

JOHN STREET CAPITAL LIMITED

BEST EXECUTION DISCLOSURE

YEAR TO 31 DECEMBER 2023

Introduction

Regulatory Technical Standard 28 requires John Street Capital Limited (*the Firm*) publishes on its website annually a review of its trade execution arrangements, covering the specific matters set forth under the headings below.

The Firm is a systematic investment manager and executes the decisions it makes to trade on behalf of its clients via execution brokers whom it selects for their ability to deliver “best execution” taking into account the execution factors that the Firm considers to be most important in the attainment of best execution. The vast majority of the Firm’s trading is done via execution brokers who provide direct electronic access (DEA) to the underlying future exchange.

Which instrument categories are covered by this report?

The Firm makes discretionary investment decisions for professional clients (unregulated fund vehicles) using the Firm’s systematic investment strategy. The systematic investment strategy managed by the Firm utilise the following instruments:

- Interest rates derivatives. Futures and options admitted to trading on a trading venue
- Interest rates derivatives. Swaps, forwards and other interest rates derivatives
- Currency derivatives. Futures and options admitted to trading on a trading venue
- Equity derivatives. Futures and options admitted to trading on a trading venue
- Commodity derivatives. Futures and options admitted to trading on a trading venue
- Commodity derivatives – other commodities derivatives
- Credit derivatives – other credit derivatives

Unless otherwise stated, this report covers all of the instrument types above.

Importance of the relevant execution factors

The Firm’s investment strategy is to achieve long-term capital growth by pursuing a systematic trading strategy that seeks to profit from price movements in global markets, known as the John Street Systematic Strategy (the “Strategy”). The Strategy employs a systematic approach to trading global markets, using a computer-based trading system. The Strategy applies different trading methods across different time horizons with the goal of having a diversified mix of potential return drivers within the trading system. The trading system monitors data from global markets, and carries out calculations to determine each day the position sizes in each of the markets traded in order to maximise profit whilst remaining within certain risk guidelines.

Provision of market access is well established across brokers used by the Firm and execution is highly automated which results in low levels of operational processing issues. The Firm conducts ongoing monitoring with respect to the effectiveness of its order execution arrangements and detected no deficiencies during the reporting period for this instrument class. The Firm’s execution objectives allow for well qualified, data-driven evaluation of broker performance. The Firm periodically reviews commission rates to ensure they remain appropriate.

The relative importance of the execution factors was determined by the following execution criteria:

- Price
- Market coverage, provision of electronic access and competence
- Characteristics of the order
- Operational performance, including likelihood of settlement
- Cost

Close links, conflicts and common ownerships

The Firm has no “close links” (as defined by the Financial Conduct Authority), conflict or common ownerships with any execution venue or executing broker that it uses to execute its discretionary investment decisions made on behalf of clients.

Payments, discounts, and rebates

John Street Systematic Master Fund Limited has purchased memberships on certain commodity and derivatives exchanges. Such memberships may entitle the member to reduced commission rates in connection with transactions effected on such exchanges, any reduced commission rates are to the benefit of the fund.

Factors leading to a change in execution venues used

The Firm has added 1 execution broker in 2023, to improve market coverage.

Do we view the execution factors differently depending on the client type?

All of the Firm’s clients are professional clients, either unregulated collective vehicles or individual managed accounts for individual professional investors. All investors get access to the core strategy of the Firm as described above.

Were other execution criteria prioritised over price and cost and, if so, why?

Not applicable.

The Firm’s use of execution quality data/tools

The Firm use its own proprietary execution quality data and analysis tools.

The Firm’s use of consolidated tape providers

The Firm did not use any consolidated tape providers in determining “best execution” during the year.