

30 June 2019¹**MiFID II Best Execution Top Five Venue and Broker Report for year ending 31 December 2018**

The information herein is provided by SMBC Nikko Capital Markets Limited ("CM Ltd"), to meet the requirements of both the Commission Delegated Regulation (EU) 2017/576 ("RTS 28") and Article 65 (6) of Commission Delegated Regulation (EU) 2017/565 ("65-6") to report on an annual basis detail of its top five execution venues and top five execution brokers together with a quality of execution summary.

This RTS 28 and 65-6 reports are for the calendar year ending 31 December 2018 and are based on certain assumptions and interpretations made in good faith and with best efforts.

The following matters should be noted in connection with the RTS 28 and 65-6 reports:

- CM Ltd only executes transactions and orders on behalf of Professional Clients and Eligible Counterparties, which are subject to its Order Execution Policy.
- CM Ltd does not currently execute transactions directly for or transmit orders on behalf of Retail Clients.
- For 2018, only the following classes of financial instruments are deemed to be in scope:
 - (i) Equities – shares and depository receipts,
 - (ii) Debt instruments (bonds and money market instruments),
 - (iii) Securitised derivatives (comprising warrants) and
 - (iv) Securities financing transactions.

CM Ltd in connection with its derivatives trading businesses, during the year ending 31 December 2018, did not act as liquidity provider, was not a Systematic Internaliser and was not an execution venue within the meanings ascribed in MiFID II and the applicable delegated regulations. Therefore, CM Ltd does not have any information to be published for derivatives in accordance with RTS 28 and 65-6.

Should you have any queries please do not hesitate to contact the Compliance department at CM Ltd.

¹ This is a restatement of the original RTS 28 report published on 30th April 2019 to incorporate the additional top five Execution Broker report as required by Article 65 (6) of Commission Delegated Regulation (EU) 2017/565

Shares and depository receipts

In order to access Japanese exchanges and markets in relation to Japanese equities, consistent with its Order Execution Policy, SMBC Nikko Capital Markets Limited ("CM Ltd") has execution agreements with SMBC Nikko Securities Inc. ("SMBC Nikko"), a Japanese-based affiliate, which shall typically use one or more of the Japanese execution venues to execute orders. Consequently, in this report CM Ltd is reporting the Top Five Execution Venues, and the Top Five Execution Brokers. Further details of the ultimate execution venue accessed by CM Ltd's brokers is available to clients on request from their CM Ltd contact.

RTS 28 Execution Venue Report

Class of Instrument		Equity financial instruments - Tick size 1 & 2			
Notification if <1 average trade per business day in the previous year (Y / N)	N				
Top five execution venues ranked in terms of trading volumes (desc)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SMBC Nikko Capital Markets Limited (LEI: G7WFA3G3MT5YHH8CHG81)	100.00%	100.00%	Not applicable	Not applicable	Not applicable

Class of Instrument		Equity financial instruments - Tick size 3 & 4			
Notification if <1 average trade per business day in the previous year (Y / N)	N				
Top five execution venues ranked in terms of trading volumes (desc)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
None	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Class of Instrument		Equity financial instruments - Tick size 5 & 6			
Notification if <1 average trade per business day in the previous year (Y / N)	N				
Top five execution venues ranked in terms of trading volumes (desc)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SMBC Nikko Capital Markets Limited (LEI: G7WFA3G3MT5YHH8CHG81)	100.00%	100.00%	Not applicable	Not applicable	Not applicable

Assumptions / Limitations:

* Data includes all client activity undertaken with Professional Clients and Eligible Counterparties

* Data for passive orders, aggressive orders and directed orders is not available for 2018. Where transactions are executed as principal with CM Ltd this is stated as "not applicable".

* There was no data for Tick Size 3 & 4 for this report

Article 65 (6) Execution Broker Report

Class of Instrument		Equity financial instruments - Tick size 1 & 2			
Notification if <1 average trade per business day in the previous year (Y / N)		N			
Top five brokers ranked in terms of trading volumes (desc)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SMBC Nikko Securities Inc. (LEI: 549300HIK4TTS0OCL437)	100.00%	100.00%	Not applicable	Not applicable	Not applicable

Class of Instrument		Equity financial instruments - Tick size 3 & 4			
Notification if <1 average trade per business day in the previous year (Y / N)		N			
Top five brokers ranked in terms of trading volumes (desc)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SMBC Nikko Securities Inc. (LEI: 549300HIK4TTS0OCL437)	100.00%	100.00%	Not applicable	Not applicable	Not applicable

Class of Instrument		Equity financial instruments - Tick size 5 & 6			
Notification if <1 average trade per business day in the previous year (Y / N)		N			
Top five brokers ranked in terms of trading volumes (desc)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SMBC Nikko Securities Inc. (LEI: 549300HIK4TTS0OCL437)	100.00%	100.00%	Not applicable	Not applicable	Not applicable

Assumptions / Limitations:

* Data includes all client activity undertaken with Professional Clients and Eligible Counterparties

* Data for passive orders, aggressive orders and directed orders is not available for 2018. Where transactions are executed as principal with CM Ltd this is stated as "not applicable".

Quality of Execution Summary (RTS 28 Article 3(3)):

- Please refer to the Order Execution Policy for an explanation of the relative importance CM Ltd gives to the execution factors of price, costs, speed and likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.
- The Order Execution Policy also provides details of the factors affecting choice of execution venue and the treatment of execution of orders for different client categorisations.
- Execution venues used by Nikko Tokyo are included in the Order Execution Policy (available on the website). There were no changes to this list during the year ending 31 December 2018. Details of the ultimate execution venues used are available on request.
- CM Ltd has "close links" with SMBC Nikko Securities Inc., which is a shareholder and part of the same financial group. SMBC Nikko Securities Inc. has 3.6% shares of Japan Exchange Group, Inc. which is a parent company of Tokyo Stock Exchange.
- CM Ltd is not a member of any exchanges or other regulated markets, nor was it a systematic internaliser in any class of shares or depository receipts for the disclosure period. For the purposes of gaining access to Japanese exchanges and markets in relation to Japanese equities, CM Ltd has entered into execution agreements with SMBC Nikko Securities Inc.
- The quality of execution is monitored and reviewed using a variety of data sources and going forward data published under Commission Delegated Regulation (EU) 2017/575 of 8 June 2017 ("RTS 27").
- CM Ltd deals with third-party execution venues on an arms length basis and, to its knowledge there are no specific financial arrangements in relation to dealings with these execution venues, payments, discounts, rebates or non-monetary benefits, which are otherwise not available to other parties using them.

Bonds and Money Market Instruments

From 1 September 2018, CM Ltd became a Systematic Internaliser in certain debt instruments (please refer to the Order Execution policy for more details). For the purposes of this RTS 28 report, the execution data for CM Ltd's SI and non-SI status has not been separately presented, however it would be available on request.

RTS 28 Execution Venue Report

Class of Instrument	Debt instruments: Bonds				
Notification if < 1 average trade per business day in the previous year (Y / N)	N				
Top five execution venues ranked in terms of trading volumes (desc)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SMBC Nikko Capital Markets Limited (MIC: NCML)	98.13%	41.50%	Not applicable	Not applicable	Not applicable
Tradeweb Europe Limited (MIC: TREU)	1.81%	28.12%	Data not available	Data not available	Data not available
TRADEWEB JAPAN KK - PTS (MIC: TWJP)	0.03%	0.59%	Data not available	Data not available	Data not available
Bloomberg Trading Facility Limited (MIC: BMTF)	0.02%	23.40%	Data not available	Data not available	Data not available
TRADEWEB EUROPE LIMITED - SINGAPORE (MIC: TWSG)	0.01%	0.10%	Data not available	Data not available	Data not available

Assumptions / Limitations:

* Data for passive orders, aggressive orders and directed orders is not available for 2018. Where transactions are executed as principal with CM Ltd this is stated as "not applicable".

Class of Instrument	Debt instruments: Money market instruments				
Notification if < 1 average trade per business day in the previous year (Y / N)	N				
Top five execution venues ranked in terms of trading volumes (desc)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Bloomberg Trading Facility Limited (MIC: BMTF)	44.19%	38.41%	Data not available	Data not available	Data not available
SMBC Nikko Capital Markets Limited (MIC: NCML)	27.66%	25.68%	Not applicable	Not applicable	Not applicable
Tradeweb Europe Limited (MIC: TREU)	25.60%	27.87%	Data not available	Data not available	Data not available
TRADEWEB JAPAN KK - PTS (MIC: TWJP)	1.35%	0.94%	Data not available	Data not available	Data not available
TRADEWEB EUROPE LIMITED - HONG KONG (MIC: TWHK)	0.75%	1.95%	Data not available	Data not available	Data not available

Assumptions / Limitations:

* Data for passive orders, aggressive orders and directed orders is not available for 2018. Where transactions are executed as principal with CM Ltd this is stated as "not applicable".

Class of Instrument	Debt instruments: Securities financing transactions				
Notification if < 1 average trade per business day in the previous year (Y / N)	N				
Top five execution venues ranked in terms of trading volumes (desc)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SMBC Nikko Capital Markets Limited (MIC: NCML)	100%	100%	Not applicable	Not applicable	Not applicable

Assumptions / Limitations:

* Data for passive orders, aggressive orders and directed orders is not available for 2018. Where transactions are executed as principal with CM Ltd this is stated as "not applicable".

Quality of Execution Summary (RTS 28 Article 3(3)):

- Please refer to our Order Execution Policy for an explanation of the relative importance CM Ltd gives to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.
- The Order Execution Policy also provides details of the factors affecting choice of execution venue and the treatment of execution of orders for different client categorisations.
- Execution Venues used by CM Ltd are included in the Order Execution Policy (available on the website). There were no changes to this list during the year ending 31 December 2018, although CM Ltd did become a Systematic Internaliser in certain debt instruments on 1 September 2018.
- CM Ltd does not believe it has any "close links" as defined by MiFID II or any interests or co-ownerships in

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respect to the third-party execution venues, and any conflicts of interest that may arise from time to time will be managed in accordance with the Conflicts of Interest Policy.

- In accordance with our Order Execution Policy, debt instruments are typically executed by way of a “Request for Quote” and may be executed by CM Ltd as principal or through a range of execution venues. The quality of execution by CM Ltd is monitored and reviewed using a variety of data sources and going forward data published under Commission Delegated Regulation (EU) 2017/575 of 8 June 2017 (“RTS 27”).
- CM Ltd deals with third-party execution venues on an arms length basis and, to its knowledge there are no specific financial arrangements in relation to dealings with these execution venues, payments, discounts, rebates or non-monetary benefits, which are otherwise not available to other parties using them.

RTS 28 Securitised Derivatives – Warrants
RTS 28 Execution Venue Report

Class of Instrument		Securitised derivatives: Warrants and Certificate Derivatives				
Notification if < 1 average trade per business day in the previous year (Y / N)	N					
Top five execution venues ranked in terms of trading volumes (desc)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders	
SMBC Nikko Capital Markets Limited (LEI: G7WFA3G3MT5YHH8CHG81)	100%	100%	Not applicable	Not applicable	Not applicable	

Assumptions / Limitations:

* Data includes all client activity undertaken with Professional Clients and Eligible Counterparties

* Data for passive orders, aggressive orders and directed orders is not available for 2018. Where transactions are executed as principal with CM Ltd this is stated as "not applicable".

Quality of Execution Summary (RTS 28 Article 3(3)):

- Please refer to our Order Execution Policy for an explanation of the relative importance CM Ltd gives to the execution factors of price, costs, speed and likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.
- The Order Execution Policy also provides details of the factors affecting choice of execution venue and the treatment of execution of orders for different client categorisations.
- CM Ltd does not believe it has any "close links" as defined by MiFID II or any interests or co-ownerships in respect to the third-party execution venues, and any conflicts of interest that may arise from time to time will be managed in accordance with the Conflicts of Interest Policy.
- All securitised derivatives - warrants are executed by CM Ltd as principal. The quality of execution by CM Ltd is monitored and reviewed using a variety of data sources and going forward data published under Commission Delegated Regulation (EU) 2017/575 of 8 June 2017 ("RTS 27").
- Securitised derivatives – warrants are executed by CM Ltd as principal. However, in general, CM Ltd deals with third-party execution venues on an arms length basis and, to its knowledge there are no specific financial arrangements in relation to dealings with these execution venues, payments, discounts, rebates or non-monetary benefits, which are otherwise not available to other parties using them.