



### MiFID II Regulatory Technical Standard 28 (RTS28)

RTS28 requires portfolio managers to display their top five brokers, and information about the quality of execution obtained for the preceding calendar year, by the end of the April 30<sup>th</sup> the following year.

#### **Top five brokers**

Ranmore Fund Management is required to disclose its top five brokers for the preceding calendar year by:

- Class of instrument
- Broker
- Volume of orders with that broker as a percentage of total executed volume in that financial instrument
- Number of orders executed with broker expressed as a percentage of total executed orders in that financial instrument
- Percentage of orders that were passive or aggressive
- Percentage of orders that were directed
- Whether RFM executed an average of <1 trade/business day in the past year

A passive order is an order that provides liquidity. For example, a limit order in which RFM sets a maximum purchase price which is below the current market asking price would be considered a passive order.

An aggressive order is an order that took on liquidity. For example, a market order where a broker was instructed to execute a trade as promptly as possible as prevailing market prices would be considered an aggressive order – it removes liquidity because immediate execution will take place.

A directed order is one where a specific execution venue was specified by RFM prior to the execution of the order.

#### Broker codes

BTBK = Bloomberg Tradebook

GTBK = Global Tradebook

SBAT = Bernstein

RBCB = Royal Bank of Canada (US equities)

RBCZ = Royal Bank of Canada (Non-US equities)

#### Equities – Shares and depositary receipts

Tick size liquidity bands 1 and 2 (from 0 to 79 trades per day); bands 3 and 4 (from 80 to 1,999 trades per day); bands 5 and 6 (from 2,000 trades per day)



# RANMORE

FUND MANAGEMENT

Year	Class of Instrument	Avg <1 trade/day (Y/N)	Broker	% of volume of total in class	% of orders of total in class	% of passive orders	% of aggressive orders	% of directed orders
2017	Equities and Depositary Receipts: Tick size liquidity bands 1 and 2	N	BTBK	64.0%	65.4%			
2017	Equities and Depositary Receipts: Tick size liquidity bands 1 and 2	N	SBAT	13.0%	12.4%			
2017	Equities and Depositary Receipts: Tick size liquidity bands 1 and 2	N	GTBK	9.4%	10.9%			
2017	Equities and Depositary Receipts: Tick size liquidity bands 1 and 2	N	RBCB	7.2%	7.4%			
2017	Equities and Depositary Receipts: Tick size liquidity bands 1 and 2	N	RBCZ	6.4%	3.9%			
				<b>100.0%</b>	<b>100.0%</b>			
2017	Equities and Depositary Receipts: Tick size liquidity bands 3 and 4	N	BTBK	43.1%	36.7%			
2017	Equities and Depositary Receipts: Tick size liquidity bands 3 and 4	N	GTBK	42.2%	51.9%			
2017	Equities and Depositary Receipts: Tick size liquidity bands 3 and 4	N	SBAT	7.2%	3.4%			
2017	Equities and Depositary Receipts: Tick size liquidity bands 3 and 4	N	RBCZ	6.4%	7.2%			
2017	Equities and Depositary Receipts: Tick size liquidity bands 3 and 4	N	RBCB	1.1%	0.8%			
				<b>100.0%</b>	<b>100.0%</b>			
2017	Equities and Depositary Receipts: Tick size liquidity bands 5 and 6	N	GTBK	75.7%	84.7%			
2017	Equities and Depositary Receipts: Tick size liquidity bands 5 and 6	N	SBAT	14.2%	7.1%			
2017	Equities and Depositary Receipts: Tick size liquidity bands 5 and 6	N	BTBK	7.7%	6.6%			
2017	Equities and Depositary Receipts: Tick size liquidity bands 5 and 6	N	RBCB	1.6%	1.0%			
2017	Equities and Depositary Receipts: Tick size liquidity bands 5 and 6	N	RBCZ	0.8%	0.6%			
				<b>100.0%</b>	<b>100.0%</b>			

The European Securities and Markes Authority (ESMA) recognises that for the calendar year 2017, investment firms may not have complete information on the percentage of passive and aggressive orders since they may not have been collecting such detailed information under the existing MiFID I best execution obligations. This is the case with RFM.



## Quality of execution

RFM is required to analyse the quality of execution obtained from brokers utilised based on the following criteria

### Explanation of the relative importance firm gave to execution factors of price, costs, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution

RFM has a relationship with a selection of brokerage firms and RFM has no commitment to any firm with respect to minimum trading volumes of commissions. Therefore, the portfolio manager can select a broker which he feels will achieve the best possible result for a client. In doing so, the portfolio manager focuses on explicit trading costs (commission rates) and implicit or indirect trading costs (such as method of execution – the algorithms brokers make available; liquidity and trade flow; likelihood of execution). In general, minimising direct trading costs is considered the most important factor and as the majority of equity trades are US-based, the rates offered by Bloomberg were considered the most competitive.

### A description of any conflicts of interest and any payments received, discounts, rebates and non-monetary benefits

RFM participated in a soft commission arrangement with Bloomberg during 2017. Such soft commissions were used to fund the Investment Manager's quarterly fee for Bloomberg terminals and were generated as a result of placing equity trades on behalf of Ranmore Global Equity Fund plc through Bloomberg Tradebook. During some quarters the amount of commissions was sufficient to cover the cost of the terminals; in others it did not and the Investment Manager paid the fee. Bloomberg terminals are the primary equity research tool used by the Investment Manager and are therefore considered by the Investment Manager to be integral to the services provided to the Fund. The Investment Manager enters orders via the broker that is deemed to offer the best order execution for each trade. In accordance with the provisions of Directive 2014/65/EU on markets in financial instruments ("MiFID II"), from January 3rd the arrangement whereby equity trades placed through Tradebook could contribute to the funding of the Investment Manager's Bloomberg terminals ceased.

### Explanation of factors that led to a change in the list of brokers if such a change occurred

There was no change in brokers during the period.



Explanation of how order execution differs according to client categorisation

Not applicable. RFM's sole client is Ranmore Global Equity Fund plc.

Explanation of whether other criteria given precedence over immediate price and cost when executing client orders

Please see above

Explanation of how firm has used any data or tools relating to the quality of execution

No such tools were used during 2017. ESMA recognises that unless investment firms used a specific tool to assess execution quality, it will most likely be unable to provide, in the firm's first annual report, any information required under Article 3(3)(g) of RTS 28 (investment firms shall publish for each class of financial instruments, a summary of the analysis and conclusions drawn from their detailed analysis of the quality of execution obtained and the explanation shall include how the investment firm has used any data or tools relating to the quality of execution).