

## Notes Accompanying MIFID II RTS 27 Reports

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For the Period: 3 January 2018 to 31 March 2018 inclusive ("Q1 2018")

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### A. Purpose of this document

This document ("Notes") provides material information on the reports on quality of execution of transactions for Q1 2018 published by CaML ("Reports") pursuant to Commission Delegated Regulation (EU) 2017/575 and article 27(3) of Directive 2014/65/EU, as implemented in the Conduct of Business Rules of the Financial Conduct Authority (collectively, "MIFID II RTS 27"). The Reports published by CaML on <https://bnymellon.com/RID> shall be read in conjunction with these Notes.

### B. Scope

In Q1 2018, CaML acted as a liquidity provider to its clients only in respect of securities sales or purchases executed by CaML on a back to back basis against the inventory of CaML's affiliate ("BNY Mellon Inventory"). Accordingly, the Reports capture only CaML activities under this BNY Mellon Inventory business.

As the BNY Mellon Inventory business was carried out by CaML solely on a request for quote basis in response to indicative prices made available to clients on trading platforms ("RFQ"), CaML has determined that there are no relevant data for tables 7 and 8 pursuant to Article 7 of MIFID II RTS 27 which applies to continuous auction order book and continuous quote driven execution venues. However, the Reports include relevant data under table 9 pursuant to Article 8 of MIFID II RTS 27 which applies to request for quote execution venues.

With respect to certain values in tables 3, 4 and 6: (i) "transaction size" and "total value executed" are expressed in the currency in which the relevant securities is denominated (being the "currency" in table 2); and (ii) "volume-weighted transaction price", "median transaction size" and "median size of all orders or requests for quote" are calculated based on notional value of transactions in the same currency.

### C. Exclusions

The Reports for Q1 2018 represent the first set of reports that CaML is required to publish since MIFID II RTS 27 entered into force. Due to data issues which could not be resolved in time for Q1 2018 publication deadline, CaML wishes to disclose the following gaps in its Reports.

#### 1. *Missing pre-execution timestamps for table 9*

1.5% of executed trades do not have pre-execution time stamps required for purposes of mean and median time elapsed calculations under table 9 pursuant to Article 8 of MIFID II RTS 27 and accordingly these trades have been omitted from the data set in table 9.

#### 2. *Missing data for unexecuted RFQs for table 6 and table 9*

RFQs which did not result in executed trades were not captured. It is estimated that there were approximately 12 such RFQs missing in Q1 2018. The relevant missing data for these unexecuted RFQs would have been required in table 6 (likelihood of execution information under Article 6 MIFID II RTS 27) and table 9.