

## **Annual qualitative disclosure on the quality of execution obtained**

**Sloane Robinson LLP**

**Disclosure Period: 01/01/2019 to 31/12/2019**

Sloane Robinson LLP ("SR") is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("FCA") as an Alternative Investment Fund Manager ("AIFM") under the EU Alternative Investment Fund Managers Directive ("AIFMD") under which authorisation SR manages a range of Alternative Investment Funds ("AIFs"). SR also has permission under the AIFMD to carry out portfolio management activities under the EU Markets in Financial Instruments Directive ("MiFID") in respect of segregated managed account clients.

As part of the best execution requirements under MiFID, investment firms are required to provide various disclosures in respect of the venues used for the execution of transactions they have undertaken on behalf of clients to whom they provide MiFID services ("Quantitative Disclosures"), together with certain information on the quality of execution obtained in respect of such transactions ("Qualitative Disclosures" and together with the Quantitative Disclosures being the "Disclosures"). The Disclosures are required to be made in respect of 22 sub-classes of financial instruments specified in the MiFID reporting requirements.

This report constitutes the Qualitative Disclosures in respect of the transactions undertaken by SR during 2019 on behalf of clients to whom it provides MiFID portfolio management services. This report should be read with the accompanying Quantitative Disclosures for 2019 which detail:

- (1) The top five execution brokers (by trading volume) with whom client orders were placed for execution during the period; and
- (2) The top five execution venues (by trading volume) where client orders were executed directly during the period.

SR's Quantitative Disclosure and Qualitative Disclosure have been prepared in accordance with the reporting template and other requirements specified under the relevant MiFID regulatory technical standards, and in respect of the relevant sub-classes of financial instruments detailed below. To the extent that a sub-class of financial instrument specified in the MiFID reporting requirements was not traded on behalf of MiFID clients during the period, it is not detailed in the Disclosures.

Please note that the Disclosures only provide information in respect of SR's MiFID activities; they do not include any transaction details in respect of services provided by SR to its AIF clients and the Disclosures should therefore not be considered as being representative of SR's wider trading activities during the period.

**1) Class of Financial Instrument:**

**(i) Equities – Shares and Depositary Receipts;**

**(ii) Exchange Traded Products**

<b>RTS 28 / Art. 65(6) requirement:</b>	<b>Details:</b>
<p>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>SR will generally execute orders in equity instruments and exchange traded products indirectly by placing orders with brokers, but may on occasion also execute such orders directly.</p> <p>Generally, for equities and exchange traded products, the ranking of the best Execution Factors is as follows:</p> <ol style="list-style-type: none"><li>1. Price</li><li>2. Likelihood of execution</li></ol> <p>The remaining Execution Factors (costs, speed, size and nature of order) are generally given equal ranking.</p> <p>There may be certain circumstances where a different ranking of the best Execution Factors will apply, for example:</p> <ul style="list-style-type: none"><li>• The less liquid and transparent the market, the more price will need to be balanced against other factors including the likelihood of execution, speed and the minimisation of market impact. SR will also have to decide whether obtaining a number of quotes before it trades in a market where there are very few counterparties is in itself likely to move the market price in a manner which is not consistent with obtaining the best possible result for the client.</li><li>• In certain markets which are difficult to access (for example certain emerging and frontier markets) the ability of a broker to access and operate effectively in the relevant market will be an important factor.</li><li>• In some markets and circumstances, price volatility may mean that timeliness of execution is a key factor.</li></ul>

Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues/brokers used to execute orders.	SR does not have any close links, common ownership or similar relationships that would give rise to any conflicts of interests with any of the execution venues or brokers used.
Description of any specific arrangements with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.	SR has no specific arrangements to report in relation to any execution venues or brokers regarding payments made or received, discounts, rebates or non-monetary benefits received, for the avoidance of doubt, with the exception of payments made to brokers in connection with the provision of research services.
Explanation of the factors that led to a change in the list of execution venues/brokers listed in the firm's execution policy, if such a change occurred.	In selecting execution venues/brokers for inclusion on SR's Authorised Execution Broker List, a number of factors are taken into account with the intention of obtaining on a consistent basis the best possible result for the execution of client orders. Such factors include the broker's market coverage, product range, access to liquidity, ability to provide execution, responsiveness and settlement and reporting capabilities. Brokers may be removed for various reasons, for example because they are not being used, because the costs of maintaining an active relationship with them are too high, because of regulatory issues or concerns about the solvency of the broker, or because they have ceased trading or merged with another broker, or otherwise altered their service as to no longer be useful to SR. It is noted that during the period, additions were made to the Authorised Execution Broker List to add additional trading capability in particular markets, and/or to remove brokers who were no longer being actively used.
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.	Not applicable as SR only deals with Professional Clients.
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.	Not applicable as SR does not deal with Retail Clients.

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].	SR uses price feed data and intra-day ranges to establish market prices. SR uses market data and a third-party transaction cost analysis tool to assist in its analysis of execution quality obtained.
Explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.	SR has not used the output of any Consolidated Tape Providers in its execution quality analysis.
Summary of analysis and conclusions.	<p>The quality of each individual execution is monitored at the time by SR's dealing desk. Portfolio managers will also review the standard to which their orders have been executed. SR's Best Execution Committee further reviews executions against reporting to identify exceptions and potential issues and to assess the effectiveness of the order execution arrangements.</p> <p>SR considers that it acted in accordance with its applicable best execution obligations and in accordance with the firm's Order Execution Policy during the period.</p>

## 2) Class of Financial Instrument:

(i) Equity Derivatives – Swaps and Other Equity Derivatives;

(ii) Equity Derivatives – Options and Futures Admitted to Trading on a Trading Venue

RTS 28 / Art. 65(6) requirement:	Details:
<p>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>SR will execute orders in OTC equity derivatives directly with a counterparty under an ISDA or other applicable trading documentation. SR will generally execute orders in listed equity derivatives indirectly by placing orders with brokers. It is noted that for derivative transactions, the key determinant of the counterparties/venues available to SR for the execution of such transactions is the appointments made and contractual arrangements put in place by the relevant client(s). In some cases, only a single counterparty may have been appointed or authorized by a client.</p> <p>Generally, for equity derivatives, the ranking of the best Execution Factors is as follows:</p> <ol style="list-style-type: none"><li>1. Price</li><li>2. Likelihood of execution</li></ol> <p>The remaining Execution Factors are generally given equal ranking.</p> <p>There may be certain circumstances where a different ranking of the best Execution Factors will apply for example:</p> <ul style="list-style-type: none"><li>• The less liquid and transparent the market, the more price will need to be balanced against the likelihood of execution, the minimisation of market impact and the willingness of a counterparty to put its balance sheet at risk. SR will also have to decide whether obtaining a number of quotes before it trades in a market where there are very few counterparties is in itself likely to move the market price in a manner which is not consistent with obtaining the best possible result for the client.</li></ul>

	<ul style="list-style-type: none"> <li>• To the extent that a range of counterparties has been authorised by a client, the number of counterparties we approach may in any event be restricted where there is a need to maintain confidentiality of our trading intentions</li> <li>• In some markets and circumstances, price volatility may mean that timeliness of execution is a key factor.</li> </ul>
Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues/brokers used to execute orders.	SR does not have any close links, common ownership or similar relationships that would give rise to any conflicts of interests with any of the execution venues or brokers used.
Description of any specific arrangements with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.	SR has no specific arrangements to report with any execution venues or brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.
Explanation of the factors that led to a change in the list of execution venues/brokers listed in the firm's execution policy, if such a change occurred.	It is noted that in respect of derivatives, the key determinant of the venues/counterparties available to SR for the execution of such transactions is the appointments made and contractual arrangements put in place by the relevant client(s).
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.	Not applicable as SR only deals with Professional Clients.
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.	Not applicable as SR does not deal with Retail Clients.
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].	SR uses price feed data to establish market prices. SR uses market data and where applicable a third-party transaction cost analysis tool to assist in its analysis of execution quality obtained.

<p>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>SR has not used the output of any Consolidated Tape Providers in its execution quality analysis.</p>
<p>Summary of analysis and conclusions.</p>	<p>The quality of each individual execution is monitored at the time by SR's dealing desk. Portfolio managers will also review the standard to which their orders have been executed. SR's Best Execution Committee further reviews executions against reporting to identify exceptions and potential issues and to assess the effectiveness of the order execution arrangements.</p> <p>SR considers that it acted in accordance with its applicable best execution obligations and in accordance with the firm's Order Execution Policy during the period.</p>

### 3) Class of Financial Instrument:

#### Currency Derivatives – Swaps, Forwards and Other Currency Derivatives

RTS 28 / Art. 65(6) requirement:	Details:
<p>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>SR will execute orders in currency derivatives directly with a counterparty under an ISDA or other trading documentation. It is noted that for derivative transactions, the key determinant of the counterparties/venues available to SR for the execution of such transactions is the appointments made and contractual arrangements put in place by the relevant client. In some cases, only a single counterparty may have been appointed or authorized by a client.</p> <p>Generally, for currency derivatives, the ranking of the best Execution Factors is as follows:</p> <ol style="list-style-type: none"><li>1. Price</li><li>2. Likelihood of execution</li></ol> <p>The remaining Execution Factors are generally given equal ranking.</p> <p>There may be certain circumstances where a different ranking of the best Execution Factors will apply for example:</p> <ul style="list-style-type: none"><li>• The less liquid and transparent the market, the more price will need to be balanced against the likelihood of execution, the minimisation of market impact and the willingness of a counterparty to put its balance sheet at risk. SR will also have to decide whether obtaining a number of quotes before it trades in a market where there are very few counterparties is in itself likely to move the market price in a manner which is not consistent with obtaining the best possible result for the client.</li><li>• To the extent that the client has authorised/appointed more than one counterparty, the number of counterparties we approach may be restricted in any event where there is a need to maintain confidentiality of our trading intentions</li></ul>



	<ul style="list-style-type: none"> <li>• In some markets and circumstances, price volatility may mean that timeliness of execution is a key factor.</li> </ul>
Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues/brokers used to execute orders.	SR does not have any close links, common ownership or similar relationships that would give rise to any conflicts of interests with any of the execution venues or brokers used.
Description of any specific arrangements with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.	SR has no specific arrangements to report with any execution venues or brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.
Explanation of the factors that led to a change in the list of execution venues/brokers listed in the firm's execution policy, if such a change occurred.	It is noted that in respect of derivatives, the key determinant of the venues/counterparties available to SR for the execution of such transactions is the appointments made and contractual arrangements put in place by the relevant client(s).
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.	Not applicable as SR only deals with Professional Clients.
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.	Not applicable as SR does not deal with Retail Clients.
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].	SR uses price feed data and intra-day ranges to establish market prices and market data to assist in its analysis of execution quality obtained.
Explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.	SR has not used the output of any Consolidated Tape Providers in its execution quality analysis.

<p>Summary of analysis and conclusions.</p>	<p>The quality of each individual execution is monitored at the time by SR's dealing desk. Portfolio managers will also review the standard to which their orders have been executed. SR's Best Execution Committee further reviews execution data to identify potential issues and to assess the effectiveness of the order execution arrangements.</p> <p>SR considers that it acted in accordance with its applicable best execution obligations and in accordance with the firm's Order Execution Policy during the period.</p>
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#### 4) Class of Financial Instrument:

##### Debt Instruments – Money Markets Instruments

RTS 28 / Art. 65(6) requirement:	Details:
<p>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>SR will execute orders in debt instruments directly with a counterparty on its Authorised Execution Broker List.</p> <p>In general, SR will trade in debt instruments in order to diversify cash holdings. As such, transactions will typically be in highly liquid government securities. The ranking of the best Execution Factors is as follows:</p> <ol style="list-style-type: none"><li>1. Price</li></ol> <p>The remaining Execution Factors are generally given equal ranking.</p> <p>It is noted that transactions in debt instruments are undertaken relatively infrequently and, as such, all other factors being equal, a counterparty with whom SR and the relevant client have well established connectivity and processes is likely to be selected.</p>
<p>Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues/brokers used to execute orders.</p>	<p>SR does not have any close links, common ownership or similar relationships that would give rise to any conflicts of interests with any of the execution venues or brokers used.</p>
<p>Description of any specific arrangements with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.</p>	<p>SR has no specific arrangements to report with any execution venues or brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.</p>
<p>Explanation of the factors that led to a change in the list of execution venues/brokers listed in the firm's execution policy, if such a change occurred.</p>	<p>In selecting execution venues/brokers for inclusion on SR's Authorised Execution Broker List, a number of factors are taken into account with the intention of obtaining on a consistent basis the best possible result for the execution of client orders. Such factors include the broker's market coverage, product range, access to liquidity, ability to provide execution, responsiveness and settlement and reporting capabilities.</p>

	Brokers may be removed for other reasons, for example because they are not being used, because the costs of maintaining an active relationship with them are too high, because of regulatory issues or concerns about the solvency of the broker, or because they have ceased trading or merged with another broker, or otherwise altered their service as to no longer be useful to SR. It is noted that during the period, additions were made to the Authorised Execution Broker List to add additional trading capability in particular markets, and/or to remove brokers who were no longer being actively used.
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.	Not applicable as SR only deals with Professional Clients.
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.	Not applicable as SR does not deal with Retail Clients.
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].	SR uses price feed data to establish market prices. SR uses market data to assist in its analysis of execution quality obtained.
Explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.	SR has not used the output of any Consolidated Tape Providers in its execution quality analysis.
Summary of analysis and conclusions.	The quality of each individual execution is monitored at the time by SR's dealing desk. Portfolio managers will also review the standard to which their orders have been executed. SR's Best Execution Committee further reviews execution data to identify potential issues and to assess the effectiveness of the order execution arrangements.

	SR considers that it acted in accordance with its applicable best execution obligations and in accordance with the firm's Order Execution Policy during the period.
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## 5) Class of Financial Instrument:

### Other instruments – Unlisted Investment Funds;

<b>RTS 28 / Art. 65(6) requirement:</b>	<b>Details:</b>
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.	For some clients, SR may invest in unlisted investment funds (such as UCITS and AIFs) to seek to achieve the client's investment objective. The units in such funds may not be listed and as such there will only be one possible ultimate execution venue, being the relevant fund, and the transaction will be undertaken by the custodian/broker at the prevailing unit price.
Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues/brokers used to execute orders.	SR may invest on behalf of clients in unlisted funds managed by SR. This is disclosed to the relevant clients and reflected in the client's mandate.
Description of any specific arrangements with any execution venues/brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.	SR has no specific arrangements to report in relation to any execution venues or brokers regarding payments made or received, discounts, rebates or non-monetary benefits received.
Explanation of the factors that led to a change in the list of execution venues/brokers listed in the firm's execution policy, if such a change occurred.	Not applicable given that there will only be one possible ultimate execution venue.
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.	Not applicable as SR only deals with Professional Clients.
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.	Not applicable as SR does not deal with Retail Clients.

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 considered applicable given that there will only be one possible ultimate execution venue, being the relevant fund, and all transactions are carried out at the prevailing unit price.
Explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.	The Firm has not used the output of any Consolidated Tape Providers in its execution quality analysis.
Summary of analysis and conclusions.	SR considers that it acted in accordance with its applicable best execution obligations and in accordance with the firm's Order Execution Policy during the period.