



CQS Investment Management Limited Best Execution Disclosure - 2017

CQS Investment Management Limited (“CQS”) is required on an annual basis to provide additional disclosures around the execution venues utilised for each in scope asset class as well as certain information on the quality of execution, as detailed in the Regulatory Technical Standard 28 detailed in the Commission delegated regulation (EU) 2017/576 of 8 June 2016. **This disclosure relates only to those financial instruments listed in Annex I, Section C of the Directive 2014/65/EU.**

When determining the strategy for placing orders for execution in the market, CQS took into account a number of execution factors, including, but not limited to, price, cost, speed, likelihood of execution and settlement, size, nature and any other consideration relevant to the execution of orders as appropriate for the characteristics of each order and the prevailing market conditions. In determining the relative importance of the execution factors CQS took into account the relevant client’s characteristics and objectives, the characteristics of the financial instrument including its liquidity and the available counterparties. These factors may differ from one order to another. We have however detailed below the relative importance of these factors for each in scope asset class. CQS approves all counterparties prior to placing orders for execution with them. Counterparty approval takes into account a number of factors including the counterparty’s credit worthiness, regulatory status and execution performance. CQS has no close links or common ownership with counterparties used to execute trades

CQS has a suite of policies designed to identify and mitigate any potential conflicts of interest which may affect execution quality and are designed to safeguard CQS’ obligations to take reasonable steps to achieve best execution. For the year ending 2017, CQS confirms that it considers it took reasonable steps to achieve the best possible result when executing trades for its clients.



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Debt Instruments

On average there has been fewer than one trade per day

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 % of total in that class	% of Passive orders	% of Aggressive orders	% of Directed orders
Citibank	23%	19%	N/A	N/A	0%
Credit Suisse	17%	17%	N/A	N/A	0%
BNP Paribas	15%	8%	N/A	N/A	0%
Morgan Stanley	14%	19%	N/A	N/A	0%
Goldman Sachs	9%	6%	N/A	N/A	0%

This relates to trades in corporate bonds. Price and the ability to source liquidity in a timely manner were the two primary execution factors for this type of financial instrument.