



Date of Publication – 30-Apr-2020

Period Covered – 2019

The below consists of a qualitative report assessing execution quality required under Commission Delegated Regulation (EU) 2017/576 of 8 June 2016 (RTS 28) and Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 – Article 65(6), as well as assumptions made when producing the accompanying quantitative reports.

Report on the quality of execution for the year 2019

Background

Record Currency Management Limited (Record) offers currency management services to institutional clients. Foreign exchange (FX) derivatives, primarily deliverable and non-deliverable forwards, account for the majority of transactions undertaken by Record on behalf of clients. In addition to currency management services, Record also offers cash management including futures overlay programs and other derivative overlays.

Execution factors

The following execution factors are taken into account when executing orders on behalf of clients:

i) Foreign exchange (FX)

When executing any FX order on behalf of a client, Record will first take into account any contractual counterparty limits applicable to the specific client. The traders will also make an assessment of the current market conditions (volatility, news, key data releases).

Thereafter, the most important execution factor is price. Prices are received via a Request For Quote (RFQ), and may be requested in competition from more than one counterparty for any individual order. The price at which any order is executed is reviewed against prices showing on price feeds at the time of execution. A snapshot of current prices / quotes is recorded at the point of execution, as well as any unsuccessful competing quotes.

In the event that any counterparty takes an excessive amount of time to respond to an RFQ, the request may be cancelled, and an alternative quote requested from an alternative counterparty.

ii) Other financial instruments

Subject to any contractual restrictions and any liquidity constraints, the execution of client orders in other financial instruments (including exchange traded futures and money market instruments) takes into account a) any costs associated with the execution; and b) the price received.

The above execution factors are described in Record's Best Execution Policy.

Best execution monitoring

The quality of execution is monitored on an ongoing basis, with reports issued internally for review by the Risk Management Committee. Best execution is also monitored as part of Record's Compliance Monitoring Plan.

During the annual period to December 2019, the best execution monitoring did not identify any issues.



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Further information

- a) Record is an independent investment firm, with no links or any common ownership with any execution venue.
- b) Record has no specific arrangements with any execution venues.
- c) The execution venues listed in Record's Best Execution Policy have had the following changes over the last 12 months:
 - Barclays Bank Ireland PLC (2G5BKIC2CB69PRJH1W31) was added to the list.
 - ADM Investor Services, Inc. (I9O8MELCUVOTLJABOX92) was added to the list.
 - ADM Investor Services International Limited (213800GNABQM2M887812) was added to the list.
- d) There are no differences in how orders are executed across Record's client base.
- e) Record has no retail clients.
- f) A review of RTS 27 reports from our execution venues was conducted. This review did not result in any changes being made to our execution processes.
- g) For FX derivatives, we have a number of execution methods, in all of which prices are provided in response to a Request For Quote (RFQ) from one or more counterparties. Some trades are executed via voice, and some via a non-anonymous Multilateral Trading Facility (MTF). In line with ESMA guidance, where trades have been executed via an MTF we disclose the identity of the five counterparties most commonly executed against when traded through such non-anonymous MTFs.

MTF: REUTERS TRANSACTION SERVICES LIMITED (TRAL)

Currency derivatives; Swaps, forwards, and other currency derivatives (Annex I (e) (ii))	
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class
State Street Bank and Trust (571474TGEMMWANRLN572)	7.6%
HSBC Bank Plc (MP6I5ZYZBEU3UXPYFY54)	6.9%
JPMorgan Chase Bank NA (7H6GLXDRUGQFU57RNE97)	6.2%
UBS AG (BFM8T61CT2L1QCEMIK50)	5.5%
Westpac Banking Corporation (EN5TNI6CI43VEPAMHL14)	5.0%

Assumptions made regarding RTS 28 and Delegated Acts 65(6)

- 1) Futures transactions are placed via an execution broker and thus are reported as part of Delegated Acts 65(6) rather than RTS 28.
- 2) For fixed income transactions, bids are submitted via a broker in the Primary market, and by RFQ in the Secondary market.