

30 April 2020

RTS 28**Publication of information on the identity of execution venues and on the quality of execution
Year ending 31 December 2019**

The information herein is provided by SMBC Nikko Capital Markets Limited ("CM Ltd"), in connection with the requirements of Commission Delegated Regulation (EU) 2017/576 ("RTS 28") for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution.

This RTS 28 Report is for the calendar year ending 31 December 2019 and is based on certain assumptions and interpretations made in good faith.

The following matters should be noted in connection with this RTS 28 Report:

- 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.
- During 2019, in connection with RTS 28, CM Ltd 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).

Should you have any queries please do not hesitate to contact your usual front office representative who will be able to direct your query to the appropriate Compliance person.

RTS 28 Equities – 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 representative.

The data provided below is reflective of trading activity undertaken within the relevant reporting period.

RTS 28 Execution Venue Report

Class of Instrument	Execution Venue Report - Equity financial instruments - Tick size 1 & 2				
Notification if <1 average trade per business day in the previous year (Y / N)	Y				
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%	Information not applicable	Information not applicable	Information not applicable

Assumptions / Limitations:

* Data includes all client activity undertaken with Professional Clients and (where it cannot be excluded), some Eligible Counterparties.
 * Data for passive orders, aggressive orders and directed orders is not available for 2019. Where transactions are executed as principal with CM Ltd this is stated as “not applicable”.

Article 65 (6) Execution Broker Report

Class of Instrument	Broker Report - 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 Securities Inc. (LEI: 549300HIK4TTS0OCL437)	100%	100%	Information not available	Information not available	Information not applicable

Class of Instrument	Broker Report - 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 Securities Inc. (LEI: 549300HIK4TTS0OCL437)	100%	100%	Information not available	Information not available	Information not applicable

Assumptions / Limitations:

* Data includes all client activity undertaken with Professional Clients and (where it cannot be excluded), some Eligible Counterparties.
 * Data for passive orders, aggressive orders and directed orders is not available for 2019. 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 (available on CM Ltd website) 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. There were no changes to this list during the year ending 31 December 2019. 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. holds 3.65% shares of the Japan Exchange Group, Inc. which is a parent company of Tokyo Stock Exchange.

SMBC NIKKO CAPITAL MARKETS LIMITED

- CM Ltd was 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.

RTS 28 Debt Instruments – 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.

There are no broker data reported below, as CM Ltd, during the relevant reporting period did not transmit orders to brokers.

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 - SYSTEMATIC INTERNALISER (MIC: NCML)	50.55%	42.08%	Information not available	Information not available	Information not applicable
TRADEWEB EUROPE LIMITED (MIC: TREU)	18.96%	34.09%	Information not available	Information not available	Information not applicable
BLOOMBERG TRADING FACILITY LIMITED (MIC: BMTF)	16.15%	7.12%	Information not available	Information not available	Information not applicable
TRADEWEB JAPAN KK - PTS (MIC: TWJP)	4.90%	10.50%	Information not available	Information not available	Information not applicable
SMBC Nikko Capital Markets Limited (LEI: G7WFA3G3MT5YHH8CHG81)	3.10%	0.68%	Information not available	Information not available	Information not applicable

Assumptions / Limitations:

- * Data includes all client activity undertaken with Professional Clients and (where it cannot be excluded), some Eligible Counterparties.
- * Data for passive orders, aggressive orders and directed orders is not available for 2019. 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
SMBC NIKKO CAPITAL MARKETS LIMITED - SYSTEMATIC INTERNALISER (MIC: NCML)	74.04%	76.32%	Information not available	Information not available	Information not applicable
TRADEWEB EUROPE LIMITED (MIC: TREU)	13.79%	14.44%	Information not available	Information not available	Information not applicable
BLOOMBERG TRADING FACILITY LIMITED (MIC: BMTF)	8.28%	5.67%	Information not available	Information not available	Information not applicable
SMBC Nikko Capital Markets Limited (LEI: G7WFA3G3MT5YHH8CHG81)	2.50%	2.43%	Information not available	Information not available	Information not applicable
TRADEWEB JAPAN KK - PTS (MIC: TWJP)	0.48%	0.51%	Information not available	Information not available	Information not applicable

Assumptions / Limitations:

- * Data includes all client activity undertaken with Professional Clients and (where it cannot be excluded), some Eligible Counterparties.
- * Data for passive orders, aggressive orders and directed orders is not available for 2019. Where transactions are executed as principal with CM Ltd this is stated as "not applicable".

Qualitative Disclosure (RTS 28 Article 3(3)):

- Please refer to our Order Execution Policy (available on CM Ltd website) 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 CM Ltd are included in the Order Execution Policy. There were no changes to this list during the year ending 31 December 2019.
- 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.
- 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

There are no broker data reported below, as CM Ltd, during the relevant reporting period did not transmit orders to brokers.

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)	Y				
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: G7WFA3G3MTSYHH8CHG81)	100%	100%	Information not available	Information not available	Information not applicable

Assumptions / Limitations:

* Data includes all client activity undertaken with Professional Clients and (where it cannot be excluded), some Eligible Counterparties.

* Data for passive orders, aggressive orders and directed orders is not available for 2019. Where transactions are executed as principal with CM Ltd this is stated as "not applicable".

Qualitative Disclosure (RTS 28 Article 3(3)):

- Please refer to our Order Execution Policy (available on CM Ltd website) 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 nonmonetary benefits, which are otherwise not available to other parties using them.