

Pre-Trade Costs and Charges Disclosure for Fixed Income markets

28 January 2021

Guy Butler is providing this information concerning ex-ante costs and charges which we are required to disclose to our clients under Article 24(4)(c) of Directive 2014/65/EU (MiFID II).

Guy Butler has determined that the costs incurred by investors when transacting in instruments in the product categories described in the table below represent “*transaction costs*” only. When dealing with clients in Fixed Income we will provide an execution or ‘all-in’ price. The ‘all-in’ price includes these transaction costs, which make up what is commonly known as a spread or “mark-up” charged by Guy Butler. The mark-up can be calculated as the difference between the customer’s execution price and the prevailing market bid or offer price. The mark-up applied is intended to compensate Guy Butler for a number of service, risk, cost and capital consumption considerations which Guy Butler incurs, or is likely to incur, as a result of agreeing to transact with its clients. The decision to add a mark-up, including the degree of mark-up, is determined by a number of factors including, but not limited to, size of transaction, liquidity, market conditions, funding costs, clearing and settlement fees, broker and platform fees, market risk, credit and counterparty risks, operational risk, the level of service provided to the client, a client’s past trading activity with Guy Butler, as well as the expectation that a client will actually buy or sell, including the timeframe in which this might occur.

Whilst the figures shown below are based on actual historic data, when providing ex ante cost information, Guy Butler is only able to provide an estimate of future costs to customers, this estimate may differ from the actual costs charged to the customer.

The figures displayed in the table are cents to bid or offer (as appropriate), representing the average cents difference between the price that Guy Butler traded with a customer and a reference price from Bloomberg at the time of execution. The data in the table below is based on actual trades executed for 2020. Guy Butler regularly deals in very illiquid securities where there can be little or no alternative pricing available upon which to benchmark our execution prices, therefore to enable the most accurate analysis of our costs we have excluded trades in bonds with less than Euro100 million or equivalent outstanding.

GBP FINANCIAL		EUR FINANCIAL		USD FINANCIAL		OTHER FINANCIAL	
< 2.5 Years	0.05612	< 2.5 Years	0.034355	< 2.5 Years	-0.0209921	< 2.5 Years	0.511096
2.5 Years to 7 Years	-0.08968	2.5 Years to 7 Years	-0.15744	2.5 Years to 7 Years	-0.0327106	2.5 Years to 7 Years	-0.0907
7 Years to 10 years	-0.3385	7 Years to 10 years	0.050412	7 Years to 10 years	-0.0673689	7 Years to 10 years	-0.09456
10 Years Plus	-0.01996	10 Years Plus	-0.10624	10 Years Plus	-0.1390999	10 Years Plus	-0.29628
GBP CORP		EUR CORP		USD CORP		OTHER CORP	
< 2.5 Years	-0.43965	< 2.5 Years	-0.09437	< 2.5 Years	-0.1421944	< 2.5 Years	-0.55448
2.5 Years to 7 Years	0.00337	2.5 Years to 7 Years	-0.04158	2.5 Years to 7 Years	-0.1237307	2.5 Years to 7 Years	0.209547
7 Years to 10 years	-0.15453	7 Years to 10 years	0.260142	7 Years to 10 years	-0.1142126	7 Years to 10 years	0.140236
10 Years Plus	-0.21594	10 Years Plus	0.090336	10 Years Plus	-0.1529057	10 Years Plus	n/a
ALL GOVERNMENT							
< 2.5 Years	0.07073						
2.5 Years to 7 Years	0.1658						
7 Years to 10 years	0.16543						
10 Years Plus	0.10631						

Guy Butler will from time to time review the figures shown in this table and make adjustments where necessary.

Guy Butler has the right to offer a different price to different customers for the same instrument. The amount of mark-up may therefore vary according to the unique circumstances of a particular transaction. In any event, Guy Butler will ensure that the level of mark-up is appropriate and fair.