

MiFID II - Regulatory Technical Standards (RTS) – Best execution and Trading Venues
RTS 28/Art 65(6): Qualitative Report For the year ended 31 December 2019

We are required to provide a summary of the analysis and conclusions drawn from the detailed monitoring of the quality of execution obtained on the execution venues we used during the year 2019

| Requirement | Cantillon Response |
|---|---|
| (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>The relative importance of each of these factors within our dealing process will vary depending upon several criteria, including:</p> <ol style="list-style-type: none">1. the investment intent of the Investment Team once the decision to execute the order is confirmed;2. the characteristics of the specific trade, e.g. liquidity; and3. the characteristics of the execution venues which may be used <p>For single stock execution, Cantillon's low turnover allows the trading desk to focus on each individual order executed in the market from start to finish. At the end of each day the trading desk performs a transaction cost analysis to assess their performance against the original Arrival Price, i.e. the quoted market price at the time of order entry, and the Volume Weighted Average Price (VWAP).</p> <p>For programme trade execution, the effective execution of the entire programme is key, rather than individual stocks. The traders regularly monitor and review these arrangements to ensure that they continue to be appropriate. This is done by comparing individual programme trades on various metrics against our transaction cost analysis models.</p> <p>In order to achieve best execution, it may be appropriate to execute orders outside a regulated market or multilateral trading facility. These venues are offered through our approved brokers and include, but are not limited to, Systematic Internalisers (SIs) and</p> |

Foreign exchange transactions are generally executed with the respective clients' custodians (including The Northern Trust Company, State Street Bank, J.P. Morgan Chase Bank, and BNY Mellon) at the 4:00 pm (GMT) London Fix ("London Fix").

Rates are reviewed and then cross referenced between the custodians with whom Cantillon maintains a relationship, Bloomberg and the London Fix rates published by the World Markets Company. In the rare event that executed foreign exchange transactions are completed outside the London Fix, the rates are compared to Bloomberg and cross referenced between custodians.

(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders

Cantillon does not trade with any affiliates.
We have not identified any conflict of interest in respect of any execution venues we use

(c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received

Cantillon does not receive payments, discounts, rebates or non-monetary benefits in its trading arrangements.

(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

Brokerage firms remain on our list of execution venues subject to authorisation and an ongoing monitoring process, which includes, but is not limited to, the broker's credit worthiness and financial stability, a review of the performance of execution services provided by the broker, and the broker's ability to trade effectively on our clients' behalf.

(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

Cantillon clients invest via one of two pooled vehicles or via a separately managed account. Because Cantillon has professional clients only, order execution is the same for all our clients regardless of investment vehicle.

(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

Not applicable – Cantillon has professional clients only and does not trade retail client orders.

(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;

Cantillon uses an independent TCA (transaction cost analysis) provider to assist with a detailed monitoring of the quality of execution we obtain.

As part of our best execution monitoring procedures we have considered the data published under Commission Delegated Regulation (EU) 2017/575 by the trading venues we have used, those of our counterparties which operate as systematic internalisers and a sample of reports published by other execution venues which we do not currently utilise.

(h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider

Not applicable - there are currently no consolidated tape providers in Europe.

Class of Instrument Equities

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 percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
|---|---|--|---------------------------------|------------------------------------|----------------------------------|
| Morgan Stanley 4PQUHN3JPF GFNF3BB653 | 52.39% | 79.54% | N/A | N/A | N/A |
| Goldman Sachs FOR8UP27PHTHYVLBN30 | 15.57% | 16.78% | N/A | N/A | N/A |
| Atlantic Equities 213800327M9B4D9S1553 | 8.91% | 0.64% | N/A | N/A | N/A |
| Credit Suisse DL6FFRRLF74S01HE2M14 | 6.44% | 0.82% | N/A | N/A | N/A |
| Liquidnet 213800ZIRB79BE5XQM68 | 5.16% | 1.04% | N/A | N/A | N/A |

Class of Instrument Forward Foreign Exchange Currency Contracts

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 percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
|--|--|--|---------------------------------|------------------------------------|----------------------------------|
| Northern Trust 6PTKHDJ8HDUF78PFWH30 | 93.47% | 92.58% | N/A | N/A | N/A |
| Bank of New York Mellon HPFHU00Q28E4N0NFVK49 | 3.06% | 3.48% | N/A | N/A | N/A |
| Goldman Sachs W22LROWP2IHZNBB6K528 | 2.79% | 3.17% | N/A | N/A | N/A |
| State Street Bank 571474TGEMMWANRLN572 | 0.68% | 0.77% | N/A | N/A | N/A |

*For the year ended 31 December 2019, only four execution venues were accessed.