

Top 5 Venues Report

Direct order execution: under the MiFID II Level 1 Directive, firms that directly execute client orders must summarise and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes, where it executed client orders in the preceding year, together with information on the quality of execution obtained. – Article 27(6) of MiFID II. The FCA implemented this rule in COBS 11.2A.38R.

Passing orders to another firm for execution (indirect execution): under the MiFID II Level 2 Delegated Regulation (2017/565), portfolio managers placing orders with other entities for execution, and firms providing the service of reception and transmission of orders, are subject to an equivalent rule to the above. When a firm selects another to provide order execution services, it must summarise and make public, on an annual basis, for each class of financial instruments, the top five investment firms in terms of trading volumes where it transmitted or placed client orders for execution in the preceding year and information on the quality of execution obtained. – (Article 65(6) of the Delegated Regulation).

Recent ESMA guidance on investor protection states: “in order to comply with the requirement under Article 24(1) to act in the best interests of its clients, a firm should consider transmitting client orders instead of executing them itself where that would deliver a better result for clients, provided the firm is authorised for reception and transmission of such orders.

New Nordic Asset Management transmits orders to a broker, which it has the relevant transmission agreements in place with. Unless there are specific instructions to execute an order in a specific way, the distinction between passive and aggressive trades is not disclosed.

Top 5 Venues - April 2018

Class of Instrument	Bonds	
Notification if <1 average trade per business day in the previous year	Y	
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
Nordea Bank AB	52.56%	31.37%
Jyske Bank A/S	32.44%	9.80%
Danske Bank A/S	10.42%	39.22%
Lind Capital Fondsmæglerselskab A/S	3.30%	16.34%
Nykredit Bank A/S	0.82%	1.96%

Class of Instrument	Equities	
Notification if <1 average trade per business day in the previous year	Y	
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
Danske Bank A/S	93.70%	77.50%
Jyske Bank A/S	6.22%	17.50%
Nordea Bank AB	0.08%	5.00%

Quality of Execution

As at the time of this report New Nordic Asset Management (“New Nordic”) is satisfied with the execution quality of its authorised venues.

To gain a better insight into the quality of execution via the ‘top five venues’ report, New Nordic collated, to their best efforts, trade data going back to Q1 2017 so that the ‘top five venues’ shows the trade distribution across venues over the last 12 months. New Nordic has set up software and procedures with the specific purpose of documenting and facilitating best execution alongside the RTS 28 report. We do not owe you any fiduciary responsibilities as a result of the matters set out in this report, over and above the specific regulatory obligations placed upon us, or as contractually agreed with you.

Below are some further elaborations relevant to the quality of execution process.

Relative factor importance

The execution factors are set out in our Order Execution Policy, which can also be found on our website. Execution factors may consist of any considerations relevant to the order and the importance of each factor is subjective to each trade unless otherwise specified by the client. New Nordic only transacts on behalf of professional and eligible counterparty clients and does so for Bonds and Equities. Given that none of the instruments traded are considered esoteric or specifically complex, price will tend to dominate other factors. Factored in to price will be transactional costs, however, given that price tends to be the key driver of total cost, price has generally taken precedence over transactional costs. The speed and likelihood of execution also played a role, albeit smaller relative to the aforementioned factors.

Venue conflicts

No venue conflicts.

Venue payments

The custody bank for one of New Nordic’s clients is with Nordea Bank AB, thus when New Nordic transacts on behalf of this client, no settlement fees are incurred with Nordea Bank AB. This is taken in to consideration when transacting on behalf of that specific client.

Venue changes

As this is the first RTS 28 report there have been no venue changes.

Client categorisation

New Nordic Asset Management, and any tied agents acting on behalf of New Nordic Asset Management, deals solely with clients that fall under the MiFID II client categorisation of Professional or Eligible counterparty. The Best Execution Policy does not apply to the execution of orders on behalf of eligible counterparties. Our Best Execution policy therefore only applies to the execution of orders on behalf of clients whom we have classified as our professional clients. This policy also applies where a Tied Agent of New Nordic transmits or executes an order on behalf of a professional client.

Retail factors

The New Nordic client base consists only of professional and eligible counterparties.

Execution analysis tools

New Nordic has internal software and procedures which records transactions performed for MiFID clients. This gives the firm the capability to review trades both periodically and on an ad-hoc basis to assess whether there are any common (un)favourable themes developing with specific venues/brokers. New Nordic uses their own proprietary software in addition to the periodic reports i.e. RTS-28 to assess the quality of execution. Furthermore, as venues begin publishing pertinent RTS 27 reports, this data may also be factored in to the quality of execution assessment process.

Consolidated Tape Provider (CTP) Usage

Note that for the first RTS 28 reports of 2018, the relevant RTS 27 data not available to conduct appropriate assessments.