

Prism Financial Products LLP RTS 28 Quality of Execution Annual Report for 2017

Prism Financial Products LLP (“Prism LLP” or “the Firm”) is authorised and regulated by the Financial Conduct Authority (FRN: 607481). In accordance with the regulatory obligations imposed by MiFID II, Prism LLP is required, when it selects third party firms to provide execution services, to 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.

Prism LLP has set out below, for each relevant class of financial instruments, a summary of the analysis and conclusions drawn from its detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders from 1st January – 31st December 2017.

Relevant classes of instrument:

1. Interest rate derivatives – futures and options admitted to trading on a trading venue
2. Equity derivatives – options and futures admitted to trading on a trading venue

1. Interest Rate Derivatives – futures and options admitted to trading on a trading venue

Execution Venue	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
1. R.J. O’Brien Limited LEI: 549300OHLZ0RR2TSKH90	91.17%	80.39%	N/A	N/A	N/A
2. TJM Institutional Services LLC LEI: 549300DUL85XT31GK552	3.94%	10.83%	N/A	N/A	N/A
3. Fast Market Options LLC LEI: N/A	3.48%	6.51%	N/A	N/A	N/A
4. Trean Group LLC LEI: 549300JQL8YPHFDEGR58	1.43%	2.28%	N/A	N/A	N/A
5. N/A	N/A	N/A	N/A	N/A	N/A

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2. Equity Derivatives – options and futures admitted to trading on a trading venue

Execution Venue	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
X-Change Financial Access LLC LEI: 549300OVQ8PL5DTHB273	100%	100%	N/A	N/A	N/A

General Observations

When providing the service of the reception and transmission of orders for the calendar year ending 31 December 2017, Prism LLP consistently acted in the best interests of its clients. In complying with this obligation, Prism LLP was obliged to take all reasonable steps to obtain the best possible result, taking into account relevant execution factors, such as price, cost, likelihood of execution and settlement, size, nature of the transaction and any other relevant considerations. To comply with these regulatory and overarching requirements during the period in question, Prism LLP had ensured that appropriate policies were in place for the carrying out of all orders.

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Information Type	Summary of Analysis	Conclusion
<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>In the reception and transmission of orders on behalf of its clients, Prism LLP consistently considered the relative importance of each execution factor. The ranking of execution factors was determined on a trade-by-trade basis, by reference to the characteristics of the order, underlying financial instruments and available execution venues. Generally, however, price was the most important execution factor, across all classes of instruments, i.e. the execution price of the financial instrument (before costs) plus all costs associated with acquiring or disposing of the relevant financial instrument, including both explicit costs (such as commissions charged by third party brokers) and implicit costs (such as movements in the price of the financial instrument as a result of the execution). However, there may have been circumstances where the primary execution factors varied and total price was no longer the dominant execution factor. For example, when executing illiquid instruments, liquidity and likelihood of execution were also important factors in consideration. Where relevant, the decision could also have been influenced by Prism LLP's own fees and commissions.</p>	<p>Prism LLP has sufficient processes in place to make sure that best execution is being consistently achieved. Prism LLP consistently used its experience and expertise to achieve the best balance across the full range of factors, including instances where such factors may conflict with each other.</p>
<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>Prism LLP has no close links, conflicts of interests or common ownerships with respect to any execution venues used to execute orders.</p>	<p>N/A</p>

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<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>Prism LLP has negotiated volume discounts with certain counterparties and volume discounts that have been negotiated are to the benefit of the relevant client and not to the Firm.</p>	<p>The Firm followed its Conflicts of Interest Policy in line with its regulatory obligations in relation to these arrangements. Prism LLP does not have any arrangements under which it receives or makes any payment for order flow, or receives any discounts or rebates from an execution venue or investment firm.</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>There were no significant changes to the list of execution venues in the Firm's Best Execution & Order Handling Policy.</p>	<p>N/A</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>There was no differentiation according to client categorisation. Prism LLP's clients are either professional clients or eligible counterparties.</p>	<p>N/A</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>N/A</p>	<p>N/A</p>
<p>An explanation of how the investment 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>In 2017 Prism LLP did not use any third party data or tools relating to the quality of execution.</p>	<p>Following the implementation of MiFID II in January 2018, Prism LLP has enhanced the quality of its data to facilitate the in-house monitoring of the quality of client executions.</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>Prism LLP has not used the output of a consolidated tape provider.</p>	<p>N/A</p>