

South River Asset Management Limited – RTS 28 Best Execution Report

As a discretionary management firm, South River Asset Management Limited (“SRAM”) is required to publish, on an annual basis, a statement of the top five Execution Venues by volume, for each class of financial instrument traded.

This report covers the period from 1st January 2018 to 31st December 2018.

In accordance with regulatory requirements this report is aimed at SRAM’s discretionary clients. It is also required to be publicly disclosed and SRAM has elected to make this report available on its website. The aim of this report is to provide meaningful information to our clients, so they can effectively assess the execution quality achieved by the firm during the year.

For the period under review the firm has two mandates that are subject to the RTS 28 reporting requirements, transacting in the public markets as follows:-

The first, a UCITS fund that invests in equity securities that have gold or precious metals exposure. The Fund invests in companies that have direct exposure to gold and/or precious metals or in companies worldwide whose core business is involved in the mining, refining, production and marketing of gold and/or precious metals. The Fund has the ability to invest in collective investment schemes up to a maximum of 10% of NAV. The Fund does not invest in derivatives other than through equity warrants received as part of an initial public offering.

The second is a discretionary cash management account which invests directly in money market instruments and other cash & deposits.

Disclosure of Asset Classes

The European Supervision and Markets Authority (ESMA) has defined thirteen different asset classes. In accordance with the investment mandates it has with clients, SRAM are active only in those asset classes indicated in the table below. There is no requirement on SRAM to specify the sub-classes of assets within which the firm is active.

| Asset Class | Sub-classes | |
|---|--|-----|
| Equities – shares and depositary receipts | (i) Tick size liquidity bands 5 and 6 (from 2000 trades per day) (ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day) (iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day) | Yes |
| Debt instruments | (i) Bonds (ii) Money markets instruments | Yes |

| | | |
|---|--|----|
| Currency derivatives | (i) Futures and options admitted to trading on a trading venue (ii) Swaps, forwards, and other currency derivatives | No |
| Equity derivatives | (i) Options and Futures admitted to trading on a trading venue (ii) Swaps and other equity derivatives | No |
| Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities) | (i) Options and Futures admitted to trading on a trading venue (ii) Other commodities derivatives and emission allowances derivatives | No |
| Other instruments (including OEICs, Unit Trusts and UCITS funds) | | No |

Top 5 venues for the execution of client orders

The following table shows the top 5 venues where SRAM executed orders for each of the asset classes in which we were active during the period under review.

| Class of Instrument | Equities | | | | |
|--|---|--|-------------------------------------|--|--------------------------------------|
| 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 number of traded as a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| | % | % | % | % | % |
| Canaccord Genuity Limited - ZBU7V5NIMN4ILRFC23 | 73.87 | 88.57 | NA | NA | NA |
| Peel Hunt LLP - 5493007DWN0R4YBM4C84 | 19.14 | 8.57 | NA | NA | NA |
| Patersons Securities Limited - 213800Z3MVLUUB93BX21 | 6.99 | 2.86 | NA | NA | NA |
| | | | | | |
| Class of Instrument | Debt Instruments | | | | |
| 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 number of traded as a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
|---|--|---|------------------------------|---------------------------------|-------------------------------|
| | % | % | % | % | % |
| King & Shaxson Limited - 213800ARTVZQSADRZ559 | 100.00 | 100.00 | NA | NA | NA |
| | | | | | |

The following table provides a summary of the analysis and conclusions drawn from the monitoring of the quality of execution obtained on the execution venues where SRAM has executed all client orders

| Requirement under Article 3(3) of RTS 28 | Response |
|---|--|
| a) 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; | <p>SRAM's execution factors and execution criteria are contained within our Best Execution and Order Handling policy.</p> <p>SRAM selected venues for the following reasons with respect of each asset class.</p> <p>Equities Canaccord Genuity Limited secured the highest proportion of orders as the broker has wide coverage, low cost, good service and operational efficiency and there are no concerns with general quality of execution.</p> <p>Fixed Income King & Shaxson secured 100pct of the orders as they offer an efficient service and wide coverage in money market issues at the required nominal transaction size for the particular volumes traded.</p> |
| b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders; | There are no close links, conflicts of interest, and common ownerships with respect to any execution venues used to execute orders. |
| c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received; | SRAM has no specific arrangements in place with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received. |
| d) 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; | This is the first report that has been put together and there are no changes to our list of execution venues. |
| e) an explanation of how order execution differs according to client categorization, where the firm treats categories of clients differently and where it may affect the order execution arrangements; | SRAM's Order Execution Policy can be located here: http://www.southernriveram.com/legal-regulatory-information/ At present SRAM only have one categorisation, namely Professional which corresponds to the firm's current scope of permission. |

| | |
|---|--|
| <p>f) 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;</p> | <p>SRAM does not execute retail client orders so this factor does not apply.</p> |
| <p>g) an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Commission Delegated Regulation (EU) 2017/575 [RTS 27];</p> | <p>SRAM uses data from Bloomberg to monitor best execution by its brokers on a post-trade basis.</p> |
| <p>h) 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.</p> | <p>Not applicable.</p> |