

Marlborough Investment Management International Limited (MIMIL)

Annual Best Execution Disclosure (RTS 28) for calendar year 2020

On an annual basis, MIMIL is required to provide disclosures regarding the execution venues utilised for each asset class and certain other information on the quality of execution. This information must be made publically available, in line with the requirements of Regulatory Technical Standard 28 (RTS 28) of the Markets in Financial Instruments II (MiFID II) regulations. The aim of RTS 28 reporting is to promote transparency for our clients, thereby enabling them to better understand where their orders have been executed and the overall quality of order execution.

During 2020, MIMIL placed orders for two entities only, the **Marlborough Technology Fund** and the **MFM Techinvest Special Situations Fund**. MIMIL no longer acts as investment manager to those entities. While it was investment manager, MIMIL categorised the Funds as Professional Clients. Clients of MIMIL are treated equally with the exception of instances whereby execution instructions are dictated by the client. MIMIL does not have any Retail Clients.

MIMIL's **Best Execution Policy** describes the principles and approach we follow when we execute orders in financial instruments. These principles are designed to ensure MIMIL takes all sufficient steps to obtain the best possible result for our clients.

During 2020, all client orders placed by MIMIL were for equity instruments. All orders were placed with regulated stockbrokers. A full list of eligible stockbrokers is included in MIMIL's Best Execution Policy. The list of approved stockbrokers is reviewed regularly and may change over time. Any amendments to the approved stockbrokers list take into account a number of factors including the cost of execution, the execution performance of the counterparty and the reputational and regulatory standing of the entity.

MIMIL does not receive payments, discounts, rebates or other monetary benefits relating to its trading arrangements. It is MIMIL's policy that other services (other than execution) offered by a stockbroker, such as company research, are paid for by MIMIL directly and not by its clients. MIMIL does not receive such services from stockbrokers unless they are considered of minor, non-monetary benefit and are not linked to trading activity.

MIMIL may, on behalf of its clients, invest in entities who are or whose sub entities include trading counterparties. However, this would not have any influence on the choice of counterparty for a particular order. For the avoidance of doubt, at the time of issuance of this disclosure, neither MIMIL nor its clients hold investments in any entities or parent firm of entities that are on its approved stockbroker list.

When determining the strategy for placing orders, MIMIL takes into consideration a number of execution factors dependent on the characteristics of the order and the prevailing market conditions. In determining the relative importance of execution factors, MIMIL also takes into account the objectives of each client, the specific instruments involved and the execution venues or counterparties (stockbrokers) available for that particular order.

Orders raised by MIMIL's portfolio managers are placed with appropriate approved counterparties for execution. In order to obtain the best possible result, the following factors are taken into account: price, cost of execution, size of transaction, speed of execution, likelihood of execution, counterparty risk and other specific considerations relevant to the transaction.

The price and cost of completing an order are normally the determining factors influencing the choice of counterparty for that order. However, in some cases, the speed or certainty of completion of the order may take a higher priority. This is particularly true for illiquid instruments where the size of the order is large relative to the total average daily volume traded for that instrument.

MIMIL makes appropriate use of RTS 27 and RTS 28 reports published by execution venues and counterparties as part of its analysis of existing approved venues and possible alternative venues. In addition, MIMIL records and monitors trading outcomes as part of its ongoing compliance monitoring programme. For the year ended calendar 2020, MIMIL considers it has met its obligation to take all sufficient steps to achieve the best possible result for its clients on a consistent basis.

MIMIL will provide a copy of this report to its clients in compliance with its obligations under MiFID II. In addition, this report is published on our website.

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RTS 28 Disclosure

1st January 2020 – 31st December 2020

RTS 28 requires that MIMIL list the top five execution venues/counterparties for each type of asset class traded. During calendar 2020, MIMIL placed orders for equity assets only (see the table below). The trades below relate to professional clients only. MIMIL placed no trades for retail clients during the period.

Equities – Shares & Depositary Receipts – Tick size liquidity bands 1 and 2 (from 0 to 79 trades per day)

Notification if <1 average trade per business day in the previous year						
	Yes					
Top five execution venues in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Percentage of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders	
BofA Securities (549300HN4UKV1E2R3U73)	79.86%	66.15%	N/A	N/A	0.00%	
FinnCap (213800DSWHX26RRA1N75)	12.39%	19.27%	N/A	N/A	0.00%	
Davy (63540061DPCBNMCGRY22)	2.95%	4.17%	N/A	N/A	0.00%	
Shore Capital (2138009KZO3MK7TV6372)	2.23%	5.21%	N/A	N/A	0.00%	
Panmure Gordon (213800GM8RB7MS4L3Z24)	1.45%	1.56%	N/A	N/A	0.00%	

Equities – Shares & Depositary Receipts – Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)

Notification if <1 average trade per business day in the previous year		Yes				
Top five execution venues in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Percentage of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders	
Goodbody (635400IL71G3SXS7OE16)	100%	100%	N/A	N/A	0.00%	

Equities – Shares & Depositary Receipts – Tick size liquidity bands 5 and 6 (from 2000 trades per day)

Notification if <1 average trade per business day in the previous year		Yes				
Top five execution venues in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Percentage of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders	
BofA Securities (549300HN4UKV1E2R3U73)	94.32%	93.94%	N/A	N/A	0.00%	
FinnCap (213800DSWHX26RRA1N75)	5.68%	6.06%	N/A	N/A	0.00%	

Other Instruments

Notification if <1 average trade per business day in the previous year						
	Yes					
Top five execution venues in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Percentage of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders	
BofA Securities (549300HN4UKV1E2R3U73)	100.00%	100.00%	N/A	N/A	0.00%	

Definitions:

“Passive Order” is an order entered into the order book that provided liquidity - as all orders that MIMIL executes are placed with brokers and not directed this has been deemed to be out of scope in accordance with RTS28.

“Aggressive Order” is an order entered into the order book that took liquidity - as all orders that MIMIL executes are placed with brokers and not directed this has been deemed to be out of scope in accordance with RTS28.

“Directed Order” is an order where a specific execution venue was specified by the client prior to the execution of the order – as all orders that MIMIL executes are placed with brokers and not directed to a specific execution venue.

“Volume Traded” Investment Association: By volume we understand the regulation to mean market value.

“Orders Executed” A deal in a specific stock with a specific broker: number of orders.