

**Blue Planet Investment Management Ltd (MFSA License IS/43509, Company number C43509)**

**Annual publication of information on the identity of execution venues and on the quality of execution**

**30 April 2019**

**Report for the calendar year ending 31 December 2018**

### **Overview**

Blue Planet Investment Management Ltd (“BPIM”) is an investment firm authorised and regulated by the Malta Financial Services Authority.

As an investment firm which provides the services of portfolio management, reception and transmission of orders, and execution of client orders, BPIM is obliged to publish on its website information on the top-five execution venues/investment firms in terms of trading volumes where it executed/transmitted client orders in the preceding year. BPIM is also obliged to publish a summary of the analysis and conclusions it draws from its detailed monitoring of the quality of execution obtained on the venues where it executed client orders in the previous year.

### **PART 1**

#### **Execution Data**

Part 1 of this report sets out data on BPIM top five execution venues and investment firms for the classes of financial instruments traded by BPIM in the calendar year ending 31 December 2018. The data is provided in the form specified by Commission Delegated Regulation (EU) 2017/576 (“RTS 28”). Part 1 of this report is available to download on the website of BPIM.

Part 1 of this report refers to “indirect” execution. BPIM uses this terms to refer to the following type of client order execution:

Indirect – transmission or placing of orders by BPIM with another investment firm for execution by the other firm (e.g. a broker). BPIM places all trades indirectly.

In Part 1 of this report, each execution venue or broker is ranked by trading volume, which for securities transactions is measured by the sum of the gross market values of all orders executed with the execution venue or broker. All values are reported in percentages and rounded to two decimal places.

### **PART 2**

#### **Summary of analysis and conclusions regarding quality of execution obtained**

Part 2 of this report sets out a summary of BPIM’s analysis and conclusions from its detailed monitoring of the quality of execution obtained on the execution venues and investment firms where it executed client orders.

BPIM must act in the best interest of its clients when executing a transaction for its clients. In complying with this obligation for the calendar year ending 31 December 2018, BPIM was obliged to take all reasonable steps to obtain the best possible result taking account of relevant execution factors such as price, cost (including commissions and spreads), likelihood of execution and settlement (liquidity), size, nature of the transaction and any other relevant considerations.

In trading on behalf of its clients, BPIM considers the relative importance of each execution factor. BPIM uses its experience and expertise to achieve the best balance across the full range of factors. BPIM’s order execution policy provides for a significant degree of flexibility in deciding which execution factors are to be taken into account in respect of a particular order.

Generally, BPIM considers the most important execution factor, across all classes of instruments, to be price (i.e. the execution price of the financial instrument (before costs)), with additional consideration given to costs associated with acquiring or disposing of the relevant financial instrument (such as commissions charged by brokers). However, there may be

circumstances where the primary execution factors may vary, and total price is no longer the dominant execution factor. Thus, for instance, BPIM looks to brokers who provide liquidity with respect to both initial bond issuances as well as the secondary market trading of those issuances.

BPIM is not aware of close links or common ownerships with the execution venues or brokers it uses to execute orders. In addition, BPIM is not aware of conflicts of interest between it and such execution venues or brokers that would impair its ability to obtain, when executing orders, the best possible result for its client. In the event a conflict of interest arises, such conflict will be handled in accordance with BPIM' conflict of interest policy.

BPIM has established policies and procedures to monitor and resolve conflicts with respect to any execution venues used to execute client orders. Principally, it is noted that BPIM does not have any arrangements under which it receives any payment, discount, or rebate from an execution venue or investment firm.

As part of its order execution policy, BPIM maintains a list of execution venues and investment firms which BPIM uses for execution of orders. For the calendar year ending 31 December 2018, there were no changes to the list of venues maintained by BPIM. There is considerable overlap in the venues and investment firms BPIM uses when executing trades across the instrument classes it trades on behalf of its clients.

BPIM conducts periodic reviews of its order execution activities across all classes of financial instruments it trades utilizing both quantitative and qualitative data to monitor the quality of the execution obtained. For example, BPIM conducts an analysis that considers whether, and if so, by what percent, an executed price was higher or lower than the volume weighted average price of the financial instrument on the day the order was executed.

BPIM considers that the above approach, and the consideration of the order execution factors below, enabled it to achieve a high quality of execution for its client for the calendar year ending 31 December 2018.

In particular, BPIM considers that:

- the execution venues and brokers included in its order execution policy demonstrated the capabilities necessary to efficiently execute orders across the full range of asset classes traded by BPIM on behalf of its clients;
- BPIM maintains relationships with a sufficient number of execution venues and brokers, given the extent and nature of its trading activities;
- the commissions charged by the brokers it used to execute orders were reasonable and consistent with standard market rates;
- BPIM does not overly depend on a single execution venue or broker for asset classes it trades actively; and
- taken on an overall basis, BPIM' selection of execution venues and brokers generally resulted in the best possible results for its client.

This conclusion is supported by the best execution analysis conducted by BPIM, and in particular, the comparison of actual trade price executions versus volume weighted average prices. In addition, the range of execution venues and brokers employed gives BPIM further comfort that it is aware of and receiving information about current market pricing, terms and conditions. The receipt of this broad, and specific, market information is integral to obtaining best execution.