

# EXECUTION REPORT

1 JANUARY 2019 – 31 DECEMBER 2019

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## **Information on the top five execution venues and quality of execution obtained as required under Article 65(6) of the Commission Delegated Regulation of MiFID II (Markets in Financial Instruments Directive)**

The following report sets out our top five execution venues in terms of trading volumes for all client orders placed for execution per class of financial instrument traded during the period. We have chosen to report on all reportable asset classes in all regions. For reports relating to shares and depositary receipts, all data is split by tick-size sub-classes as at the time of producing this report. Where no tick size-sub class is available, the transactions are reported in (m) Other instruments.

## **An explanation of the relative importance given to the execution factors of price, cost, speed, likelihood of execution or any other consideration including quantitative factors when assessing the quality of execution:**

When executing an investment decision, we consider various execution factors to provide the best possible result for our clients on a consistent basis. The relative importance of the execution factors listed above will vary depending upon the following criteria:

- the characteristics of the financial instruments to which the order relates
- the portfolio manager's objectives
- the characteristics of the client, including categorisation
- the characteristics of the execution venues to which the order can be directed.

The most appropriate broker and/or venue are considered on an order-by-order basis.

## **A description of any close links, conflicts of interest, and common ownership with respect to execution venues used; or any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received:**

No approved broker or venue is an affiliate of Martin Currie and we do not receive any form of rebate, allowance, discount or refund from commission paid to a broker or execution venue.

## **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:**

We continuously monitor the effectiveness of our execution arrangements and review our execution factors and venues to ensure they can deliver the best possible result for our clients. The most appropriate broker and/or venue are considered on an order-by-order basis. All permanent changes to the approved broker list adhere to a strict take-on / take-off process. A full risk analysis is conducted before we add a new broker to our approved list.



The analysis can include an assessment of the broker's execution quality and reputation, a review of their financial strength, any regulatory breaches and their terms of business and execution policy.

Monitoring is conducted 'real time' by the trading team to ensure the best execution process has been followed to attain the best possible outcome. Portfolio managers will normally be consulted to ensure the outcome meets their expectations. Where monitoring identifies deficiencies or suboptimal outcomes, appropriate steps will be taken to correct these. Any deficiencies with brokers will be dealt with immediately and could result with them being removed, or temporarily suspended, from the approved broker list. Any changes to the execution process could take the form of new technology, changes to trading procedures or access to new execution venues. All of this is overseen by the Head of Trading and escalated to the Compliance Team and/or the Execution Committee as appropriate.

**An explanation of how order execution differs according to client categorisation, where categories of clients are treated differently and where it may affect the order execution arrangements:**

All our clients are categorised as professional clients.

**An explanation of how we have used data or tools relating to the quality of execution, including any RTS 27 reports published by execution venues or brokers:**

Both the Trading and Compliance teams regularly monitor execution quality using a range of quantitative and qualitative data including transaction cost analysis ('TCA') from a third-party provider. Overall during the period, our monitoring has not raised any concerns over our ability to obtain best execution on behalf of our clients. We have also analysed relevant broker RTS 27 reports but to date, have been unable to attain any meaningful conclusions that would alter our execution routing decisions.


**TOP FIVE EXECUTION VENUES WHEN PLACING AN ORDER FOR EXECUTION (ARTICLE 65(6) REPORT)**
**(a) Equities – shares and depository receipts**
**(i) Tick size liquidity bands 5 and 6 (from 2000 trades per day)**

Class of Instrument	Equities – shares and depository receipts – Tick size liquidity bands 5 and 6				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
UBS AG LEI - BFM8T61CT2L1QCCEMIK50	17.09%	28.78%	N/A	N/A	N/A
Instinet Europe Limited LEI - 213800MXAKR2LA1VBM44	15.82%	12.65%	N/A	N/A	N/A
Merrill Lynch International Limited LEI - GGDZP1UYGU9STUHRDP48	14.93%	9.79%	N/A	N/A	N/A
Morgan Stanley & Co. International PLC LEI - 4PQUHN3JPF GFNF3BB653	14.14%	8.94%	N/A	N/A	N/A
Macquarie Capital (Europe) Limited LEI - 549300GX4FPMFF91RJ37	9.79%	16.29%	N/A	N/A	N/A



## (ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)

Class of Instrument	Equities – shares and depository receipts – Tick size liquidity bands 3 and 4				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Robert W. Baird & Co. Incorporated LEI - 549300772UJAHRD6LO53	24.48%	0.47%	N/A	N/A	N/A
UBS AG LEI - BFM8T61CT2L1QCCEMIK50	19.48%	32.28%	N/A	N/A	N/A
Morgan Stanley & Co. International PLC LEI - 4PQUHN3JPFGFNF3BB653	11.90%	2.61%	N/A	N/A	N/A
Instinet Europe Limited LEI - 213800MXAKR2LA1VBM44	9.07%	12.13%	N/A	N/A	N/A
Merrill Lynch International Limited LEI - GGDZP1UYGU9STUHRDP48	8.20%	14.46%	N/A	N/A	N/A

**(iii) Tick size liquidity bands 1 and 2 (from 0 to 79 trades per day)**

Class of Instrument	Equities – shares and depository receipts – Tick size liquidity bands 1 and 2				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
UBS AG LEI - BFM8T61CT2L1QCEMIK50	22.77%	25.21%	N/A	N/A	N/A
Morgan Stanley & Co. International PLC LEI - 4PQUHN3JPF GFNF3BB653	15.83%	10.73%	N/A	N/A	N/A
Instinet Europe Limited LEI - 213800MXAKR2LA1VBM44	12.19%	10.92%	N/A	N/A	N/A
Macquarie Capital (Europe) Limited LEI - 549300GX4FPMFF91RJ37	10.29%	19.12%	N/A	N/A	N/A
Merrill Lynch International Limited LEI - GGDZP1UYGU9STUHRDP48	9.17%	11.26%	N/A	N/A	N/A

**An explanation of the relative importance given to the execution factors in relation to equities:**

In determining the appropriate execution venue and method of trading, we will consider the reason for the order, the size of the order relative to liquidity, together with any specific instructions of the portfolio manager (including limit price). While price will normally be the most important factor, market impact and the likely speed of execution may on occasions have greater relevance.

**(g) Equity Derivatives**

Class of Instrument	Equity Derivatives				
Notification if <1 average trade per business day in the previous year	Y				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
UBS AG LEI - BFM8T61CT2L1QCEMIK50	100%	100%	N/A	N/A	N/A

**An explanation of the relative importance given to the execution factors in relation to equity derivatives:**

In determining the appropriate execution venue and method of trading, price and the likelihood of execution will normally be the most important factors. Only one venue has been recorded for equity derivatives due to the limited volumes of trading in this asset class during 2019. We have access to other trading venues but during 2019, we found the use of the one execution venue to provide best execution on each occasion.

**(k) Exchange Traded Products**

Class of Instrument	Exchange Traded Products				
Notification if <1 average trade per business day in the previous year	Y				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Credit Suisse Securities (Europe) Limited LEI - DL6FFRRLF74S01HE2M14	48.11%	35.85%	N/A	N/A	N/A
UBS AG LEI - BFM8T61CT2L1QCEMIK50	26.90%	41.51%	N/A	N/A	N/A
BOFA Securities, Inc LEI - 549300HN4UKV1E2R3U73	21.27%	9.43%	N/A	N/A	N/A
Merrill Lynch International Limited LEI - GGDZP1UYGU9STUHRDP48	1.56%	1.89%	N/A	N/A	N/A
Jefferies LLC LEI - 58PU97L1C0WSRCWADL48	1.31%	1.89%	N/A	N/A	N/A

**An explanation of the relative importance given to the execution factors in relation to exchange traded products:**

In determining the appropriate execution venue and method of trading, price will normally be the most important factor. On occasions, market impact and the likely speed of execution may have greater relevance.

**(m) Other Instruments**

Class of Instrument	Other instruments				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Morgan Stanley & Co. International PLC LEI - 4PQUHN3JPF GFNF3BB653	29.33%	20.25%	N/A	N/A	N/A
Instinet Europe Limited LEI - 213800MXAKR2LA1VBM44	10.77%	10.31%	N/A	N/A	N/A
Merrill Lynch International Limited LEI - GGDZP1UYGU9STUHRDP48	10.60%	8.36%	N/A	N/A	N/A
Macquarie Capital (Europe) Limited LEI - 549300GX4FPMFF91RJ37	9.31%	10.29%	N/A	N/A	N/A
UBS AG LEI - BFM8T61CT2L1QCEMIK50	7.70%	9.21%	N/A	N/A	N/A

**An explanation of the relative importance given to the execution factors in relation to other instruments:**

In determining the appropriate execution venue and method of trading, we will consider the reason for the order, the size of the order relative to liquidity, together with any specific instructions of the portfolio manager (including limit price). While price will normally be the most important factor, market impact and the likely speed of execution may on occasions have greater relevance.