

Top 5 Execution Venues | April 2021

Based on trades executed between 1 January 2020 - 31 December 2020

Seilern Investment Management Ltd.

1. Introduction

Seilern Investment Management Ltd (hereinafter as “the Firm” “SIM”, “we”, “our”) is authorised and regulated by the Financial Conduct Authority (the “FCA”). SIM has in place a Best Execution Policy (“the Policy”) which is available on our website [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 used 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 orders have been executed 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.

2. 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’ depositary 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 manager and 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.

SIM are not affiliated with any broker, bank or venue, allowing full flexibility to select trading partners on the basis of best execution. All brokers placed on SIM’s Approved Broker List “ABL”, are subject to initial and ongoing due diligence monitoring. As SIM invests primarily in OECD listed equities, we ensure that brokers are fully compliant with the Markets in Financial Instruments Directive (MiFID II) as well as being regulated by a recognised competent regulatory body such as the Financial Conduct Authority (FCA) or the U.S. Securities and Exchange Commission (SEC). SIM is not a member of any regulated exchange and consequently will not deal directly with an exchange, but on an agency, basis will deal via a broker that is generally an exchange member. When operating as agent, the broker will send the order to other execution venues and does not take on any financial risk on to their own balance sheet to fill the order. This can also be referred to as riskless principal trading. The responsibility for best execution is applied to the counterparty, and for SIM to oversee the execution.

Client type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Professional	Placement/transmission	Equities - Shares & Depository Receipts (T12)	01/01/2020	31/12/2020	Y
Top five investment firms 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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SANFORD C. BERNSTEIN & CO., LLC 549300I7JYZHT7D5CO04	100	100	0.00	0.00	0.00

Client type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Professional	Placement/transmission	Equities - Shares & Depository Receipts (T34)	01/01/2020	31/12/2020	N
Top five investment firms 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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SANFORD C. BERNSTEIN & CO., LLC 549300I7JYZHT7D5CO04	48.23	47.05	0.00	0.00	0.00
JEFFERIES INTERNATIONAL LIMITED S5THZMDUJCTQZBTRVI98	30.48	33.84	0.00	0.00	0.00
REDBURN (EUROPE) LIMITED 213800PKEJQZQXQCOJ04	21.06	18.68	0.00	0.00	0.00
TFS DERIVATIVES LIMITED 549300WXUYR1CMLDQF25	0.23	0.43	0.00	0.00	0.00

Client type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Professional	Placement/transmission	Equities - Shares & Depository Receipts (T56)	01/01/2020	31/12/2020	N
Top five investment firms 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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SANFORD C. BERNSTEIN & CO., LLC 549300I7JYZHT7D5CO04	51.26	49.24	0.00	0.00	0.00
REDBURN (EUROPE) LIMITED 213800PKEJQZQXQCOJ04	31.01	30.26	0.00	0.00	0.00
JEFFERIES INTERNATIONAL LIMITED S5THZMDUJCTQZBTRVI98	17.23	19.82	0.00	0.00	0.00
TFS DERIVATIVES LIMITED 549300WXUYR1CMLDQF25	0.5	0.68	0.00	0.00	0.00

Source: Data provided by Liquid Metrix

- 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 order.

3. Qualitative Assessment

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

Due to the liquid nature of the majority of equity orders, for orders of a normal market size, SIM places the highest importance on price plus costs, including implicit costs. There are a number of parameters to consider when executing an order. These are specific to the order itself, the size of the order relative to the average daily volume in the stock at that point in time; the market conditions for the stock, its sector, or the market generally; and factors that might impact the market during the period of execution. Against this backdrop, and in the context of the execution factors, each order is assessed by the trading desk to determine the relative importance of the execution factors.

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

SIM places emphasis on ensuring that brokers with which it conducts business maintain high standards in the services they provide. Reviews of counterparties are based on SIM's own internal analysis of their performance and will also take into consideration the execution information supplied by the counterparty. Where a counterparty informs us of changes to their Best Execution Policy or any other information previously supplied as part of our due diligence, we will review those changes.

Should there be any significant event which SIM may deem has compromised a broker's ability to act in the best interest of its clients, SIM will act promptly to remove that counterparty from the approved list until such time that a thorough investigation has taken place. Only once SIM is fully satisfied with the outcome of such investigation, the counterparty's place on the approved list will be reinstated. As part of its due diligence obligations, SIM keeps abreast of any news flow or market commentary concerning the brokers on its ABL and conducts ongoing monitoring for credit and financial issues which may concern them. There has been no change to the brokers included on SIM's Approved Broker List 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 proprietary data, vendor-based data and TCA systems, as well as data provided provided by executing brokers to assess the effectiveness of SIM's execution framework

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

SIM does not use the service of a consolidated tape provider.

Disclaimer

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