

Canyon Capital Advisors (Europe) Ltd.  
Information on the Identity of Execution Venues and on the Quality of Execution

Best Execution Qualitative Information

**A summary of the analysis and conclusions the firm draws from its detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders in the previous year**

***Equities - Shares & Depositary Receipts***

*As part of Canyon's analysis of best execution in relation to equities, the Firm analysed the trades during the relevant period to determine if there was a material deviation from the VWAP.*

*The monitoring completed did not indicate that best execution was not obtained consistently on the approved execution venues throughout the year.*

***Debt Instruments (Bonds & Money Markets Instruments)***

*As part of the Firm's analysis of best execution in relation to debt instruments, reviews of external market data and externally verifiable reference prices (where available) were undertaken when pricing or checking the price of debt instruments (including bespoke instruments).*

*The monitoring completed did not indicate that best execution was not obtained consistently on the approved execution venues throughout the year.*

***Interest Rates Derivatives (Futures and Options admitted to trading on a trading venue, Swaps, Forwards, and other Interest Rates Derivatives)***

*As part of the Firm's analysis of best execution in relation to interest rate derivatives, the Firm checked the price against Bloomberg charts and used internal modelling to ensure that best execution was obtained.*

*The monitoring completed did not indicate that best execution was not obtained consistently on the approved execution venues throughout the year.*

***Credit Derivatives (Futures and Options admitted to trading on a trading venue, Other Credit Derivatives)***

*As part of the Firm's analysis of best execution in relation to credit derivatives, reviews were undertaken of competitive quotes and the fair value of the derivative at the time the trade was placed.*

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|   | <p><i>The monitoring completed did not indicate that best execution was not obtained consistently on the approved execution venues throughout the year.</i></p> <p><b>Equity Derivatives (Futures and Options admitted to trading on a trading venue, Swaps and other Equity Derivatives)</b></p> <p><i>As part of the Firm’s analysis of best execution in relation to equity derivatives, the Firm analysed the trades during the relevant period to determine whether there was a material deviation from the VWAP.</i></p> <p><i>The monitoring completed did not indicate that best execution was not obtained consistently on the approved execution venues throughout the year.</i></p> <p><b>Contracts for Difference</b></p> <p><i>As part of the firm’s analysis of best execution in relation to contracts for difference, the Firm analysed a sample of trades during the relevant period to determine whether any of the trades were executed at a price outside of an internally defined tolerance to a pre-determined benchmark for the underlying. Where any trades were found to be outside the tolerance, Compliance investigated to determine the cause.</i></p> <p><i>The monitoring completed did not indicate that best execution was not obtained consistently on the approved execution venues throughout the year.</i></p> |
| <p><b>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</b></p> | <p><b>Applies across all classes of financial instruments traded.</b></p> <p><i>Canyon’s delivery of best execution is a key element in its commitment to act in the best interests of its client, as well as being a regulatory requirement. The Firm prioritises ensuring that all sufficient steps are taken to obtain the best possible results for its client when it executes, places or transmits orders on their behalf. This means taking into account the ‘execution factors’ such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.</i></p> <p><i>The relative importance of the execution factors is judged on an order-by-order basis in line with the Firm’s industry experience and prevailing market conditions. In addition, common key factors for relevant asset classes have been identified as follows:</i></p>  |

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|   | <p><b>Equities</b><br/> <i>For smaller orders, the key factors are generally price, quantity based on market availability, and likelihood of execution. For larger orders, the Firm additionally takes into account confidentiality, minimising the impact on the market, and slippage historically achieved on each venue.</i></p> <p><i>The impact of implicit costs is taken into account when considering the execution strategy of orders to ensure that they are managed and do not result in an undue impact to total costs.</i></p> <p><b>Fixed Income</b><br/> <i>Where the Firm executes orders directly (i.e. over the counter (“OTC”) transactions), key factors are price and transaction costs.</i></p> <p><i>For indirect orders, costs and existing broker relationship will be important considerations.</i></p> <p><b>Derivatives</b><br/> <i>Where derivatives are executed directly, key factors considered are price, observed volume on exchange, and overall transaction costs. On occasion, preference is given to counterparties that are operationally easier to work with where time factors are at play.</i></p> <p><i>Where orders are executed indirectly, relevant factors are costs and the existing broker relationship.</i></p> <p><i>For more illiquid derivatives, where execution options are available, historical price and liquidity are the key factors for execution.</i></p> |
| <p><b>A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders</b></p> | <p><b>Applies across all classes of financial instruments traded.</b></p> <p><i>The Firm does not have any close links, conflicts of interests or common ownerships with respect to the execution venues it uses to execute orders.</i></p>   |

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| <p><b>A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received</b></p>   | <p><b>Applies across all classes of financial instruments traded.</b></p> <p><i>Canyon has not entered into any arrangements with its execution venues regarding payments made or received, discounts or non-monetary benefits that would compromise its ability to meet its obligations in regards to best execution, conflicts of interest or inducements.</i></p> <p><i>The Firm has determined that it will pay for research from its own P&amp;L and as such has arrangements in place to remunerate certain firms for the receipt of such research. Additionally Canyon may on occasion receive or provide minor non-monetary benefits from execution venues. They must be received/provided in accordance with the Firm's Inducements policy.</i></p> |
| <p><b>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</b></p>  | <p><b>Applies across all classes of financial instruments traded.</b></p> <p><i>The list of execution venues contained within the Best Execution policy did not change during the period under review.</i></p>   |
| <p><b>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</b></p>   | <p><b>Applies across all classes of financial instruments traded.</b></p> <p><i>While Canyon does take the characteristics of its clients into account when judging the relative importance of the execution factors, the Firm's client is a professional client and so are treated with a consistent approach.</i></p>  |
| <p><b>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</b></p> | <p><i>The Firm does not execute retail client orders.</i></p>  |

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| <p><b>An explanation of how the Firm has used any data or tools relating to the quality of execution, including any data published under Commission Delegated Regulation (EU) 2017/575</b></p> | <p><b>Applies across all classes of financial instruments traded.</b></p> <p><i>Canyon compares and analyses relevant data to obtain best execution for a client, including execution quality data. The Firm transmits or places orders with other entities for execution and when the order relates to OTC products including bespoke products, checks the fairness of the price proposed to the client, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products.</i></p> |
| <p><b>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.</b></p>                | <p><b>Applies across all classes of financial instruments traded.</b></p> <p><i>This is not currently applicable as the services of a Consolidated Tape Provider were not available during the period to which this disclosure relates.</i></p>   |