



RTS 28 Report

1 January - 31 December 2020

TCI Fund Management Limited ("TCI") is required to 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 TCI executed client orders in the preceding year, together with information on the quality of execution obtained.

When executing orders or placing orders with third parties for execution, TCI seeks to obtain the best possible result on behalf of clients by taking into account several execution factors such as price, costs, speed, certainty of execution and settlement, size, nature or any other consideration relevant to the execution of an order.

1. *A description of any close links, conflicts of interests, and common ownerships with any execution venues and brokers used:* TCI does not have any close links or common ownerships with any execution venue or brokers. TCI does not trade with any affiliates. From time to time, the funds under TCI's management may invest in market providers or trading counterparties. However, investment in such financial services issuers is not a factor when selecting execution venues or brokers.
2. *A description of any specific arrangements with any execution venues and brokers regarding payments made or received, discounts, rebates or non-monetary benefits received. This should allow investors to consider how such arrangements impact their costs:* With the exception of minor non-monetary benefits, TCI does not receive any payments, discounts, rebates or other non-monetary benefits as part of its trading arrangements.
3. *An explanation of the factors that could lead to any change in the execution venues and brokers listed in the firm's execution policy:* TCI's Order Execution Policy contains a list of execution venues and brokerage firms that enable TCI to obtain on a consistent basis the best possible result for the execution of orders by type of financial instrument. TCI regularly assesses the execution venues available and may add or delete venues in accordance with its obligation to achieve Best Execution, and depending on the brokers' financial soundness, effectiveness and performance of execution services. The same principles apply to TCI's SFT counterparties.

4. *An explanation of how order execution differs according to client categorisation, if there is a difference:* TCI has only Professional Customers and so all order execution is performed in the same manner.
5. *An explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these helped deliver the best possible result in terms of the total consideration to the client:* NA – No retail client orders.
6. *An explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27 (now Delegated Regulation (EU) 2017/575):* TCI has appointed an independent TCA provider to assist with the monitoring and oversight of the quality of execution obtained on execution venues. Equity and equity derivatives TCA reports are provided on a regular basis. For other asset classes manual checks are performed by the Compliance team to monitor best execution, including analysis of best execution reports provided by a venue or broker. To date, TCI has not utilised any RTS 27 reports. TCI is satisfied that, during 2020, it complied with the requirements set out in its Order Execution Policy.
7. *An explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of MiFID II:* This will be reviewed when providers become available.
8. *An explanation of the relative importance given to the execution factors of price, costs, speed, likelihood of execution, or to any other consideration including qualitative factors when assessing the quality of execution:*

Equities and Equity Derivatives (Swaps and Options)

TCI trades Equities and Equity Swaps in the same manner and when assessing the execution venue, the firm will consider the following factors for both types of instruments, in the order listed:

1. Certainty of execution - it is of vital importance that TCI is confident that when it selects that venue or broker, it knows that the trade will be completed.
2. Price – TCI's expectation is that the venue selected will be able to offer prices that are as good as or better than other venues for the particular trade.
3. Order size and nature – Orders, substantial in size or those involving Illiquid Equities and Equity Swaps based on such equities, could determine the selection of execution venues.
4. Speed of execution - On occasions, the portfolio manager will determine that speed is of the essence in executing a trade, but the more normal process will be to place the trade over an extended period of time, dependent on the size of the trade, the size of the issuer and the liquidity of its stock.
5. Costs – TCI has standardised the cost of execution across the market. The rate selected is kept under periodic review and will never be outwith market standard prices. The cost of executing a trade is taken into account when selecting whether to trade physical or synthetic. Costs to be considered in these circumstances would include stamp duty and the capital commitment, compared to the cost of financing.

6. Counterparty risk - As TCI trades on a delivery versus payment (DVP) basis and only trades with well-established and financially secure brokers, this aspect is not typically considered to be a high risk.
7. Settlement - As above, TCI only trades with established and sound entities, and an experienced Settlements team monitors the progress of each trade through to final settlement.

Class of Instrument	Equities - Band 3&4 *				
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 % of total in that class	Proportion of orders executed as a % of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Redburn (Europe) Limited - 213800PKEJQZQXQCOJ04	20.99%	15.83%	NA	NA	NA
Exane Limited - 213800SH9MTNZQJKP526	13.86%	12.50%	NA	NA	NA
RBC Europe Limited - TXDSU46SXBWIGJ8G8E98	13.11%	20.00%	NA	NA	NA
Credit Suisse Europe Limited - DL6FFRRLF74S01HE2M14	10.07%	5.00%	NA	NA	NA
Kepler Cheuvreux - 9695005EOZG9X8IRJD84	9.41%	12.50%	NA	NA	NA

Class of Instrument	Equities - Band 5&6 *				
Notification if <1 average trade per business day in the previous year				NO	
Top five execution venues ranked in terms of trading volumes (descending order) **	Proportion of volume traded as a % of total in that class	Proportion of orders executed as a % of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Redburn (Europe) Limited - 213800PKEJQZQXQCOJ04	17.65%	16.34%	NA	NA	NA
RBC Europe Limited - TXDSU46SXBWIGJ8G8E98	15.57%	13.98%	NA	NA	NA
Merrill Lynch International - GGDZP1UYGU9STUHRDP48	10.00%	8.06%	NA	NA	NA
Exane Limited - 213800SH9MTNZQJKP526	8.83%	11.94%	NA	NA	NA
UBS Limited - REYPIEJN7XZHSUI0N355	6.11%	4.09%	NA	NA	NA

Notes:

* Liquidity bands taken from Bloomberg and include all EU & UK securities where banding is available; all non-EU and EU non-banded stocks are in category "Other".

**RBC Europe Limited, BOFA Securities Inc, Redburn (Europe) Limited, Sanford Bernstein and Co LLC and UBS Securities LLC represent the largest counterparties by volume at group level, however this is diluted by the separation of legal entities within the group and by splitting of liquidity bands.

Class of Instrument	Other *				
Notification if <1 average trade per business day in the previous year				NO	
Top five execution venues ranked in terms of trading volumes (descending order) **	Proportion of volume traded as a % of total in that class	Proportion of orders executed as a % of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
RBC Europe Limited - TXDSU46SXBWIGJ8G8E98	28.75%	24.64%	NA	NA	NA
BOFA Securities Inc - 549300HN4UKV1E2R3U73	14.81%	11.54%	NA	NA	NA
Redburn Europe Limited - 213800PKEJQZQXQCOJ04	14.29%	10.18%	NA	NA	NA
Sanford Bernstein and Co LLC - 549300I7JYZHT7D5CO04	7.02%	7.94%	NA	NA	NA
UBS Securities LLC - T6FIZBDPKLYJKFCRVK44	5.25%	3.73%	NA	NA	NA

Notes:

* This table includes trades in non-EU equity instruments and any EU equities which were not able to be categorised into the liquidity bands.

** RBC Europe Limited, BOFA Securities Inc, Redburn (Europe) Limited, Sanford Bernstein and Co LLC and UBS Securities LLC represent the largest counterparties by volume at group level, however this is diluted by the separation of legal entities within the group and by splitting of liquidity bands.

Class of Instrument	Equity Derivatives - Options admitted to trading on a trading venue				
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 % of total in that class	Proportion of orders executed as a % of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
JEFFERIES LLC- 58PU97L1C0WSRCWADL48	100.00%	100.00%	NA	NA	NA

Notes:

* Top 5 execution venues viewed in terms of highest option premium.

Class of Instrument	Equity Derivatives - Swaps and other equity derivatives				
Notification if <1 average trade per business day in the previous year				NO	
Top five execution venues ranked in terms of trading volumes (descending order) *	Proportion of volume traded as a % of total in that class	Proportion of orders executed as a % of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
HSBC BANK PLC - MP6I5ZYBUEU3UXPYFY54	35.13%	45.59%	NA	NA	NA
UBS AG - BFM8T61CT2L1QCEMIK50	24.59%	18.63%	NA	NA	NA
JPMorgan Chase Bank, National Association - 7H6GLXDRUGQFU57RNE97	18.95%	14.67%	NA	NA	NA
CITIGROUP GLOBAL MARKETS LIMITED - XKZZ2JZF41MRHTR1V493	18.11%	15.56%	NA	NA	NA
GOLDMAN SACHS INTERNATIONAL - W22LROWP2IHZNB6K528	2.21%	1.88%	NA	NA	NA

Notes:

* Top 5 execution venues viewed as the swap counterparty as opposed to give up broker on underlying hedge.

Currency Derivatives - Swaps, forwards, and other currency derivatives

The vast majority of FX Forwards trades are executed through FXALL, which is a request for quote (RFQ) platform, while the remaining trades are executed through brokers. During 2020, around 86% of all FX Forwards trades were executed through FXALL.

Before executing an order, multiple counterparties are chosen to compete for each trade. All obtained quotes are compared against current market prices before placing an order. The following factors are taken into account:

1. Price
2. Order size and nature
3. Certainty of execution
4. Cost
5. Other

Class of Instrument		Currency Derivatives - Swaps, forwards, and other currency derivatives (venues level)			
Notification if <1 average trade per business day in the previous year			NO		
Top five execution venues ranked in terms of trading volumes (descending order) *	Proportion of volume traded as a % of total in that class	Proportion of orders executed as a % of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
FXall - MIC FXAL	86.10%	90.20%	NA	NA	NA
J.P. Morgan Chase Bank NA - 7H6GLXDRUGQFU57RNE97	12.30%	8.30%	NA	NA	NA
Morgan Stanley & Co International PLC - 4PQUHN3JPFQFN3BB653	0.90%	1.00%	NA	NA	NA
Jefferies International Limited - S5THZMDUJCTQZBTRV198	0.60%	0.30%	NA	NA	NA
Merrill Lynch Intl - GGDZP1UYGU9STUHRDP48	0.10%	0.10%	NA	NA	NA

Notes:

* 86.1% of orders are traded via FXall with the remaining 13.9% executed directly with the counterparty.

Class of Instrument		Currency Derivatives - Swaps, forwards, and other currency derivatives (counterparties level)			
Notification if <1 average trade per business day in the previous year			NO		
Top five execution venues ranked in terms of trading volumes (descending order) *	Proportion of volume traded as a % of total in that class	Proportion of orders executed as a % of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
J.P. Morgan Chase Bank NA - 7H6GLXDRUGQFU57RNE97	26.72%	18.61%	NA	NA	NA
CITIGROUP GLOBAL MARKETS LIMITED - XKZZ2JZF41MRHTR1V493	25.88%	11.01%	NA	NA	NA
HSBC BANK PLC - MP6I5ZYBZEU3UXPYFY54	13.33%	30.41%	NA	NA	NA
Natwest Markets PLC - RR3QWICWWIPCS8A4S074	11.75%	3.90%	NA	NA	NA
BNP Paribas - ROMUWSFPU8MPRO8K5P83	5.86%	11.70%	NA	NA	NA

Notes:

* J.P. Morgan Chase Bank NA (JPM) are the largest counterparty by volume across all platforms. 85.6% of orders done with JPM are traded directly with the remaining 14.4% via FXall. The next 4 largest counterparties by volume are all traded solely through FXall.

Securities Financing Transactions (SFTs) – Stock Borrow

When executing SFTs, TCI also takes all sufficient steps to achieve the best possible result for its clients. Similarly, to other types of traded instruments, the price (that is the borrow fee) and certainty of execution are the main factors. However, the size and nature of the order which will ultimately be reflected in the price, is often to take priority when selecting the counterparty.

Class of Instrument	SFTs*	
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 % of total in that class	Proportion of orders executed as a % of total in that class
State Street Bank International GmbH - ZMHGNT7ZPKZ3UFZ8EO46	100.00%	100.00%

Notes:

* Includes stock borrows on physically held securities; no short derivatives. Only shown the borrow side of the transaction, not the return.