

Gresham House Asset Management Limited

Best Execution Annual Report 2019 (Article 65(6))

1 Introduction

The MiFID II regulations requires Gresham House Asset Management Limited (“GHAM”) to provide on an annual basis, for each class of financial instruments traded by the firm, the top five execution venues used for the preceding year.

The below qualitative information is applicable to trading undertaken by GHAM in reportable instruments during the period 1 January 2019 to 31 December 2019. The quantitative information relating to the 65(6), execution via a broker is also provided within this document.

2 Qualitative Report

2.1 Relative importance of execution factors

GHAM transmits orders primarily in relation to Equities. Total consideration, speed and likelihood of execution of the total order remain the top considerations in the use of brokers to execute client orders. To achieve the best possible results, GHAM always seeks to obtain the best price in aggregate for the instruments traded from top quality brokers. The firm monitors the results obtained to ensure the best possible outcome is obtained.

2.2 Close links, conflicts of interests, and common ownerships

GHAM underlying funds held shares in Finncap Group plc (0.53%) and Numis Corporation (0.14%) at 31 December 2019. GHAM ensures that all transactions, including those placed with these entities, are executed in line with its Best Execution Policy. GHAM regularly monitors transactions with all brokers to ensure any potential conflicts of interest are effectively mitigated.

No other conflicts or links to report.

2.3 Payments or other arrangements with execution venues

GHAM does not receive payments, discounts, rebates or non-monetary benefits as part of any special arrangements with the brokers with whom it places orders. This is in line with MiFID II rules on Inducements. Winterfloods Business Securities Ltd (“WBS”) also provided custody services to GHAM’s clients. All payments made to WBS were proper fees necessary for the provision of the portfolio management service to our clients.

2.4 Changes to the list of Execution Venues

One new broker was added during 2019, Turner Pope Investments Limited.

2.5 Order execution across client categories

GHAM acted for professional clients only in 2019. All clients are treated in the same manner.

2.6 Precedence of other execution factors in executing retail client orders

Not applicable as GHAM did not act for retail clients in 2019.

2.7 Use of any data or tools relating to execution quality

In August 2019, GHAM introduced Bloomberg’s Transaction Cost Analysis (BTCA) solutions across the asset classes traded by the firm and this tool is used by the Compliance Department to demonstrate and monitor our order execution policy and help ensure that we remain compliant.

2.8 Use of the output of a consolidated tape provider (where applicable)

GHAM did not use any output of a consolidated tape provider.

ARTICLE 65(6) DISCLOSURES

Article 65(6) disclosures cover all GHAM trading placed with Brokers/Counterparties.

| Class of Instrument | Equities- Tick size liquidity band 1 - 2 | | | | |
|--|--|--|------------------------------|---------------------------------|-------------------------------|
| Notification if <1 average trade per business day in the previous year | Y | | | | |
| Top 5 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 |
| Winterflood Securities Limited - 8BRUP6V1DX3PIG2R0745 | 22.12% | 19.97% | 0% | 0% | 0% |
| Cantor Fitzgerald Europe - 549300KM6VUHPKQLQX53 | 15.75% | 2.60% | 0% | 0% | 0% |
| Shore Capital Stockbrokers Limited - 2138009KZO3MK7TV6372 | 12.67% | 4.51% | 0% | 0% | 0% |
| Cenkos Securities - 213800ALVRC52VN3I821 | 12.16% | 5.06% | 0% | 0% | 0% |
| Numis Securities Limited - 213800P3F4RT97WDSX47 | 10.34% | 25.17% | 0% | 0% | 0% |

This report is intended to enable our clients evaluate the quality of GHAM's execution practices and is a regulatory requirement.

The relative importance of each of the execution factors within our dealing process will vary depending upon a number of criteria, including the characteristics of the client, the order, the financial instrument and execution venue.

Each trade that is placed with our brokers is inherently unique in its characteristics. The relative importance of the execution factors is therefore variable.

The most important factors for equities are likelihood of execution, price, cost and speed.

Each Order is handled on its own merit and transacted in line with our Best Execution Policy.

We added one broker in 2019 in order to ensure we can consistently obtain best execution.