

Best Execution

2008 10th ANNIVERSARY 2018



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www.bestexecution.net





What is Best Execution?

Best Execution is a quarterly publication that cuts through the noise and looks behind the headlines at the impact regulation and political upheaval is having on the financial services industry. It provides in-depth commentary, insight and analysis on how the buy and sellside are restructuring their business models and increasingly relying on new as well as existing technology to help them navigate the new world order.

Why is 'best execution' so important?

Best execution* used to just be about the price, but the concept has undergone an evolution over the past eight years. Under MiFID I, it was a loosely applied obligation, requiring brokers to complete client orders in the most effective way, factoring in components such as price as well as cost, speed, execution and settlement. The newer MiFID II takes a much tougher stance and reaches across the equity spectrum to fixed income, FX and derivatives. Asset managers are more accountable while execution policies must be much more comprehensive and detailed. Meanwhile trading venues, systematic internalisers, market makers and other liquidity providers will have to publish their figures on their execution quality for all financial instruments.

What does Best Execution cover?

Since the G20 recommendations, regulation has become broader and deeper, covering the pre and post trade operations. Different markets may have their own interpretation but the direction of travel is one way – greater accountability and transparency. It has translated into new operating structures and processes and those firms that do not embrace innovation will not survive. Over the last couple of years, political turmoil such as Brexit, the US election, and separatist unrest in Spain have exerted their influence over market trends and injected an air of uncertainty.

Best Execution magazine charts the progress the industry is making, the technological solutions being implemented and the cultural shifts that are needed to ensure participants comply and maintain their competitive edge. We cover the entire trading lifecycle, and as the reach of the regulatory authorities' widens and the buy-side looks to diversify its investment strategies, we track the trends in all asset classes.

Best execution and Article 21 of Markets in Financial Instruments Directive [MiFID] - transposed to Article 27 in MiFID II: The directive introduces the principle that all financial services firms carrying out transactions on their clients' behalf: "must take all **sufficient steps to obtain the best possible result, taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order."*

Dear Reader,

It is hard to believe that ten years have passed since the first edition of Best Execution. With hindsight launching in 2008 as the financial crisis was raging on was a brave move. However, the chance to write about the evolving landscape was too good an opportunity to miss.

We started by looking at the wider implications of MiFID I, which was crafted long before the Lehman collapse but entered the rulebook in 2007. However, it soon became apparent that there would be a host of post financial crisis regulations, most notably MiFID II, the Market Abuse Directive, the European Market Infrastructure Regulation and the General Data Protection Regulation that would significantly change the pre- and post-trade status quo.

The old adage 'innovate or die' has never been more meaningful as participants are collectively and separately looking to develop new products and solutions to improve execution, access new liquidity providers and overhaul data management processes. Disruptive technologies, under the banners of regtech and fintech, have burst onto the scene altering business models as well as relationships. Buy- and sellside firms have been forced to re-evaluate the way they work together and which products and services are truly relevant.

Against this backdrop, in 2012 we took a leaf from our readers' collective page and widened our focus from equities to encapsulate the broader universe of fixed income, foreign exchange and derivatives right across the geographical spectrum. We now also cover the shifting political events wrought by populist movements such as Brexit as well as the latest technologies and industry initiatives to determine which ones will have a long-lasting shelf life.

What has not changed is our commitment to provide in-depth analysis and expert industry commentary of these seismic changes and the ensuing different paths that market participants are taking to ensure they can achieve the pre- and post-trade results for their clients. Going forward, our aim is to continue to act as a bridge between the buy- and sellside and explore the challenges and opportunities they face together and individually.



Lynn Strongin Dodds
Managing Editor, Best Execution

Our editorial structure comprises a number of regular components:

OPINION SHAPERS

In each issue we conduct a number of exclusive interviews with market experts.



From the buy-side, sell-side, market infrastructures and vendor communities, we speak to the men and women shaping the solutions of tomorrow.



FEATURES

Under our remit best execution is not achieved unless a clients' best interests are served at every stage of the trading lifecycle, and to reflect this each issue will carry a number of in-depth features covering all aspects of best execution in securities trading across the trading lifecycle and across asset classes.



BUYSIDE FOCUS

Each issue will feature a topical market issue from the perspective of the buy-side

TRADING

Each issue will include an Asset Class Focus with an in-depth analysis of a specific asset class: Spring - Equities, Summer - Derivatives, Autumn - Fixed income, Winter - FX.

REGULATION & COMPLIANCE

At no time has the regulatory burden been greater or wider-reaching. It is imposing seismic structural reforms, and the challenges to comply and remain competitive are



immense. Will Trump do a 'big number' on Dodd Frank and what effect will that have on the US markets? How is Europe reacting to EMIR and the what has been the impact of MiFID II? We also look at the evolution, impact, and implementation of other new rules and regulations across the globe.

EXECUTION VENUES – Exchanges and alternative trading facilities; trading platforms, alternative markets, dark pools, SEFs, OTFs, the development of other bond and FX trading platforms, digital trading.



TECHNOLOGY – Advances in technology are enabling firms to not only comply with increasing regulatory requirements, but also to become more cost effective and competitive. Key technologies in today's trading environment include real-time tools for pre- and post-trade risk management, trading

systems, trading tools, new algos, low-latency and HFT trading, cloud computing, apps, compliance solutions, legal documentation, network solutions and social media.

TCA – The evolution of transaction cost analysis from a post-trade compliance obligation to a real-time investment decision-making tool. We look at the next generation of tools and performance analysis, the move towards intra-day TCA, TCA across asset classes such as FX and fixed income, and surveillance analytics.

POST-TRADE – Regulatory impact, clearing and settlement, CCP services, Target2Securities, CSD Regulation, trade reporting, collateral management.

DATA MANAGEMENT –

Data is increasingly viewed as an asset, capable of delivering insight and intelligence not only on markets but also regarding clients. By using data more intelligently, firms can more effectively compete and reduce operating costs. Key themes in data management include big data, regulatory reporting requirements, data analytics, data costs, data security and utility models.

MARKET INFRASTRUCTURE – Smart order routing systems, execution/order management systems, connectivity.

MARKET ISSUES – Business models, high frequency trading, liquidity in a fragmented market, accessing liquidity, best practice, risk management; compliance, post-trade costs, collateral management.

MARKET OPINION

Each issue will include market opinion from well-known market commentators and analysts.



Recent contributors include:

- **Russell Dinnage.** Russell is Head of the Capital Markets Intelligence Practice at GreySpark Partners.
- **Jannah Patchay.** Jannah is Managing Director & Independent Consultant at Markets Evolution, specialising in Market Structure, Regulatory & FinTech SME.
- **JWG.** CEO PJ DiGiammarino, Head of Research Daniel Simpson and Eman Galea, Research Analyst. JWG are independent analysts helping regulators, financial institutions and technology firms determine how the right regulations can be implemented in the right way.

Other market opinion contributors have included among others:

Ari Burstein, Tim Healy, Anna Pajor, Silvano Stagni, Sassan Danesh, Anthony Kirby, Peter Randall and Richard Balarkas.



RESEARCH

Best Execution has an alliance with **GreySpark Partners**, a leading capital markets consultancy to bring you a window on Capital Markets Intelligence – a research and strategy offering which delivers research reports on current industry

topics. In addition to working together Best Execution will feature regular synopsis articles on GreySpark's latest reports. <http://research.greyspark.com>

SUPPLEMENTS

Throughout the year Best Execution will publish supplementary guides and special reports to complement our regular coverage. Previous supplements have included a Guide to the Cloud and TCA Across Asset Classes.



PROVISIONAL SCHEDULE

Provisional publishing calendar (dates may be liable to change):

ISSUE	FEATURES DEADLINE	AD DEADLINE
SPRING 2018	23.03.2018	23.03.2018
SUMMER 2018	11.05.2018	11.05.2018
AUTUMN 2018	17.08.2018	17.08.2018
WINTER 2018/19	30.11.2018	30.11.2018



SPRING 2018. [INCLUDING EQUITIES FOCUS]

Ten-year anniversary article. A look back at the last ten years, the impact of regulation and how the industry has changed (and where it has not).

Buyside focus. A 2017 Greenwich Associates report showed that two-thirds of buyside equity traders believe maker-taker pricing creates distortions and is bad for market structure. It found that many believe some brokers route orders based on where they can get the highest rebate, rather than where they can get best execution. We look at the issues.

Regulation and compliance – MiFID. What does MiFID mean for the US? The regulation unbundles research, while US regulations are predicated on bundling research and execution. Can the regulatory regimes co-exist or will the US have to follow suit?

Fintech – Innovation. The DTCC white paper, *“Fintech and Financial Stability. Exploring How Technological Innovations Could Impact the Safety & Security of Global Markets,”* cautions that while fintech adoption benefits the financial services industry in some areas it could also pose or exacerbate certain risks, including cyber security concerns. We look at the overall impact and where it can bring solutions and challenges.

Data Management – Trade reporting. What are the strategies to best decode and action documentation to ensure compliance? How can firms turn raw data into usable data?

Post trade – An update of T2S. After the last wave of migration has occurred, we look at whether the project is fulfilling its potential in terms of cost savings. What is the future and how is it changing market infrastructures.

SUMMER 2018 [INCLUDING DERIVATIVES FOCUS]

Buyside focus – Multi asset class trading desks. What is the best structure? Should it be a generalist trading any product in any asset class or specialists with traders looking at flow versus focus, or there is a third option - an asset class generalist who acts as an investment product specialist, or “Genspec”. We look at how desks are being organised.

Regulation and compliance – Libor. Andrew Bailey, CEO of the Financial Conduct Authority (FCA) officially set the deadline for a Libor replacement at 2021. We look at the different options and whether the industry can agree upon a suitable substitute within the given timeframe.

Fintech. A study by consultancy Opimas showed that order and execution management systems captured the lion's share of fintech investment in 2017 with \$19 billion. We look at what type of solutions are being developed and how it is changing the face of trading?

Data Management. Firms are swimming in data but how should the information be consumed, consolidated and used to make better trading decisions.

Trading. How exchanges have built revenue streams that now match or outstrip charges made purely on transactions. They have diversified into clearing and other trading tools such as the provision of data for fixed income or exchange-traded products markets. We look at their transformations.



AUTUMN 2018 [INCLUDING FIXED INCOME FOCUS]

Buyside focus – Block trading. This time last year all the talk was about MiFID II. What was the impact, and did it benefit the buyside? What products and solutions are being adopted?

Regulation and compliance. The caps on dark pools and the end of broker crossing networks under MiFID II means there will be an increase on lit markets. Systematic internalisers will also benefit. We look at the pure market makers; and the trades where banks have committed capital, and how the market has developed over the past few months.

Fintech – DLT. In a report last year, the European Central Bank, looked at the potential impact of distributed ledger technology on securities post-trading harmonisation and on the wider EU financial market integration. It said that as DLT is adopted, there may interoperability between the different generations of technology. How will this develop?

Post trade – Central clearing. A look at central clearing and how that has transformed the industry in terms of trading, volumes and the use of derivatives. How is the buyside accessing clearinghouses. Is there more direct clearing?

Trading – New generation algos. We look at a new generation of algorithm designed to thwart high-frequency traders and their strategies. These so called passive algos aim to help buyside's better source liquidity

WINTER 2018/19 [INCLUDING FX FOCUS]

Buyside focus. Changing relationship between buy and sellside. Last year, a study by Liquidnet showed that a third of asset managers plan to adjust their broker lists prior to MiFID II's January deadline. Did this materialise and what new liquidity providers have benefitted?

Regulation and compliance – Unbundling. Months into the new regime, we look at how unbundling has unfolded. How has research been valued, who are the new providers and how has the sellside changed the way it provides research?

Fintech – AI and robotics. We look at how buy and sellside firms are leveraging more complex artificial intelligence and robotic process automation capabilities. What are the opportunities and challenges?

Data Management. The EU's General Data Protection Regulation came into effect in May 2018. What data management systems and processes have been implemented to meet these wide sweeping requirements.

Post-trade – Euro-clearing. What is the state of euro-clearing given the Brexit negotiations. Will London be able to keep their hold on this prized activity?

FX. An overview of the FX market, including what the institutional players can learn from the retail market, and the future of cryptocurrencies.

The above is a provisional schedule for 2018 and is not exhaustive. Best Execution's coverage is driven by current events and market news and therefore we reserve the right to change any element of our coverage without prior warning.

Marketing

Our aim is to provide a trusted channel for our clients to gain access to their target market. Over the last twenty years we have witnessed how the use of media as a marketing channel has changed from one dominated by staid, conservative businesses to one in which small one-man operations can become publishing phenomena. The internet and associated technologies have empowered this revolution, but increasing fragmentation and the impact of social media are creating as many challenges as opportunities.

While the methods for delivery may be changing, the objective is the same – to support and increase business. This can be achieved in a multitude of ways and for each organization the balance may vary, but our aim at Best Execution is to listen to our clients, build relationships and provide a palette of marketing options to effectively meet their objectives.

What are the objectives?

Brand awareness - for many established providers a campaign of brand awareness and brand reinforcement is core to their marketing programme, but in these fast moving markets it is equally valuable in demonstrating their association with new capabilities, or to new markets. The same pace of change is behind the constant emergence of new players for whom brand awareness is perhaps more critically important, but requires a process of 'build' rather than 'maintain'. Expanding brand awareness and increasing visibility are key.

Thought leadership – the dramatic and fundamental changes of recent years have heightened the importance of becoming associated with new ideas and demonstrating direction within the industry. Reaching the right audience and delivering an insightful and authoritative message can be hugely valuable for all market participants.

Client information – providers of services need to ensure that prospective as well as existing clients have a reliable, trusted channel providing news and comment, whether it is about the launch of a new product or service, key personnel changes, a client event, or just a reliable source of client news and contact information.

What are the channels?

Display advertising - The impact of display advertising is key to meeting the objective of brand awareness. In print the value proposition is not just the amalgam of the quality of the publication and the quality of its readership but to an increasing degree, where it is seen. To that end we have negotiated a series of media partnerships with leading conference organisers at which Best Execution is now distributed. Portable and more 'user-friendly' than reams of marketing literature in a multitude of formats Best Execution is an excellent information vector for exhibitors and non-exhibitors alike. *(See page 11 "Where else is it seen?")*

Thought Leadership - Print is still the ideal medium to display thought-leadership. While there is an inexorable shift in people's reading habits, the time spent on mobile apps or the web is qualitatively different to the time spent reading print publications. For that reason we are strong advocates of running thought-leadership pieces in our magazine, but mirrored online to cater for all our readers. In addition to our Opinion Shaper interviews, which are exclusive and by invitation only, we also run Viewpoints. Viewpoints are opinion pieces, but differ substantially from a 'Corporate Statement' (see below) in that they are developed together with the editorial team, adhere to strict editorial guidelines, and are only ever available as part of a package. Viewpoints can be supplied as soft or hard copy reprints for the client to disseminate via their own channels.

Corporate Statement - when display advertising is not enough. New product or service news, or a detailed announcement that needs a 500 or 1,000 word in-depth explanation - with the option of carrying charts and diagrams - is best served by a Corporate Statement.

Directory - traditionally we have always provided a print directory for all our clients, but online the options are multiplied. Our website satisfies almost all of the Client Information objectives in one channel. The options depend on the client, from a basic 'listing' to a virtual client 'microsite', hosting client video, press releases, whitepapers, multiple hyperlinks, and even client-related news syndication.

eNewsletter / e-mail marketing - targeted e-mails carrying client advertising and/or announcements, complements the online information and print advertising channels. Either standalone, or as part of our new eNewsletter.

Social media marketing / Social media monitoring - we are looking to develop social media marketing strategies as more clients investigate the potential value in using these new channels. Added to which we will also be incorporating the means to measure the effectiveness of clients' social media marketing initiatives. *For more information on how we can work with you please contact your sales representative. For our rates see page 10.*

WHO GETS IT?

Buyside institutions [traders, asset managers, hedge-fund managers, pension fund managers, portfolio managers, analysts, insurance firms]

Sellside institutions [investment banks/broker-dealers and their sellside research arms]

Market infrastructures, exchanges, clearing-houses, industry associations, regulatory bodies. Solutions vendors

- Print-run = 7,700 (Av. 2014-2017).
- Frequency = four times a year.

Buy-side Institutions.

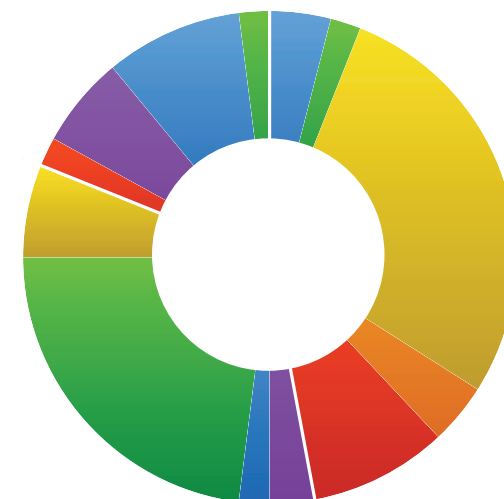
1. CEO	4%
2. CIO	2%
3. Head of Trading	28%
4. Head of IT	4%
5. Head of Operations & Compliance	9%

Sell-side Banks & Brokers.

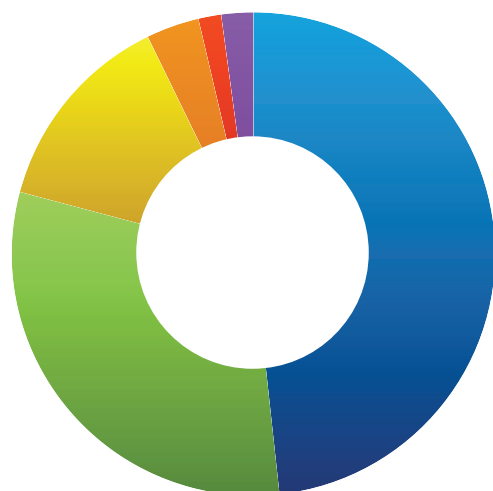
6. CEO	3%
7. CIO	2%
8. Head of Trading (Equities, FICC)	23%
9. Head of Operations & Compliance	6%

Mkt Infrastructure, Regulators, Vendors, others.

10. Associations	2%
11. Exchanges	6%
12. Technology vendors	9%
13. Regulatory bodies	2%



WHERE DOES IT GO?



WHERE ELSE IS IT SEEN?

Best Execution is published four times a year and is distributed as a controlled circulation publication. It is also available by subscription and at a growing number of events where *Best Execution* is a media partner. Our main event partners include WBR for their TradeTech, FIMA, Clearing & Settlement World, and Leaders in Fixed Income events, the FIX Trading Community, AFME, City & Financial and Terrapinn. Event organisers who wish to include *Best Execution* as a media partner should contact ian.rycott@bestexecution.net

UK	48.28%
USA / Americas	30.85%
W. Europe	13.66%
Nordics	3.54%
E. Europe	1.53%
ME/Africa/Asia/ASEA	2.14%

WHO SHOULD ADVERTISE?

If your clients include the buy-side, the sell-side or market infrastructures then you should speak to:

Scott Galvin, Director of Sales & Marketing

e-mail: scott.galvin@bestexecution.net

tel: +44 (0)20 7928 6796

ADVERTISING RATES

Cost per insertion	x1	x2	x3	x4
FULL PAGE	£5,805	£5,370	£4,935	£4,355
HALF PAGE	£3,385	£3,130	£2,875	£2,540
DOUBLE PAGE	£10,450	£9,665	£8,885	£7,840
INSIDE FRONT	£8,710	£8,055	£7,405	£6,535
INSIDE FRONT-DPS	£13,065	£12,085	£11,105	£9,800
INSIDE BACK	£7,255	£6,710	£6,165	£5,440
OUTSIDE BACK	£9,675	£8,950	£8,225	£7,255
Guaranteed positions	+15%			
Approved agency rate	10%			
Corporate statements	As per ad rates			
Viewpoint/Off-the-shelf	Only available to multiple insertion bookings at a surcharge of 50% to the applicable page rate.			
Directory listing	£325 per entry or £1,105 for four entries			
Subscription	£135 / \$225 per annum			

Rates are in £ sterling – prevailing US dollar and euro rates apply at time of booking (based on the spot rate +3%). Additional charges apply for non-standard materials. All rates are exclusive of VAT, which will be charged at the appropriate rate, where applicable. Cancellations – space reservations cannot be cancelled except at the discretion of the publisher. All accepted cancellations revert to rate card and are liable to a 30% fee.

ONLINE MARKETING OPTIONS - prices available on application.

MARKETING PACKAGES

At Best Execution we understand that clients are looking for a marketing exposure that goes well beyond straightforward advertising. We are therefore able to offer a limited number of marketing packages to include the following items:

- An article of two or more pages. Depending on content, this can either be an expert opinion (Viewpoint) or a product/service history and description (Off-the-shelf), written in collaboration with our editorial team; or a corporate statement (logo and contacts included).



- A PDF of your article on publication for your own marketing use (with accreditation)
- A full page advertisement in a prime position
- A directory listing
- 50 free copies of the publication.
- Total package cost of £16,095 for participation in two editions only, or £26,100 for participation in four editions.

SPECIFICATIONS

Full page	trim-size	w.170mm	x	h.225mm
	type-area	w.145mm	x	h.195mm
	bleed-size	w.176mm	x	h.231mm
Half page	horizontal*	w.145mm	x	h. 95mm
	vertical*	w. 70mm	x	h.195mm
Double page	Supply as two single pages. If text runs across gutter, allow at least 12mm text gap for gutter on both pages. <i>*Bleed option possible on request.</i>			

Printing requirements - we require digital files, which should be supplied as PDFs.
No liability for colour variance will be accepted unless reference proofs are also provided.

The PDF should be output to **Pass4press** standards (a set of best practice guidelines that focuses on the complete workflow). For more detailed instructions we recommend you visit their website where guides and Plug-ins are available as free downloads for most operating platforms: <http://tinyurl.com/bvwshx9>



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