality of execution	The Firm has used a third party transaction cost analysis system to assist with the monitoring of execution quality for this instrument class.	The Firm monitors the execution performance of all brokers it transacts with. The use of a TCA system enables detailed analysis of execution. Exception based reporting allows for the monitoring and enhanced analysis of individual trades whilst quarterly performance data and broker comparison reports are reviewed by the Best Execution Committee.
Use of consolidated tape provider output	The Firm has not used output from consolidated tape providers.	N/A

Class of instrument	Debt Instruments - Bonds	
General observations	The Firm monitors best execution in this instrument class by sourcing multiple price quotes before routing an order for execution. The supplemental RTS 28 quantitative report discloses the top 5 venues ranked in terms of volume during 2019. The Firm traded this instrument class on average less than once per business day during 2019.	
	Summary of analysis	Conclusion
Execution factors	<p>The relative importance of the execution factors was determined by the following execution criteria:</p> <ul style="list-style-type: none"> • the characteristics of the Client order, • the characteristics of the financial instrument that are the subject of that order • prevailing market conditions 	The relative importance given to the execution factors was in line with the Firm's Order Execution Policy. When trading this instrument type, price is usually the execution factor with the highest priority and orders will therefore be routed to the counterparty who has quoted the best price. If there are liquidity restraints on an instrument, the trading team may need to increase the priority on the size or likelihood of execution and settlement factors. All price quotes are recorded by trading and monitored by the compliance department to ensure adherence with the Firms Order Execution Policy.
Close links, conflicts of interest and common ownership with respect to execution venue	<p>Close links The Firm has no close links to report.</p>	<p>Close links N/A</p>
	<p>Conflicts of interest The Firm has no conflicts of interest to report.</p>	<p>Conflicts of interest N/A</p>
	<p>Common ownerships The Firm has no common ownership to report.</p>	<p>Common ownerships N/A</p>
Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received	The Firm has no specific arrangements to report.	N/A
Factors leading to a change in the list of execution venues listed in the Order Execution Policy	There were no changes to the list of execution venues/brokers in the Firm's Order Execution Policy.	N/A
Differentiation across client categories	N/A - all of the Firm's clients are professional clients	N/A
Use of data / tools relating to quality of execution	N/A	N/A
Use of consolidated tape provider output	The Firm has not used output from consolidated tape providers.	N/A

Class of instrument	Currency Derivatives - Swaps, forwards and other currency derivatives	
General observations	The Firm routes all orders for this instrument class to a third party broker for execution. The supplemental RTS 28 quantitative report discloses the top 5 brokers ranked in terms of trading volume during 2019. Orders in this instrument class were routed to a single broker. The Firm utilizes a third party transaction cost analysis (TCA) system to assist with monitoring execution performance. On a post trade basis the system analyses the trading data and provides reporting on the performance of the brokers in comparison to a defined benchmark. Both internal and TCA provided analysis of the trades confirmed that the execution during the period was relatively low in cost and within the expected parameters of the benchmark.	
	Summary of analysis	Conclusion
Execution factors	The relative importance of the execution factors was determined by the following execution criteria: <ul style="list-style-type: none"> • the characteristics of the Client order, • the characteristics of the financial instrument that are the subject of that order • prevailing market conditions 	The relative importance given to the execution factors was in line with the Firm's Order Execution Policy. When trading currency forwards and swaps, price will usually be the execution factor with the highest priority. The costs of trading and price of execution are reviewed on an ongoing basis using TCA software.
Close links, conflicts of interest and common ownership with respect to execution venue	Close links The Firm has no close links to report.	Close links N/A
	Conflicts of interest The Firm has no conflicts of interest to report.	Conflicts of interest N/A
	Common ownerships The Firm has no common ownership to report.	Common ownerships N/A
Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received	The Firm has no specific arrangements to report.	N/A
Factors leading to a change in the list of execution venues listed in the Order Execution Policy	There were no changes to the list of execution venues/brokers in the Firm's Order Execution Policy.	N/A
Differentiation across client categories	N/A - all of the Firm's clients are professional clients	N/A
Use of data / tools relating to quality of execution	The Firm has used a third party transaction cost analysis system to assist with the monitoring of execution quality for this instrument class.	The Firm monitors the execution performance of all brokers it transacts with. The use of a TCA system enables detailed analysis of execution. Exception based reporting allows for the monitoring and enhanced analysis of individual trades whilst quarterly performance data and broker comparison reports are reviewed by the Best Execution Committee.
Use of consolidated tape provider output	The Firm has not used output from consolidated tape providers.	N/A

Class of instrument	Contracts for difference (CFDs)	
General observations	When opening or closing a CFD position, the firm locates the position hedge for its ISDA counterparty in a consistent manner to the execution strategy for equity orders. The supplemental RTS 28 quantitative report discloses the top 5 venues ranked in terms of CFD position volume during 2019. The Firm utilizes a third party transaction cost analysis (TCA) system to assist with monitoring the price of the equity hedge located for our CFD counterparty. The price attained for the equity hedge position is directly linked to the pricing of the CFD and therefore forms part of the best execution analysis conducted. The financing costs, borrow rates and overall portfolio counterparty exposure levels influence the choice of counterparty for the CFD position and is reviewed on an ongoing basis.	
	Summary of analysis	Conclusion
Execution factors	The relative importance of the execution factors was determined by the following execution criteria: <ul style="list-style-type: none"> the characteristics of the financial instrument that are the subject of that order; the characteristics of the Client order, the prevailing market conditions 	The relative importance given to the execution factors was in line with the Firm's Order Execution Policy. The associated costs of holding the CFD is the execution factor that influences the choice of counterparty for this instrument class. Price will usually be the execution factor with the highest priority when locating the hedge for a CFD position. Less liquid equity hedges or client orders with specific characteristics may increase the priority on size and speed of execution factors to ensure the completion of a trade.
Close links, conflicts of interest and common ownership with respect to execution venue	Close links The Firm has no close links to report.	Close links N/A
	Conflicts of interest The Firm has no conflicts of interest to report.	Conflicts of interest N/A
	Common ownerships The Firm has no common ownership to report.	Common ownerships N/A
Specific arrangements with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received	The Firm has no specific arrangements to report.	N/A
Factors leading to a change in the list of execution venues listed in the Order Execution Policy	There were no changes to the list of execution venues/brokers in the Firm's Order Execution Policy.	N/A
Differentiation across client categories	N/A - all of the Firm's clients are professional clients	N/A
Use of data / tools relating to quality of execution	The Firm has used a third party transaction cost analysis system to assist with the monitoring of execution quality for this instrument class.	The execution of the CFD hedge is monitored using the same TCA system and methods used for the equity instrument class. The use of a TCA system enables detailed analysis of best execution. Exception based reporting allows for the monitoring and enhanced analysis of individual trades whilst quarterly performance data and broker comparison reports are reviewed by the Best Execution Committee.
Use of consolidated tape provider output	The Firm has not used output from consolidated tape providers.	N/A

RTS 28 Top 5 Execution Venues Annual Report 2019

Class of Instrument	Equities - Shares & Depositary Receipts (Tick size liquidity bands 5 and 6 (from 2000 trades per day))				
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)	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
Merrill Lynch International (LEI GGDZP1UYGU9STUHRDP48)	20.44%	24.48%	0%	0%	0%
Liquidnet Europe Limited (LEI 213800ZIRB79BE5XQM68)	15.28%	16.96%	0%	0%	0%
JP Morgan Securities PLC (LEI K6Q0W1PS1L1O4IQL9C32)	15.23%	24.43%	0%	0%	0%
Goldman Sachs International (LEI W22LROWP2IHZNBB6K528)	12.93%	5.64%	0%	0%	0%
Sanford C. Bernstein LLC (LEI 549300I7JYZHT7D5CO04)	11.81%	5.57%	0%	0%	0%

Class of Instrument	Equities - Shares & Depositary Receipts (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	N				
Top five execution venues ranked in terms of trading volumes (descending order)	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
Liquidnet Europe Limited (LEI 213800ZIRB79BE5XQM68)	16.89%	15.62%	0%	0%	0%
JP Morgan Securities PLC (LEI K6Q0W1PS1L1O4IQL9C32)	16.69%	16.81%	0%	0%	0%
Merrill Lynch International (LEI GGDZP1UYGU9STUHRDP48)	14.43%	28.47%	0%	0%	0%
J&E Davy (LEI 63540061DPCBNMCGRY22)	8.86%	8.32%	0%	0%	0%
UBS Limited (LEI REYPIEJN7XZHSUI0N355)	8.65%	9.90%	0%	0%	0%

Class of Instrument	Debt Instruments				
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)	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 (LEI W22LROWP2IHZNBB6K528)	62.30%	50.00%	0%	0%	0%
UBS AG (LEI BFM8T61CT2L1QCEMIK50)	37.70%	50.00%	0%	0%	0%

Class of Instrument	Currency derivatives - Swaps, forwards, and other currency derivatives				
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)	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
UBS AG (LEI BFM8T61CT2L1QCEMIK50)	100%	100%	0%	0%	0%

Class of Instrument	Contracts for difference				
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)	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 (LEI W22LROWP2IHZNBB6K528)	58.87%	56.76%	0%	0%	0%
UBS AG (LEI BFM8T61CT2L1QCEMIK50)	41.13%	43.24%	0%	0%	0%