

## **Top 5 Execution Venues | April 2020**

**Based on trades executed between 1 January 2019 - 31 December 2019**

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# **Seilern Investment Management Ltd.**

## Introduction

Seilern Investment Management Ltd (hereinafter as “SIM”, “we”, “our”) is authorised and regulated by the Financial Conduct Authority (the “FCA”). SIM has in place an Order Execution Policy (“the Policy”) which is available [here](#). The Policy is updated at least annually or when a material change is proposed. The Policy applies to SIM’s professional clients and to all financial instruments dealt in the course of carrying out investment management business in the European Economic Area (the “EEA”).

On an annual basis, SIM is required to publish a disclosure on the execution venues we use for each class of MiFID II financial instrument and other specific information on the quality of execution in accordance with the requirements of Regulatory Technical Standard 28 (RTS 28) of the MiFID II Regulations and Article 65(5) of the MiFID II Delegated Regulations.

This report identifies the top five execution venues where we execute client orders in the preceding year detailing the trading volumes and the quality of these execution venues. The report will assess our best execution decisions quantitatively and qualitatively.

## Quantitative Assessment

SIM trades in two types of financial instruments:

- i. Equities, which are traded via its execution brokers; and
- ii. Foreign exchange forwards, which are executed by the funds’ depository in a passive hedging program or by the segregated mandates’ custodians. We do not trade currencies on any execution venue but enter into bi-lateral FX contracts. Consequently, FX is solely traded for hedging purposes.

SIM operates only on discretionary mandates; as such clients will not give SIM specific client instructions in relation to their orders. SIM as the investment advisor is responsible for the investment decisions for and on behalf of its client. SIM will therefore never accept or take a directed order, nor will it accept any instructions to route orders to a client’s preferred venue.

In the past year, SIM has only processed market orders on a high touch basis. Thus, giving mandate to the execution broker to find the best or most adequate venue to execute its orders in a speedy manner, as previously mentioned. The result is that the entirety of SIM’s orders tends to be aggressive orders. The broker has various means to execute an order by either entering an order manually, match a buy or sell in his own book or use an algorithmic function. For future reference, SIM may also, at its discretion, enter price orders, good till cancel orders, day orders or volume orders that may be construed as either passive or aggressive orders.

Ranking	1	2	3	4	5
Class of instruments	Equities	Equities	Equities	Equities	Equities
Name of venue	Sanford C. Bernstein & Co. LLC	Redburn (Europe) Limited	Jefferies LLC	Sanford C. Bernstein Limited	Jefferies International Ltd.
MIC or LEI	549300I7JYZHT7D5CO04	213800PKEJQZQXQCOJ04	58PU97L1C0WSRCWADL48	54930049G8WQ50OUSD19	S5THZMDUJCTQZBTRVI98
Proportion of volume traded as a percentage of total in that class	62.61%	22.68%	12.29%	0.47%	1.94%
Proportion of orders executed as percentage of total in that class	40.96%	23.88%	28.35%	2.24%	4.57%
Passive orders	0%	0%	0%	0%	0%
Aggressive orders	100%	100%	100%	100%	100%
Directed orders	0%	0%		0%	
Notification if <1 average trade per business day in the previous year	NO	NO	NO	NO	NO

Period from 1 January 2019 to 31 December 2019

Proportion of Orders Executed: Deals in a specific stock with a specific broker. For SIM, this is the number of trades

Volume of Orders Traded: The market value of all orders in that asset class, placed with a specific broker. For SIM this is the gross consideration.

#### Definitions

- i. A passive order, or if the order is transacted a passive fill, happens when you add liquidity to the market. This happens when a trader enters a bid below the offer price or enters an offer above the bid price. The advantage of entering passive orders is that the trader is not giving up the spread in price.
- ii. An aggressive stock market order is one that removes liquidity posted to the books. Usually an aggressive order crosses the Bid– Ask spread. In other words, an aggressive buy order will be priced on the offer or higher, and an aggressive sell order will be priced on the bid or lower.
- iii. Directed Order is a customer order to buy or sell securities, wherein the customer gives specific instructions to the broker or dealer for the order to be routed to a particular exchange or venue for execution. SIM operates on a discretionary basis and does not take any directed orders.

## Qualitative Assessment

### **The relative importance SIM gave to the execution factors including qualitative factors when assessing the quality of execution.**

The orders that are sent to the trading desk all have a unique character that is determined by the investment team that originate the orders. At SIM, we consider all execution factors, but in most cases the price achieved, and costs incurred will be the primary execution considerations. However, in circumstances where we are trading a less liquid security, the sourcing of liquidity in the appropriate size and likelihood of execution may be of equal importance as the price and cost. There may also be instances whereby speed to market and the ability to complete an order quickly are of increased importance.

### **Conflict of interest, common ownerships with respect to any execution venue**

SIM has no close links nor direct shareholding between SIM and its brokers. There are currently no conflicts of interests nor any soft commission agreements between SIM and its brokers.

### **Specific arrangements with any execution venue**

There are no specific arrangements between SIM and any of the execution venues it may use. SIM uses intermediaries to operate on these exchanges and as such SIM does not receive any discounts, any rebate or any other non-monetary benefit.

### **Factors that may have led to a change in the execution venues**

Brokers are subject to ongoing monitoring process based on our Broker and Other Trading Intermediaries Policy. This includes, but is not limited to, the brokers credit worthiness, financial stability, a review of the performance of execution services by the broker and the brokers ability to trade effectively on behalf of SIM. Over the course of the next year, this monitoring will also include the RTS 27 and RTS 28 submissions published by the relevant execution venues as well as reviewing each Brokers FCA authorisation together with its financial reports, conflict of interest policies and Best Execution reports and policies as they become available.

SIM's prime concern and aim is the protection of its clients interest. In using a high touch process, SIM delegates market entry to its brokers in order to yield a swift execution as close as to the intended price. SIM has not changed its brokers in the considered year.

### **Order execution differences according to client categorisation**

SIM only operates for and on behalf of institutional and professional investors. It does not differentiate between the clients, each of which is treated equally on all stages of the investment process.

### **Data or tools used to assess the quality of execution including any data published under Delegated Regulation (EU) 2017/575 (RTS 27)**

SIM uses broker TCA reports and in-house analysis by the firm's trader to assess the quality of its execution. In addition, SIM has acquired a third-party TCA provider in order for SIM to produce our own

TCA report. The provider will monitor the firm's trading performance to conduct an analysis of orders and executions down to depth of market available and volumes around the times of trade to assess how SIM achieves best execution. The RTS 28 reports will be constructed by the TCA provider for the subsequent year who will provide SIM with best execution reports including Overall Execution Quality Reports and Outlier Reports of trading activity.

**Use of a consolidated tape provider established under Article 65 of Directive 2014/65/EU**

This is not applicable as SIM does not use the service of a consolidated tape provider.

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