



Napier Park Global Capital Ltd
Annual Best Execution Disclosure 2019

Jun 2020



NAPIER PARK
GLOBAL CAPITAL



Annual qualitative disclosure on the quality of execution obtained

Firm Name: **Napier Park Global Capital Ltd.**

Disclosure Period: **01/01/2019 to 31/12/2019**

This disclosure is being made pursuant to Article 3(3) of RTS 28 and/or Article 65(6) of the MiFID II Delegated Organisational Regulation, which require firms to disclose, for each class of financial instruments traded for clients during the period, a summary of the analysis and conclusions drawn from the execution quality monitoring that the Firm has undertaken.

This disclosure covers the following classes of financial instruments that were traded during the period.

Classes of Financial Instrument traded during the period	Comments
(b) Debt instruments	
(i) Bonds	The Firm's trading in this category primarily consisted of bonds, CLOs, and ABS.
(ii) Money markets instruments	Trading in this instrument was de minimis during the period.
(c) credit derivatives	
(ii) Other credit derivatives	The Firm's trading in this category primarily consisted of credit default swaps.
(e) currency derivatives	
(ii) Swaps, forwards, and other currency derivatives	The Firm's trading in this category primarily consisted of FX forward contracts.
(f) Structured finance instruments	
	The Firm's trading in this category primarily consisted of repos and reverse repos.
(g) Equity Derivatives	
(i) Options and Futures admitted to trading on a trading venue	The firm's trading in this category primarily consisted of options.
(m) Other Instruments	
	The firm's trading in this category primarily consisted of FX spot, bank debt and TRS High Yield Index.

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The table below covers **Napier Global Capital Ltd.**'s analysis for each of the relevant class of financial instruments:

Class of Financial Instrument: **Debt Instruments, Credit Derivatives, Equity Derivatives, Currency Derivatives, Structured Finance, and other instruments.**

RTS 28 / Art. 65(6) requirement:	Details:
<p>(a) 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>In placing orders to purchase and sell securities for Clients, the Firm considers a number of factors in selecting appropriate broker-dealers, including execution capability, commission rates, financial responsibility and responsiveness to the Firm.</p> <p>Prior to placing orders, broker dealers must be approved by Compliance and Risk who will consider the financial condition of the counterparty as demonstrated by its history of profitability, capital adequacy, liquidity and regulatory compliance, reputation for and history of sound management and the firm's prior experience with the counterparty.</p> <p>The firm may only select a broker dealer from the approved list to execute a transaction if, in his or her best judgment, the broker-dealer can be expected to provide prompt and reliable execution for that transaction at favorable prices and reasonable commission rates.</p> <p>In normal market conditions, this is a relatively straightforward exercise that will produce a range of equally ranked execution options for further consideration under the remaining execution factors which include.</p> <ul style="list-style-type: none"> • Net price, giving effect to brokerage commissions and other costs; • Execution of an ISDA Master Agreement;

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	<ul style="list-style-type: none"> • Access to underwritten offerings and secondary markets; • Market intelligence regarding trading activity; • Licenses to execute the type of transaction; • Reputation financial strength and stability. <p>Assuming a range of execution options exist, the highest priority factor is to obtain the best result for the client in terms of the total consideration for the trade, defined as the total price obtained minus any costs or fees. This will either be the highest total price or the lowest total price (net of costs and fees) depending on the direction of the trade. In most situations this will be determined predominantly by the price achieved, although where the price offered by two or more brokers are identical or within a narrow range, or cannot be reliably determined in advance, then the one with the lowest overall cost of execution will be chosen. This analysis will include the implicit costs of the trade, such as slippage and market impact.</p>
(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues/brokers used to execute orders;	<p>The Firm does not have any close links, common ownership of other relationships that would give rise to any conflicts of interests with any of the execution venues or brokers used.</p> <p>Execution prices were approved by the Firm's Valuation Committee and the fund directors, if applicable, for any trades between portfolios managed by the Firm.</p>
(c) a description of any specific arrangements with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received;	<p>The Firm has no specific arrangements to report with any execution venues or brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.</p>

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(d) an explanation of the factors that led to a change in the list of execution venues/brokers listed in the firm's execution policy, if such a change occurred;	The Firm's internal list of execution venues / brokers approved for use by the Firm was updated to remove counterparties which the Firm had no activities with during the period.
(e) 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;	This is not applicable as the Firm only deals with Professional Clients.
(f) 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;	This is not applicable as the Firm does not deal with Retail Clients.
(g) an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575 [RTS 27];	<p>The Firm may use Bloomberg pricing runs, counterparty pricing runs on Bloomberg and/or daily pricing from pricing vendors to assist in its analysis of execution quality obtained.</p> <p>The Firm did not use RTS 27 reports or RTS 28 reports produced by execution venues or brokers during the period under review (2018), as these were not available.</p>
(h) 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.	The Firm has not used the output of any Consolidated Tape Providers in its execution quality analysis. It is noted that there were not any authorised Consolidated Tape Providers in Europe during the period under review.
Disclosures around the use of Direct Electronic Access ("DEA") providers.	Of the top 5 brokers disclosed, Deutsche Bank AG was a DEA provider for currency derivative trades. Of these trades, 81.1 % were directed by the Firm to Deutsche Bank AG (based on orders executed).

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Summary of Analysis	The ongoing monitoring of execution quality and ‘first line’ controls are undertaken by our portfolio managers with independent scrutiny carried out by our compliance and operations team as the ‘second line of defense’. The first and second lines of defense are therefore primarily responsible for ex ante and ex post monitoring of best execution on an ongoing basis, with oversight of this monitoring undertaken by senior management by way of the Fiduciary & Governance Committee.
Summary of Conclusions	The Firm is comfortable that its execution policy was adhered to over the period, and that following this policy has delivered best execution for its clients over the period. This analysis will feed in to the Firm’s annual review of its execution policy at which time further enhancements will be considered.



Annual quantitative 'top 5 execution venues' disclosure

Firm Name: **Napier Park Global Capital Ltd.**

Disclosure Period: **01/01/2019 to 31/12/2019**

Disclosure Type: Professional Clients

This disclosure is being made pursuant to Article 3(1) of RTS 28, which require firms to disclose, for each class of financial instruments traded during the period, the top 5 venues or counterparties on/with which client orders were executed.

Class of Instrument	(b) Debt instruments				
	(i) 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
CITIBANK N.A., LONDON BRANCH (E57ODZWZ7FF32TWEFA76)	34.9%	23.1%	N/A	N/A	0%
CITIGROUP GLOBAL MARKETS LTD (XKZZ2JZF41MRHTR1V493)	10.8%	11.5%	N/A	N/A	0%
BARCLAYS BANK PLC (G5GSEF7VJP517OUK5573)	8.7%	9.6%	N/A	N/A	0%
JP MORGAN CHASE BANK, N.A. - LONDON BRANCH (7H6GLXDRUGQFU57RNE97)	8.4%	6.3%	N/A	N/A	0%
GOLDMAN SACHS INTERNATIONAL (W22LROWP2IHZNBB6K528)	8.0%	12.6%	N/A	N/A	0%

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Class of Instrument	(e) currency derivatives (ii) Swaps, forwards, and other currency derivatives				
	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
DEUTSCHE BANK AG (7LTWFZYICNSX8D621K86)	93.8%	62.9%	N/A	N/A	0%
STATE STREET BANK & TRUST CO. (571474TGEMMWANRLN572)	3.0%	5.8%	N/A	N/A	0%
CITIBANK N.A., LONDON BRANCH (E570DZWZ7FF32TWEFA76)	2.6%	22.5%	N/A	N/A	0%
JP MORGAN CHASE BANK, N.A. - LONDON BRANCH (7H6GLXDRUGQFU57RNE97)	0.6%	8.8%	N/A	N/A	0%

Class of Instrument	(f) Structured finance instruments				
	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
JP MORGAN SECURITIES PLC (K6Q0W1PS1L1O4IQL9C32)	46.7%	50.4%	N/A	N/A	0%
BNP PARIBAS SA (ROMUWSFPU8MPRO8K5P83)	37.3%	29.3%	N/A	N/A	0%
DEUTSCHE BANK AG (7LTWFZYICNSX8D621K86)	12.7%	17.3%	N/A	N/A	0%
CREDIT SUISSE SECURITIES (EUROPE) LIMITED (DL6FFRRLF74S01HE2M14)	3.3%	3.2%	N/A	N/A	0%

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Class of Instrument	(g) Equity Derivatives (i) Options and Futures 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 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
	0%	0%	N/A	N/A	0%

Class of Instrument	(m) Other instruments				
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
JP MORGAN CHASE BANK, N.A. - LONDON BRANCH (7H6GLXDRUGQFU57RNE97)	34.6%	52.0%	N/A	N/A	0%
CITIBANK N.A., LONDON BRANCH (E57ODZWZ7FF32WEFA76)	28.0%	10.7%	N/A	N/A	0%
MORGAN STANLEY & CO INTERNATONAL PLC (4PQUHN3JPFGFNF3BB653)	6.5%	4.5%	N/A	N/A	0%
BARCLAYS BANK PLC (G5GSEF7VJP5I7OUK5573)	5.9%	5.9%	N/A	N/A	0%
DEUTSCHE BANK AG (7LTFWZYICNSX8D621K86)	5.6%	2.8%	N/A	N/A	0%

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Annual quantitative 'top 5 venues' for Securities Financing Transactions

Firm Name: **Napier Park Global Capital Ltd.**

Disclosure Period: **01/01/2019 to 31/12/2019**

Disclosure Type: Securities Financing Transactions (“SFTs”)

This disclosure is being made pursuant to Article 3(2) of RTS 28, which requires firms to disclose the top 5 venues for each class of financial instruments in which SFT transactions were entered into in relation to client investments.

Class of Instrument	(f) Structured finance instruments	
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
JP MORGAN SECURITIES PLC (K6Q0W1PS1L1O4IQL9C32)	46.7%	50.4%
BNP PARIBAS SA (ROMUWSFPU8MPRO8K5P83)	37.3%	29.3%
DEUTSCHE BANK AG (7LTFWZYICNSX8D621K86)	12.7%	17.3%
CREDIT SUISSE SECURITIES (EUROPE) LIMITED (DL6FFRRLF74S01HE2M14)	3.3%	3.2%

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Annual quantitative 'top 5 brokers' disclosure

Firm Name: **Napier Park Global Capital Ltd.**

Disclosure Period: **01/01/2019 to 31/12/2019**

Disclosure Type: Professional Clients

This disclosure is being made pursuant to Article 65(6) of the MiFID II Delegated Organisational Regulation, which require firms to disclose, for each class of financial instruments traded on behalf of clients during the period, the top 5 brokers that were used.

Class of Instrument	(b) Debt instruments				
	(i) 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
CITIBANK N.A., LONDON BRANCH (E570DZWZ7FF32TWEFA76)	34.9%	23.1%	N/A	N/A	0%
CITIGROUP GLOBAL MARKETS LTD (XKZZZJZF41MRHTR1V493)	10.8%	11.5%	N/A	N/A	0%
BARCLAYS BANK PLC (G5GSEF7VJP517OUK5573)	8.7%	9.6%	N/A	N/A	0%
JP MORGAN CHASE BANK, N.A. - LONDON BRANCH (7H6GLXDRUGQFU57RNE97)	8.4%	6.3%	N/A	N/A	0%
GOLDMAN SACHS INTERNATIONAL (W22LROWP2IHZNBB6K528)	8.0%	12.6%	N/A	N/A	0%

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Class of Instrument	(e) currency derivatives (ii) Swaps, forwards, and other currency derivatives				
	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
DEUTSCHE BANK AG (7LTWFZYICNSX8D621K86)	93.8%	62.9%	N/A	N/A	0%
STATE STREET BANK & TRUST CO. (571474TGEMMWANRLN572)	3.0%	5.8%	N/A	N/A	0%
CITIBANK N.A., LONDON BRANCH (E57ODZWZ7FF32TWEFA76)	2.6%	22.5%	N/A	N/A	0%
JP MORGAN CHASE BANK, N.A. - LONDON BRANCH (7H6GLXDRUGQFU57RNE97)	0.6%	8.8%	N/A	N/A	0%

Class of Instrument	(f) Structured finance instruments				
	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
JP MORGAN SECURITIES PLC (K6Q0W1PS1L1O4IQL9C32)	46.7%	50.4%	N/A	N/A	0%
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Class of Instrument	(g) Equity Derivatives (i) Options and Futures 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 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
	0%	0%	N/A	N/A	0%

Class of Instrument	(m) Other instruments				
	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
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MORGAN STANLEY & CO INTERNATIONAL PLC (4PQUHN3JPFQFNF3BB653)	6.5%	4.5%	N/A	N/A	0%
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DEUTSCHE BANK AG (7LWTFZYICNSX8D621K86)	5.6%	2.8%	N/A	N/A	0%

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