

Majedie Asset Management Limited

Annual Top Five Broker Report: April 2018

Majedie Asset Management Limited (Majedie) is an independent investment boutique that actively manages equities for institutional investors, wealth managers and endowments across a range of UK and Global Strategies.

All investment firms are required to publish appropriate information about the firm, its services, and the entities chosen for execution, as per the requirements detailed in the Regulatory Technical Standards of MiFID ii.

This report details the top five investment firms, in terms of trading volumes where Majedie transmitted or placed client orders for execution in 2017.

Majedie operates with a segregated dealing desk who are responsible for placing orders for execution in the market. Broker selection and strategy used is determined taking in a number of execution factors, which are dependent on the specific characteristics of the order, the asset class, the counterparties available for said order, and the market conditions at the time. While the execution factors may vary depending on the order at hand, for each asset class we have detailed below those factors which would usually have greater relative importance.

All orders are treated the same regardless of client categorisation. Majedie does not transmit or execute orders for retail investors.

Regulatory requirements provide that the focus for best execution is to take all sufficient steps for obtaining the best possible result for clients on an ongoing basis. We make our Order Execution Policy, which sets out our order placement and execution arrangements, available to view on our website.

Majedie only places orders to be executed with approved counterparties. A list of approved counterparties on which we place significant reliance on meeting best execution on a consistent basis is available in the annex of the Order Execution Policy.

Majedie has a governance committee in place, the Dealing Oversight Committee, attended by senior investment, compliance and risk employees, who oversee all issues relating to dealing in portfolio securities.

Equities: shares & depositary receipts

Class of instrument	Equities				
Notification if <1 average trade per business day in the previous year	No				
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 orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs International W22LROWP2IHZNBB6K528	18.8	20.6	n/a	n/a	n/a
Liquidnet Europe 213800ZIRB79BE5XQM68	11.8	17.0	n/a	n/a	n/a
Instinet Europe Limited 213800MXAKR2LA1VBM44	6.4	9.9	n/a	n/a	n/a
UBS Limited REYPIEJN7XZHSUI0N355	5.9	8.0	n/a	n/a	n/a
Citigroup Global Markets Limited XKZZ2JZF41MRHTR1V493	5.8	9.8	n/a	n/a	n/a

Notes to the table:

- The above table represents trading for all equities over 2017, including non-EEA securities.

<p>Investment firms are required to publish, for each class of financial instruments, a summary of the analysis and conclusions that they draw from their detailed monitoring of the quality of execution obtained on the execution venues where they executed all client orders in the previous year.</p> <p>The below table details Majedie’s approach against each of the requirements for equities, shares and depositary receipts.</p>	
<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 comparison to other asset classes, there is generally a higher availability of liquidity and price discovery for equities. For liquid equities, we would ordinarily expect total consideration (price plus costs of execution, implicit and explicit), to have a high degree of importance relative to other relevant factors.</p> <p>For less liquid equities, such as small cap stocks where there are lower volumes of trading, we may place more emphasis on the likelihood of execution - the ability to find liquidity. It is important to note that each order is unique in its characteristics, while market conditions are not constant – and as such, the relative importance of the execution factors may vary.</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>We do not have any close links, conflicts of interest, or material common ownerships with respect to equity trading counterparties. We have policies and procedures to identify, monitor and mitigate potential conflicts of interest.</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>We do not have specific arrangements with our counterparties regarding payments made or received, discounts, rebates or non-monetary benefits received.</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 such change.</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>Order execution does not differ according to client categorisation.</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>Majedie does not execute retail client orders.</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 Delegated Regulation (EU) 2017/575 [RTS 27];</p>	<p>Majedie makes use of a transaction cost analysis tool to review and monitor execution quality. The tool allows both the dealing and compliance teams to review broker performance and the effectiveness of different strategies. All equity orders go through the system.</p> <p>Data published under Delegated Regulation (EU) 2017/575 was not available in 2017.</p>
<p>(h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider</p>	<p>Not applicable</p>

Contracts for difference (CFD)

Class of instrument	CFD				
Notification if <1 average trade per business day in the previous year	No				
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 orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs International W22LROWP2IHZNBB6K528	56.4	54.0	n/a	n/a	n/a
HSBC Bank PLC MP6I5ZYZBEU3UXPYFY54	43.6	46.0	n/a	n/a	n/a

Notes to the table:

- We achieve synthetic short positions in equities through the use of CFD in the Majedie Tortoise funds.
- Please see the Order Execution Policy (www.majedie.com/library) for further details on how CFDs are handled.

<p>Investment firms are required to publish, for each class of financial instruments, a summary of the analysis and conclusions that they draw from their detailed monitoring of the quality of execution obtained on the execution venues where they executed all client orders in the previous year. The below table details Majedie’s approach against each of the requirements for contracts for difference.</p>	
<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>We use CFDs to achieve synthetic short positions in equities.</p> <p>In comparison to other asset classes, there is generally a higher availability of liquidity and price discovery for equities. For liquid equities, we would ordinarily expect total consideration (price plus costs of execution, implicit and explicit), to have a high degree of importance relative to other relevant factors.</p> <p>For less liquid equities, such as small cap stocks where there are lower volumes of trading, we may place more emphasis on the likelihood of execution - the ability to find liquidity.</p> <p>It is important to note that each order is unique in its characteristics, while market conditions are not constant – and as such, the relative importance of the execution factors may vary.</p> <p>In certain markets CFD dealing must be conducted through the ISDA counterparty.</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>We do not have any close links, conflicts of interest, or material common ownerships with respect to equity trading counterparties. We have policies and procedures to identify, monitor and mitigate potential conflicts of interest.</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>We do not have specific arrangements with our counterparties regarding payments made or received, discounts, rebates or non-monetary benefits received.</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 such change.</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>Order execution does not differ according to client categorisation.</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>Majedie does not execute retail client orders.</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 Delegated Regulation (EU) 2017/575 [RTS 27];</p>	<p>Majedie makes use of a transaction cost analysis tool to review and monitor execution quality. The tool allows both the dealing and compliance teams to review broker performance and the effectiveness of different strategies. All equity orders, including CFDs, go through the system.</p> <p>Data published under Delegated Regulation (EU) 2017/575 was not available in 2017.</p>
<p>(h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider</p>	<p>Not applicable.</p>

Currency derivatives: forwards and other currency derivatives

Class of instrument	Currency forwards				
Notification if <1 average trade per business day in the previous year	No				
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 orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
HSBC Bank PLC MP6I5ZYZBEU3UXPYFY54	55.5	78.0	n/a	n/a	n/a
Goldman Sachs International W22LROWP2IHZNBB6K528	44.5	22.0	n/a	n/a	n/a

Notes to the table:

- In 2017, we used foreign exchange forwards for two reasons: share class currency hedging, and selective hedging of currency exposures at portfolio level.

<p>Investment firms are required to publish, for each class of financial instruments, a summary of the analysis and conclusions that they draw from their detailed monitoring of the quality of execution obtained on the execution venues where they executed all client orders in the previous year. The below table details Majedie’s approach against each of the requirements for currency derivatives: swaps, forwards and other currency derivatives.</p>	
<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>We use foreign exchange forwards for share class currency hedging, and selective hedging of currency exposures at portfolio level. Price and cost have high relative importance, while operational risk also impacts who we select as counterparties.</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>We do not have any close links, conflicts of interest, or material common ownerships with respect to equity trading counterparties. We have policies and procedures to identify, monitor and mitigate potential conflicts of interest.</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>We do not have specific arrangements with our counterparties regarding payments made or received, discounts, rebates or non-monetary benefits received.</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>During 2017, for certain funds we began share class hedging and selective portfolio level hedging. As such, we expanded existing trading channels at Goldman Sachs and HSBC to assist with these procedures.</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>Order execution does not differ according to client categorisation.</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</p>	<p>Majedie does not execute retail client orders.</p>

in delivering the best possible result in terms of the total consideration to the client;	
(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 Delegated Regulation (EU) 2017/575 [RTS 27];	Assurance on price relies on the use of published FIX reference prices, with an agreed spread.
(h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider	Not applicable.

Debt instruments: bonds

Class of instrument	Bonds				
Notification if <1 average trade per business day in the previous year	Yes				
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 orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Bank of New York UK 213800O5FBGOWU89LN14	83.7	75.0	n/a	n/a	n/a
ICAP Securities Limited 213800NMEZS3MD2IUP33	16.3	25.0	n/a	n/a	n/a

Notes to the table:

- We do not trade in fixed income for speculative purposes. We deal in government debt, such as UK gilts, for cash management purposes.
- Over 2017 we dealt in UK gilts.

<p>Investment firms are required to publish, for each class of financial instruments, a summary of the analysis and conclusions that they draw from their detailed monitoring of the quality of execution obtained on the execution venues where they executed all client orders in the previous year. The below table details Majedie’s approach against each of the requirements for debt instruments: bonds.</p>	
<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>We do not deal in fixed income for speculative purposes. We source liquidity from our approved counterparties, through auction, and as such likelihood of execution generally takes precedence for order handling in this asset class.</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>We do not have any close links, conflicts of interest, or material common ownerships with respect to equity trading counterparties. We have policies and procedures to identify, monitor and mitigate potential conflicts of interest.</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>We do not have specific arrangements with our counterparties regarding payments made or received, discounts, rebates or non-monetary benefits received.</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 such changes.</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>Order execution does not differ according to client categorisation.</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</p>	<p>Majedie does not execute retail client orders.</p>

in delivering the best possible result in terms of the total consideration to the client;	
(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 Delegated Regulation (EU) 2017/575 [RTS 27];	Due to the nature and method of dealing in bonds such as UK gilts, we do not use a transaction cost analysis tool for this asset class.
(h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider	Not applicable.

Equity derivatives: options and futures admitted to a trading on a trading venue

Class of instrument	Options				
Notification if <1 average trade per business day in the previous year	Yes				
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 orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs International W22LROWP2IHZNBB6K528	100.0	100.0	n/a	n/a	n/a

Notes to the table:

- We make use of exchange traded options for investment purposes and/or hedging purposes for efficient portfolio management within the Majedie Tortoise funds.
- Over 2017 the only index options traded were put options on the S&P 500 index.

<p>Investment firms are required to publish, for each class of financial instruments, a summary of the analysis and conclusions that they draw from their detailed monitoring of the quality of execution obtained on the execution venues where they executed all client orders in the previous year. The below table details Majedie’s approach against each of the requirements for equity derivatives: options and futures admitted to trading on a trading venue.</p>	
<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>For trading in equity index options, speed and likelihood of execution are generally of 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>We do not have any close links, conflicts of interest, or material common ownerships with respect to equity trading counterparties. We have policies and procedures to identify, monitor and mitigate potential conflicts of interest.</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>We do not have specific arrangements with our counterparties regarding payments made or received, discounts, rebates or non-monetary benefits received.</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 such change.</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>Order execution does not differ according to client categorisation.</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</p>	<p>Majedie does not execute retail client orders.</p>

terms of the total consideration to the client;	
(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 Delegated Regulation (EU) 2017/575 [RTS 27];	We do not use a transaction cost analysis tool for this asset class.
(h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider	Not applicable.

Other instruments: collective investment schemes

Class of instrument	Other – collective investment schemes				
Notification if <1 average trade per business day in the previous year	Yes				
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 orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Bank of New York Mellon (International) Limited 549300KP56LL8NKKFL47	100%	100%	n/a	n/a	n/a

Notes to the table:

- The above table details the administrator for the Majedie UK Smaller Companies Fund, which is a UCITS and a sub-fund of the umbrella company, Majedie Asset Management Investment Fund Company Limited.
- The Majedie Asset Management UK Equity Fund and segregated mandates invest in the Majedie UK Smaller Companies Fund in order to gain exposure to smaller companies without needing to hold each individual underlying security.
- The Majedie UK Smaller Companies Fund does not have a secondary market listing.

<p>Investment firms are required to publish, for each class of financial instruments, a summary of the analysis and conclusions that they draw from their detailed monitoring of the quality of execution obtained on the execution venues where they executed all client orders in the previous year. The below table details Majedie’s approach against each of the requirements for collective investment schemes.</p>	
<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>Not applicable.</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>Majedie Asset Management Limited is the Authorised Corporate Director of the sub-fund, Majedie UK Smaller Companies Fund. The Bank of New York Mellon is the appointed administrator. Please see the Prospectus on www.majedie.com/library for further details.</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>Not applicable.</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 such change.</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>Order execution does not differ according to client categorisation.</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</p>	<p>Majedie does not execute retail client orders.</p>

terms of the total consideration to the client;	
(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 Delegated Regulation (EU) 2017/575 [RTS 27];	Not applicable.
(h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider	Not applicable.