

Execution Quality Report

| | |
|-------------------------------------|---|
| Period from | 01 January 2018 |
| Period to | 31 December 2018 |
| River and Mercantile Group Division | River and Mercantile Asset Management LLP |
| Legal Entity Identifier | 213800HIGHFCAY9K8Z97 |

Introduction

This report covers the activities of River and Mercantile Asset Management LLP (**RAMAM**) which is a subsidiary of River and Mercantile Group Plc. This report has been prepared for the purposes of Regulatory Technical Standard 28 (**RTS 28**) supplementing Directive 2014/65/EU (**MiFID II**) and covers the period between 1 January 2018 and 31 December 2018, inclusive (**the Relevant Period**).

This report sets out information on the identity of RAMAM's top five execution venues and counterparties for the Relevant Period as well as the quality of execution achieved for clients.

Pursuant to MiFID II RAMAM trades as a Professional Client and on an agency basis for its clients (and does not deal as principal), so no information relating to retail activities is provided.

Top 5 Execution Counterparties

| Class of Instrument | Equity - Shares & Depository Receipts Liquidity Bands 5-6 | | | |
|---|--|-------------------|-------------------------------|---------------------------|
| <1 Average trade per business day | N | | | |
| Top 5 Counterparties ranked in terms of trading volumes | | Volume Traded (%) | Proportion of Orders Executed | Directed Trade (% Volume) |
| UBS AG | BFM8T61CT2L1QCEMIK50 | 16.3% | 10.9% | 0.0% |
| Citigroup Global Markets Limited | XKZZ2JZF41MRHTR1V493 | 8.4% | 9.3% | 0.0% |
| Jefferies International Limited | S5THZMDUJCTQZBTRV198 | 8.1% | 8.7% | 0.0% |
| RBC Europe Limited | TXDSU46SXBWIGJ8G8E98 | 7.6% | 8.0% | 0.0% |
| Investment Technology Group | 213800EEC95PRUCEUP63 | 6.8% | 7.4% | 0.0% |

| Class of Instrument | Equity - Shares & Depository Receipts Liquidity Bands 3-4 | | | |
|---|--|-------------------|-------------------------------|---------------------------|
| <1 Average trade per business day | N | | | |
| Top 5 Counterparties ranked in terms of trading volumes | | Volume Traded (%) | Proportion of Orders Executed | Directed Trade (% Volume) |
| Liquidnet Europe Limited | 213800ZIRB79BE5XQM68 | 16.0% | 9.6% | 0.0% |
| Numis Securities Limited | 213800P3F4RT97WDSX47 | 8.9% | 5.1% | 0.0% |
| Investment Technology Group | 213800EEC95PRUCEUP63 | 8.2% | 5.5% | 0.0% |
| Investec Bank PLC | 8450VF8TSMHoT6D4K848 | 7.4% | 6.3% | 0.0% |
| Peel Hunt LLP | 5493007DWN0R4YBM4C84 | 6.2% | 7.9% | 0.0% |

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| Class of Instrument | Equity - Shares & Depository Receipts Liquidity Bands 1-2 | | | |
|---|--|-------------------------------|---------------------------|--|
| <1 Average trade per business day | N | | | |
| Top 5 Counterparties ranked in terms of trading volumes | Volume Traded (%) | Proportion of Orders Executed | Directed Trade (% Volume) | |
| Citigroup Global Markets Limited | XKZZ2JZF41MRHTR1V493 17.8% | 15.9% | 0.0% | |
| UBS AG | BFM8T61CT2L1QCEMIK50 9.7% | 7.6% | 0.0% | |
| Jefferies International Limited | S5THZMDUJCTQZBTRV198 8.3% | 9.6% | 0.0% | |
| Atlantic Equities LLP | 213800327M9B4D9S1553 6.2% | 5.4% | 0.0% | |
| J.P. Morgan Securities PLC | K6QoW1PS1L1O4lQL9C32 5.6% | 3.6% | 0.0% | |

| Class of Instrument | Other Instruments Equity - Shares & Depository Receipts falling outside ESMA's tick size liquidity bands | | | |
|---|---|-------------------------------|---------------------------|--|
| <1 Average trade per business day | N | | | |
| Top 5 Counterparties ranked in terms of trading volumes | Volume Traded (%) | Proportion of Orders Executed | Directed Trade (% Volume) | |
| Citigroup Global Markets Limited | XKZZ2JZF41MRHTR1V493 13.2% | 8.9% | 0.0% | |
| BTG Pactual US Capital, LLC | 549300EUEDL5GKQW8U35 12.5% | 14.8% | 0.0% | |
| Jefferies International Limited | S5THZMDUJCTQZBTRV198 11.1% | 12.8% | 0.0% | |
| Credit Suisse Securities (Europe) Limited | DL6FFRRLF74S01HE2M14 9.0% | 8.4% | 0.0% | |
| Itau BBA USA Securities, Inc. | 5493008E85XK12EKY122 6.8% | 8.4% | 0.0% | |

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| Class of Instrument | Exchange Traded Products | | | |
|---|--------------------------|-------------------------------|---------------------------|------|
| <1 Average trade per business day | Y | | | |
| Top 5 Counterparties ranked in terms of trading volumes | Volume Traded (%) | Proportion of Orders Executed | Directed Trade (% Volume) | |
| Credit Suisse Securities (Europe) Limited | DL6FFRRLF74S01HE2M14 | 41.1% | 47.6% | 0.0% |
| UBS AG | BFM8T61CT2L1QCEMIK50 | 28.5% | 9.8% | 0.0% |
| J.P. Morgan Securities PLC | K6Q0W1PS1L1O4IQL9C32 | 17.1% | 3.7% | 0.0% |
| Barclays Capital Securities Limited | K9WDOH4D2PYBSLSOB484 | 6.7% | 1.2% | 0.0% |
| Citigroup Global Markets Limited | XKZZ2JZF41MRHTR1V493 | 5.8% | 34.1% | 0.0% |

| Class of Instrument | Currency Derivatives - Swaps, forwards, and other currency derivatives | | | |
|---|--|-------------------------------|---------------------------|------|
| <1 Average trade per business day | Y | | | |
| Top 5 Counterparties ranked in terms of trading volumes | Volume Traded (%) | Proportion of Orders Executed | Directed Trade (% Volume) | |
| The Bank of New York Mellon | HPFHU0OO28E4NoNFVK49 | 39.7% | 31.1% | 0.0% |
| JPMorgan Chase Bank | 7H6GLXDRUGQFU57RNE97 | 31.7% | 31.5% | 0.0% |
| The Northern Trust Company | 6PTKHDJ8HDUF78PFWH30 | 25.7% | 35.9% | 0.0% |
| UBS AG | BFM8T61CT2L1QCEMIK50 | 2.8% | 1.2% | 0.0% |
| Morgan Stanley & Co. International PLC | 4PQUHN3JPFGFNF3BB653 | 0.02% | 0.2% | 0.0% |

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| Class of Instrument | Debt Instruments - Bonds | | | |
|---|--------------------------|-------------------|-------------------------------|---------------------------|
| <1 Average trade per business day | Y | | | |
| Top 5 Counterparties ranked in terms of trading volumes | | Volume Traded (%) | Proportion of Orders Executed | Directed Trade (% Volume) |
| BNY Mellon Capital Markets | 213800O5FBGOWU8gLN14 | 100.0% | 100.0% | 0.0% |

| Class of Instrument | Equity Derivatives - Options and Futures admitted to trading on a trading venue | | | |
|---|---|-------------------|-------------------------------|---------------------------|
| <1 Average trade per business day | Y | | | |
| Top 5 Counterparties ranked in terms of trading volumes | | Volume Traded (%) | Proportion of Orders Executed | Directed Trade (% Volume) |
| Morgan Stanley & Co. International PLC | 4PQUHN3JPFGFNF3BB653 | 60.7% | 35.7% | 0.0% |
| J.P. Morgan Securities PLC | K6QoW1PS1L1O4lQL9C32 | 39.3% | 64.3% | 0.0% |

| Class of Instrument | Equity Derivatives - Swaps and other equity derivatives | | | |
|---|---|-------------------|-------------------------------|---------------------------|
| <1 Average trade per business day | Y | | | |
| Top 5 Counterparties ranked in terms of trading volumes | | Volume Traded (%) | Proportion of Orders Executed | Directed Trade (% Volume) |
| J.P. Morgan Securities PLC | K6QoW1PS1L1O4lQL9C32 | 65.9% | 61.4% | 0.0% |
| Morgan Stanley & Co. International PLC | 4PQUHN3JPFGFNF3BB653 | 34.1% | 38.6% | 0.0% |

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| Class of Instrument | Interest rate derivatives - Futures and options admitted to trading on a trading venue | | | |
|---|--|-------------------------------|---------------------------|------|
| <1 Average trade per business day | Y | | | |
| Top 5 Counterparties ranked in terms of trading volumes | Volume Traded (%) | Proportion of Orders Executed | Directed Trade (% Volume) | |
| Morgan Stanley & Co. International PLC | 4PQUHN3JPFGFNF3BB653 | 53.7% | 45.8% | 0.0% |
| J.P. Morgan Securities PLC | K6QoW1PS1L1O4lQL9C32 | 46.3% | 54.2% | 0.0% |

Qualitative analysis and conclusion on the quality of execution obtained for the purpose of RTS 28

- Equities - Shares, Depository Receipts & Exchange Traded Securities

| RTS 28, Article 3(3) | |
|---|---|
| <p>(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> | <p>RAMAM is required to ensure that the best possible result is obtained on a consistent basis whether directly executing or transmitting client orders to third parties for execution. What constitutes the best possible result varies depending on the relative importance given to the execution factors for the class of financial instrument executed.</p> <p>Price, costs, the likelihood of execution, latency, as well as settlement were given the most importance when executing transactions during the Relevant Period. The remaining execution factors such as; liquidity, size, as well as the nature of the order were also given consideration where orders were being executed in less liquid stocks, or the order represented a high proportion of the daily volume (measured over various periods).</p> <p>Other relevant considerations included clients' specific instructions.</p> |
| <p>(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders</p> | <p>RAMAM had no close links with, or common ownership of any execution venue or counterparty in the Relevant Period. There were no conflicts of interest with venues or counterparties which impacted RAMAM's ability to deliver best execution for its clients.</p> |

| | |
|--|---|
| <p>(c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received</p> | <p>RAMAM does not receive payments, discounts, rebates or non-monetary benefits in regards to its trading arrangements. RAMAM has adopted processes that demonstrate careful consideration and control around execution and research costs. RAMAM has undertaken to pay for research costs post MiFID II.</p> |
| <p>(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</p> | <p>RAMAM's approved list of counterparties and venues has recently increased to accommodate a number of newly traded financial instruments.</p> <p>Counterparties and venues remain on RAMAM's approved list subject to approval and the results of RAMAM's ongoing monitoring, which includes, but is not limited to, looking at the counterparty's credit worthiness and financial stability, performance of execution and suitability in relation to the overall execution process (straight through process).</p> |
| <p>(e) an explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements</p> | <p>RAMAM trades as a Professional Client and on an agency basis for its clients. RAMAM does not treat categories of clients differently.</p> |
| <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> | |

(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

RAMAM's has used independent TCA (transaction cost analysis) providers to assist with the firm's monitoring of best execution.

(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.

This is not applicable, as there were no consolidated tape providers (CTPs) during the Relevant Period.

▪ **Currency Derivatives - Swaps, forwards, and other currency derivatives**

| RTS 28, Article 3(3) Reference | |
|---|---|
| <p>(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> | <p>In accordance with RAMAM’s Best Execution Policy, the ranking of the Execution Factors is typically as follows:</p> <ul style="list-style-type: none"> ▪ Price ▪ Likelihood of execution and settlement ▪ Costs - implicit and explicit ▪ Liquidity and size ▪ Speed / latency <p>RAMAM executed transactions in highly liquid currency derivatives, directly on a MTF, and as such price was given the highest importance.</p> |
| <p>(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders</p> | <p>RAMAM had no close links with, or common ownership of any execution venue or counterparty in the Relevant Period. There were no conflicts of interest with venues or counterparties which impacted on RAMAM’s ability to deliver best execution for its clients.</p> |
| <p>(c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received</p> | <p>RAMAM does not receive payments, discounts, rebates or non-monetary benefits in regards to its trading arrangements.</p> |

| | |
|--|---|
| <p>(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</p> | <p>No changes were made to RAMAM’s approved list of venues and counterparties during the Relevant Period.</p> |
| <p>(e) an explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements</p> | <p>RAMAM had no close links with, or common ownership of any execution venue or counterparty in the Relevant Period. There were no conflicts of interest with venues or counterparties which impacted on RAMAM’s ability to deliver best execution for its clients.</p> |
| <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>RAMAM trades as a Professional Client and on an agency basis for its clients. Order execution does not differ across different categories of clients.</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</p> | <p>Transactions are monitored using venue reports provided by RAMAM’s TCA provider. The reports allows RAMAM to assess its quality of execution as well as the performance of its venues and counterparties.</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>This is not applicable, as there were no consolidated tape providers (CTPs) during the Relevant Period</p> |

This table covers the following classes of financial instruments:

- Debt Instruments – Bonds
- Equity Derivatives – Swaps and other equity derivatives
- Interest Rates Derivatives – Futures and Options admitted to trading on a trading venue

| RTS 28, Article 3(3) Reference | |
|---|--|
| (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>When executing transactions in liquid instruments, the ranking of the Execution Factors is typically as follows:</p> <ul style="list-style-type: none"> ▪ Price ▪ Costs ▪ Speed ▪ Likelihood execution <p>Consideration is also given to any governing documentation which is in place.</p> |
| (b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders | <p>RAMAM does not receive payments, discounts, rebates or non-monetary benefits in regards to its trading arrangements.</p> |
| (c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received | |

| | |
|--|---|
| <p>(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</p> | <p>No changes were made to RAMAM’s approved list of venues and counterparties during the Relevant Period.</p> |
| <p>(e) an explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements</p> | <p>RAMAM trades as a Professional Client and on an agency basis for its clients. Order execution does not differ across different categories of clients.</p> |
| <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>(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</p> | <p>RAMAM uses quantitative and qualitative data such as; live price feeds at the time of trading well as best execution reports from venues and counterparties to monitor the quality of its execution.</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>This is not applicable, as there were no consolidated tape providers (CTPs) during the Relevant Period</p> |