

Thayer Brook Partners LLP (the “Firm” or “Thayer Brook”) carries out best execution analysis throughout the year. In accordance with MiFID-II Annex II requirements (the “Directive”) and relevant ESMA guidance, the Firm is publishing this report which summarises our order executions by venue. Thayer Brook is a portfolio manager executing exchange traded futures using brokers as agents; and, as such, each broker is a venue in this context.

The Firm transacts for clients in highly liquid exchange traded futures. The Firm does not transact for its own account. All client orders are executed on a regulated market using a broker as an intermediary.

This report is broken into two parts. First is a qualitative analysis addressing the requirements of the Directive. The second is a quantitative analysis detailing the top five execution venues in terms of trading volumes and is broken out by class of financial instrument.

Qualitative analysis

The FCA Handbook sets out specific requirements for the qualitative summary analysis. Below are the required considerations (in bold) followed by the Firm’s summary response. The responses apply to all instruments traded by Thayer Brook because our approach to execution does not differ by type of instrument traded. In all cases, Thayer Brook uses trusted brokers with a strong reputation in and knowledge of the managed futures space who act as agent in completing the transactions on various exchanges.

(a) an explanation of the relative importance the firm 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;

Thayer Brook conducts an annual broker review of each of our brokers and, at times, potential new brokers. While our primary objective is to achieve the best possible price for our clients, issues such as price, as well as speed of execution and liquidity, are for the most part identical across the brokers we use. Price, likelihood of execution and liquidity are dependent upon the market itself and not the broker. Thayer Brook executes orders electronically in highly liquid periods of the trading day. Brokers used by the Firm provide this access and because the Firm is not reliant on ultra-low latency order transmission, speed is not a differentiator across brokers. Thayer Brook conducts a statistical review of execution prices as part of its best execution monitoring. In summary, there is little or no differentiation between broker performance given the nature of our business.

The cost of execution is an important factor as well, and is determined during broker selection rather than in trade by trade execution. Broker execution charges are highly competitive and, given that Thayer Brook has a relatively low number of trades (measured in round turns per million), the small difference in cost per contract would not lead the Firm to strictly prefer one venue over another.

Other factors considered in assessing the quality of execution are operational efficiency and the Firm’s knowledge and experience of execution within the futures space. Operational efficiency lowers the likelihood of errors both in trading and reporting.

(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;

None

(c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;

None

(d) an explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred;

No change

(e) an explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements;

The Firm only deals with professional clients and eligible counterparties and makes no distinction between these categories when executing orders. Orders are generally bundled to ensure fair treatment of all clients participating in any given order.

(f) 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;

N/A – the Firm does not execute retail client orders; this also means that the Firm does not publish separate Annex II tables for retail clients.

(g) an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Commission Delegated Regulation (EU) 2017/575;

The Firm uses proprietary tools along with data collected by the Firm with respect to each order executed. On a quarterly basis the firm conducts two key sets of analysis. One looks at any bundled orders in order to ensure that no one client receives inadvertent preferential prices. The second looks at prices achieved relative to their target price – the price at the time the order is set to execute. This analysis compares the actual transaction cost versus our benchmark transaction costs. The target prices are stored in our data and based on tick data collected by Thayer Brook.

When conducting our annual review (see (a) above), we also conduct a statistical review of orders in our database in order to determine if there is any statistically significant variation between prices achieved with different brokers.

(h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

N/A – the Firm does not use a consolidated tape provider

Quantitative Analysis

In accordance with the guidance provided by ESMA with respect to portfolio managers, Thayer Brook has not published figures for passive/aggressive orders as the distinction is not relevant for portfolio managers. Thayer Brook does not receive directed orders for executions.

Commodities derivatives (Futures)		
Notification if <1 average trade per business day in the previous year	No	
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
R.J. O'Brien Limited; 549300OHLZ0RR2TSKH90	57%	75%
Societe Generale Investments (U.K.) Limited; 549300C9XEU1GRJCOQ81	43%	25%
NA	NA	NA
NA	NA	NA
NA	NA	NA

Currency derivatives (Futures)		
Notification if <1 average trade per business day in the previous year	No	
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
Societe Generale Investments (U.K.) Limited; 549300C9XEU1GRJCOQ81	83%	57%
R.J. O'Brien Limited; 549300OHLZ0RR2TSKH90	17%	43%
NA	NA	NA
NA	NA	NA
NA	NA	NA

Interest rates derivatives (Futures)		
Notification if <1 average trade per business day in the previous year	No	
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
Societe Generale Investments (U.K.) Limited; 549300C9XEU1GRJCOQ81	85%	72%
R.J. O'Brien Limited; 549300OHLZ0RR2TSKH90	15%	28%
NA	NA	NA
NA	NA	NA
NA	NA	NA

Equity derivatives (Stock Index Futures)		
Notification if <1 average trade per business day in the previous year	No	
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
Societe Generale Investments (U.K.) Limited; 549300C9XEU1GRJCOQ81	69%	56%
R.J. O'Brien Limited; 549300OHLZ0RR2TSKH90	31%	44%
NA	NA	NA
NA	NA	NA
NA	NA	NA