



# **Twelve Capital Group Annual Best Execution Disclosure 2020**

**31 March 2021**

# Best Execution Qualitative Information

## Annual Best Execution Disclosure 2020

### Class of Instrument (a) (i) Equities - 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 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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
Credit Suisse AG LEI: ANGGYXNX0JLX3X63JN86	64.92%	41.75%	NA	NA	0.00%
Credit Suisse (Luxembourg) S.A. LEI: 5493003TIY721MBZZK78	34.36%	50.05%	NA	NA	0.00%
Bank Vontobel AG LEI: 549300L7V4MGECYRM576	0.73%	8.20%	NA	NA	0.00%

### Class of Instrument (a) (i) Equities - 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 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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
Credit Suisse AG LEI: ANGGYXNX0JLX3X63JN86	55.67%	34.43%	NA	NA	0.00%
Credit Suisse (Luxembourg) S.A. LEI: 5493003TIY721MBZZK78	43.49%	54.10%	NA	NA	0.00%
Bank Vontobel AG LEI: 549300L7V4MGECYRM576	0.84%	11.48%	NA	NA	0.00%

# Best Execution Qualitative Information

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Class of Instrument	(a) (i) Equities - 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	N				
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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
Credit Suisse AG LEI: ANGGYXNX0JLX3X63JN86	64.20%	40.60%	NA	NA	0.00%
Credit Suisse (Luxembourg) S.A. LEI: 5493003TIY721MBZZK78	35.14%	50.26%	NA	NA	0.00%
Bank Vontobel AG LEI: 549300L7V4MGECYRM576	0.66%	9.14%	NA	NA	0.00%

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**A summary of the analysis and conclusions the Group draws from its detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders in the previous year**

### ***(a) Equities - Shares & Depositary Receipts***

Currently Twelve Capital undertakes all equity transactions via Credit Suisse acting as appointed broker/intermediary and does not subscribe to any exchange for these purposes. Consequently, the Firm relies on the best execution ability of the intermediary who places both buy and sell trades on behalf of Twelve Capital's clients. The ability to monitor Best Execution under such circumstance is limited and therefore the Group has taken the view that the broker will be acting in the best interests of the Group and its clients regarding placement, timing and more importantly swiftness to the exchange in respect of any given transaction. Best execution compliance processes are particularly important in lower liquidity shares (most often small market capitalisation shares) as price movements can be significantly influenced by volume or (for Twelve Capital purposes) in the event of a natural catastrophe. In such cases, the Group utilises strategies to minimise market impact such as volume-weighted average price (VWAP) which attempts to beat or match the average trading prices in the market over a pre-specified period, ranging from intra-day to a full day. For larger orders executed across a period of time, or in lower liquidity the Group will additionally take into account minimising the impact on the market, and slippage historically achieved on each venue. Where transactions are executed indirectly, relevant factors are overall costs including counterparty fee schedules, impact and observed slippage. The impact of implicit costs must be taken into account when considering the execution strategy of orders to ensure that they are managed and do not result in an undue impact to total costs.

The monitoring undertaken supported that best execution was followed consistently on the approved execution venues throughout the year.

# Twelve Capital Group (TCG) Annual Best Execution Disclosure 2020

Area	Execution trading / Sourcing					Credit Risk			Post trade management				
Weight	70%					15%			15%				
Reviewer	Trading					CRO			Operations				
Description	Efficiency of execution	Access to primary market	Access to relevant markets	Trading costs		Credit rating	CDS spread		Settlement issues	Backoffice quality / response time		Final rating	Rank
CS ZRH	5	0	5	0	7.00	3	5	1.20	5	5	1.50	9.70	1
CS LUX	5	0	5	0	7.00	3	5	1.20	5	5	1.50	9.70	1

# Best Execution Qualitative Information

## Annual Best Execution Disclosure 2020

Class of Instrument	(b) Debt instruments: (i) Bonds				
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 executed 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
Bloomberg L.P. LEI: 549300B56MD0ZC402L06	24.08%	17.44%	NA	NA	0.00%
Credit Suisse Securities (Europe)Ltd. LEI: DL6FFRRLF74S01HE2M14	19.76%	19.68%	NA	NA	0.00%
Goldman Sachs International Plc LEI: W22LROWP2IHZNB6K528	11.04%	10.95%	NA	NA	0.00%
Citigroup Global Markets Ltd LEI: XKZZ2JZF41MRHTR1V493	8.03%	7.40%	NA	NA	0.00%
J.P. Morgan Ltd LEI: 549300SOGM3USX5DOD03	4.51%	5.07%	NA	NA	0.00%

# Best Execution Qualitative Information

## Annual Best Execution Disclosure 2020

**Class of Instrument** (b) Debt instruments: (ii) Money markets instruments

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 executed 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
Bloomberg L.P. LEI: 549300B56MD0ZC402L06	100.00%	100.00%	NA	NA	0.00%

# Best Execution Qualitative Information

## Annual Best Execution Disclosure 2020

### *(b) Debt instruments*

Twelve Capital often invests in debt instruments that are newly issued in the primary market where there is only one venue available for execution. Best execution is considered to be followed for primary market trades due to the fact that there are no other available execution venues.

As part of Twelve Capital's analysis on execution quality for debt instruments traded where there is a secondary market, comprising mainly bonds and fixed income notes, the Group primarily makes reference to Bloomberg's last traded price, where available, broker prices where available or pricing obtained via TSOX. In order to obtain pricing comfort given there may not be an ability to seek multiple quotes, multiple or single broker quotes may be obtained where no electronic process can be utilised.

The periodic monitoring completed for 2020 supported that best execution was followed consistently on the approved execution venues throughout the year.



# Best Execution Qualitative Information

## Annual Best Execution Disclosure 2020

Area	Execution trading / Sourcing				Credit Risk			Post trade management			Final rating	Rank
Weight	70%				15%			15%				
Reviewer	Trading				CRO			Operations				
Description	Ability to source investments	Access to primary market	Best available price		Credit rating	CDS spread		Settlement issues	Back office quality / response time			
<b>CS LDN</b>	5	1	4	<b>7.00</b>	4	5	<b>1.35</b>	4	4	<b>1.20</b>	<b>9.55</b>	<b>1</b>
<b>GSI</b>	5	1	4	<b>7.00</b>	3	4	<b>1.05</b>	5	4	<b>1.35</b>	<b>9.40</b>	<b>2</b>
<b>Citi</b>	4	1	4	<b>6.30</b>	4	5	<b>1.35</b>	5	5	<b>1.50</b>	<b>9.15</b>	<b>4</b>
<b>JPM</b>	3	1	4	<b>5.60</b>	4	5	<b>1.35</b>	5	4	<b>1.35</b>	<b>8.30</b>	<b>8</b>

# Best Execution Qualitative Information

## Annual Best Execution Disclosure 2020

Area	Execution trading / Sourcing				Credit Risk			Post trade management				
Weight	70%				15%			15%				
Reviewer	Trading				CRO			Operations				
Description	Ability to source investments	Access to primary market	Best available price		Credit rating	CDS spread		Settlement issues	Back office quality / response time		Final rating	Rank
RBC CM	5	0	5	7.00	5	2	1.05	5	5	1.50	9.55	1
Tullet	5	0	4	6.30	2	2	0.60	4	3	1.05	7.95	3
SR US	3	1	1	3.50	4	5	1.35	5	5	1.50	6.35	4
GC	2	1	3	4.20	2	2	0.60	5	5	1.50	6.30	5
AON	2	1	2	3.50	4	2	0.90	5	4	1.35	5.75	6

# Best Execution Qualitative Information

## Annual Best Execution Disclosure 2020

Class of Instrument	e) Currency derivatives				
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 executed 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
Credit Suisse AG LEI: ANGGYXNX0JLX3X63JN86	89.53%	87.00%	NA	NA	0.00%
RBC LEI: 549300IVXKQHV6O7PY61	10.42%	8.11%	NA	NA	0.00%
BANK VONTOBEL LEI: 549300L7V4MGECYRM576	0.05%	4.90%	NA	NA	0.00%

# Best Execution Qualitative Information

## Annual Best Execution Disclosure 2020

Class of Instrument	(m) Other Instruments				
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 executed 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
Tullett Prebon (Securities) Ltd LEI: 549300BMVW85YF9FGN67	18.93%	30.62%	NA	NA	0.00%
RBC Capital Markets Llc LEI: 549300LCO2FLSSVFFR64	18.03%	19.85%	NA	NA	0.00%
Guy Carpenter Securities Llc LEI: 2549001ZA93O65N2ZM60	16.59%	12.46%	NA	NA	0.00%
AON Benfield Securities LEI: 549300SZDPUL7WET7P93	14.48%	10.92%	NA	NA	0.00%
Swiss Re Capital Markets Corp LEI: 549300T4LBPYQ2E3Z008	12.50%	7.08%	NA	NA	0.00%

# Best Execution Qualitative Information

## Annual Best Execution Disclosure 2020

**An explanation of the relative importance the Group gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.**

Best execution is a key element in Twelve Capital's commitment to act in the best interests of its clients, in addition to being a regulatory requirement. The Group prioritises ensuring that all sufficient steps are taken to obtain the best possible result for its clients when it executes, places or transmits orders on their behalf. This means taking into account 'execution factors' such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

The relative importance of the execution factors is assessed on an order-by-order basis in line with the Group's best execution policy, its industry experience and prevailing market conditions. In addition, key factors for relevant asset classes have been identified as follows:

### *(a) Equities - Shares & Depositary Receipts*

For small indirect orders over a short period of time, the key factors are generally price, quantity based on market availability, and likelihood of execution. For larger orders executed over a longer period of time, the Group additionally takes into account confidentiality, regulatory obligations, minimising the impact on the market, and slippage historically achieved on each venue.

The impact of implicit costs is taken into account when considering the execution strategy of orders to ensure that they are managed and do not result in an undue impact to overall costs.

### *(b) Debt instruments*

Due to the nature of the orders the Group will typically place price, size, cost and the nature of the transaction as factors of primary importance.

### *(c) Currency Derivatives*

Where derivatives are executed directly, key factors typically considered are price, observed volume on exchange, and overall transaction costs. Prices are compared via a request for quote ("RFQ"); taking into account additional transaction costs that may be applicable. When transactions are time-sensitive, response time to RFQ may be a defining factor. On occasion, preference may be given to counterparties that are operationally easier to work with where time factors are at play. Where orders are executed indirectly, relevant factors are costs and the existing counterparty relationship. For more illiquid derivatives, where execution options are available, historical price and liquidity are the key factors for execution.

# Best Execution Qualitative Information

## Annual Best Execution Disclosure 2020

**A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.**

**Applies across all classes of financial instruments traded.**

The Group does not have any close links, conflicts of interests or common ownership with respect to the execution venues it uses to execute orders.

**A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.**

**Applies across all classes of financial instruments traded.**

Twelve Capital has not entered into any arrangements with any execution venue regarding payments made or received, discounts or non-monetary benefits that would compromise its ability to meet its obligations in regards to best execution, conflicts of interest or inducements.

The Group has determined that it will pay for research from its own resources. Additionally, Twelve Capital may on occasion receive or provide minor non-monetary benefits from execution venues. They must be received/provided in accordance with the Group's Inducements policy.

When selecting execution venues, the Group does not take into account the non-monetary benefits it may obtain in connection with the services provided to its clients, but focuses on the potential of the venues to enable the Group to obtain on a consistent basis the best possible result for the execution of its client orders. However, the Group does take into account the effect of fees and commission when choosing a venue for the execution of a particular client order.

**An explanation of the factors that led to a change in the list of execution venues listed in the Group's execution policy, if such a change occurred.**

**Applies across all classes of financial instruments traded.**

During the period under review, there were no changes to the execution venues utilised by Twelve Capital.

**An explanation of how order execution differs according to client categorisation, where the Group treats categories of clients differently and where it may affect the order execution arrangements.**

**Applies across all classes of financial instruments traded.**

While Twelve Capital does take the characteristics of its clients into account when judging the relative importance of the execution factors, the Group's clients are exclusively eligible counterparties or professional clients and so are treated with a consistent approach.

**An explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.**

**Applies across all classes of financial instruments traded.**

Not applicable. The Group does not execute retail client orders.

**An explanation of how the Group has used any data or tools relating to the quality of execution, including any data published under Commission Delegated Regulation (EU) 2017/575.**

**Applies across all classes of financial instruments traded.**

The Group does not currently use any specific data or tools relating to the quality of execution, but will utilise such data and tools as are made available in due course, particularly data published by trading venues under 'RTS 27' (as applicable). Where the Group directly executes transactions on behalf of its clients with counterparties where the order relates to OTC products, the Group takes steps to check the fairness of the price on offer by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products.

**Where applicable, an explanation of how the investment Group has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.**

**Applies across all classes of financial instruments traded.**

This is not currently applicable as the services of a consolidated tape provider were not used during the period to which this disclosure relates.

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