

Waterfall Asset Management (UK), LLP

Best Execution Disclosure (RTS 28) – Year to 31 December 2018

QUANTITATIVE INFORMATION

Table to be used to set out top five execution venues in terms of trading volumes for all executed client orders per class of financial instruments.

Class of instrument	Corporate Bonds				
Notification if <1 average trade per business day in the previous year	Yes				
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	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
CITIGROUP GLOBAL MARKETS LIMITED (XKZZ2JZF41MRHTR1V493)	54%	40%	N/A	N/A	N/A
MORGAN STANLEY & CO INTERNATIONAL PLC (4PQUHN3JPF GFNF3BB653)	46%	60%	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

Class of instrument	Asset Backed Securities				
Notification if <1 average trade per business day in the previous year	Yes				
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	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Credit Suisse GROUP AG (549300506SI9CRFV9Z86)	71%	40%	N/A	N/A	N/A
NATWEST MARKETS (RR3QWICWWIPCS8A4S074)	18%	20%	N/A	N/A	N/A
CITIGROUP GLOBAL MARKETS LIMITED (XKZZ2JZF41MRHTR1V493)	6%	20%	N/A	N/A	N/A
MERRILL LYNCH INTERNATIONAL (GGDZP1UYGU9STUHRDP48)	6%	20%	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

QUALITATIVE INFORMATION

<p>A summary of the analysis and conclusions the firm draws from its detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders in the previous year.</p>	<p>As part of the analysis by Waterfall Asset Management (UK), LLP (“Waterfall”) of best execution in relation to trades executed in the previous year, reviews of external market data and externally verifiable reference prices (where available) were undertaken when pricing or checking the price of the instruments. Based upon the monitoring completed, Waterfall believes it has reasonably satisfied its obligation for best execution.</p>
<p>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.</p>	<p>Best execution is a key element in Waterfall’s commitment to act in the best interests of its clients, as well as being a regulatory requirement. Waterfall seeks to ensure that all sufficient steps are taken to obtain the best possible result for its Clients when it executes, places or transmits orders on their behalf. This means taking into account the ‘execution factors’ such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. The relative importance of the execution factors is judged on an order-by-order basis in line with Waterfall’s industry experience and prevailing market conditions. The following additional factors were considered in executing the reported Corporate Bonds and Asset Backed Securities:</p> <ul style="list-style-type: none">• Overall broker service levels• Response time when the transaction was time-sensitive• Historical price and liquidity where the instrument was illiquid
<p>A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.</p>	<p>Waterfall does not have any close links, conflicts of interests or common ownerships with any current or potential brokers it uses to execute orders.</p>
<p>A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.</p>	<p>Waterfall has not entered into any arrangements with its brokers regarding payments made or received, discounts or non-monetary benefits that would compromise its ability to meet its obligations in regards to best execution, conflicts of interest, or inducements.</p>

<p>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.</p>	<p>Waterfall has not made any such changes in the previous year.</p>
<p>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.</p>	<p>Waterfall’s clients are exclusively professional clients and so are treated with a consistent approach.</p>
<p>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.</p>	<p>Waterfall does not execute retail client orders.</p>
<p>An explanation of how the Firm has used any data or tools relating to the quality of execution, including any data published under Commission Delegated Regulation (EU) 2017/575.</p>	<p>Waterfall does not currently use data or tools relating to the quality of execution published by trading venues under ‘RTS 27’.</p>
<p>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.</p>	<p>Not applicable as there were no such CTPs available in Europe during the period to which this disclosure relates.</p>