

## China Merchants Securities (UK) Limited Summary of Execution Venues for Client Orders: 2018

Commodities			
Rank	Exchange name and MIC code	%Total in the class	%Directed orders
1	London Metal Exchnage (XLME)	63.23%	100%
2	ICE Futures Europe (IFEU)	18.28%	100%
3	CME - Comex (XCEC)	13.31%	100%
4	CME - Nymex (XNYM)	3.65%	100%
5	CME - CBOT (XCBT)	1%	100%

## Summary of Execution Venues for Client Orders : 2017

Commodities			
Rank	Exchange name and MIC code	%Total in the class	%Directed orders
1	London Metal Exchnage (XLME)	53.60%	100%
2	CME - Comex (XCEC)	19.78%	100%
3	ICE Futures Europe (IFEU)	14.60%	100%
4	CME - Nymex (XNYM)	9.10%	100%
5	CME - CBOT (XCBT)	1%	100%

## Summary Analysis

According to Commission Delegated Regulation (EU) 2017/576 Article 3(3) we provide a summary of the analysis and conclusions drawn from the detailed monitoring of the quality of execution obtained on the single execution venue where our client orders were all executed in 2018.

### **1. an explanation of the relative importance the firm gave to the execution factors of price, costs, speed, the likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;**

considers the execution factors below when we are assessing the quality of execution.

- the price,
- the cost,
- the speed of execution,
- the probability of execution and settlement/delivery,
- the size of the order,
- the nature of the order,
- type and characteristics of the financial instrument;
- characteristics of the possible execution venues

In general, CMS regards to price as being the most important execution factor when seeking to obtain the best possible outcome for clients. However, in certain circumstances, CMS may decide in its absolute discretion that the other factors, listed above, are more important than price.

### **2. A description of any close links, conflicts of interests, and common ownership with respect to any execution venues used to execute orders and common ownership.**

CMS has no close links or common ownership with respect to any of the execution venues specified in the table above. CMS is unaware of any facts that are likely to give rise to conflicts of interest with respect to any of the above execution venues to the detriment of its clients.

### **3. A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.**

CMS is liable to pay trading and clearing fees to trading venues or to any entity with close links to a trading venue, where CMS is not a General Clearing Member of that venue. Further, where relevant, CMS is liable to pay a membership fee annually to retain membership of trading venues. CMS did not receive any remuneration, discount or non-monetary benefits for routing orders to the above execution venues.

**4. 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.**

The firm has not changed its list of execution venues over the reporting period

**5. 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.**

CMS only executes orders for and conducts business with clients that are classified as “professional clients” or “eligible counterparties.” When executing orders on behalf of professional clients, CMS complies with the best execution obligations under the relevant rules of the FCA. Such obligations do not apply where CMS executes orders for eligible counterparties. However, this does not diminish CMS’s obligation to act professionally and to communicate in a way that is fair, clear and not misleading when dealing with eligible counterparties.

**6. Where applicable, an explanation of how the investment firm has used the output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.**

Not applicable.