

Issued on: 1 May 2019

SECTOR INVESTMENT MANAGERS LTD

Devonshire House, One Mayfair Place, London W1J 8AJ

United Kingdom

Tel: +4420 7283 7711, Fax: +441374 454 716

Best Execution Report (RTS 28) **For the period 1 May 2018 – 30 April 2019**

Under Mifid II, we are required to strengthen our controls to enable us to identify any potential deficiencies which could prevent us from achieving Best Execution for our clients. Whilst historically we always sought to comply with our regulatory obligations and comply with our Best Execution Policy, since 3 January 2018, we have introduced additional procedures and policies and strengthened our controls to enable us to monitor and review our existing systems in order for us to not only comply with Mifid II but to also achieve, on a consistent basis, Best Execution for our clients.

Part of our new obligation under Mifid II also requires us to provide and report annually to our clients providing them with information in respect of our Best Execution Policy. The aim of this 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. This is known as an RTS 28/Art.65(6) Report (RTS 28 Report).

Within this report we are required to publish the top five execution venues where we execute client orders in the preceding year detailing the trading volumes and the quality of these execution venues. Please see RTS Annex 28 disclosures on the final page of the Report for this information.

Best Execution Policy

Our Best Execution Policy describes the principles and approach that we follow when we execute orders in financial instruments. The principles ensure that we take all sufficient steps to obtain the best possible result to provide our clients with Best Execution. The policy is reviewed annually or when a material change is proposed.

When reviewing the RTS 28 Report we would at all times refer our clients to our Best Execution Policy which is available free of charge and can be obtained either from our website www.sectorinvestments.com or by contacting us at ir@sectorinvestments.com.

Suitability

When managing investments in accordance with each client's mandate with us we will assume the Client has the necessary knowledge and experience to understand the risks involved and that they are able to bear the investment risks involved.

RTS 28 Report

Sector Investment Managers Ltd (SIM) is an investment firm providing investment advisory services for institutional clients, AIF and UCITS collective schemes, investing on their behalf in international equities.

Registered under No. 5119560 of the Companies House of England & Wales.

Authorised and regulated by the Financial Conduct Authority – No 400908

A list of Directors is available at the registered office address: Devonshire House, One Mayfair Place, London W1J 8AJ

Issued on: 1 May 2019

Financial Instrument: Equities – Shares

Q: Provide an explanation of the relative importance SIM gives to execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.

A: Due to availability of liquidity across a number of different venues and the availability of in depth price discovery, we place the highest importance on price and then costs associated with execution. With smaller capitalised equities and less liquid stocks, speed and likelihood of execution increase in priority but would be unlikely to replace price or cost as the most important factors.

Q: A description of any close links, conflicts of interest and common ownerships with respect to any execution venues used to execute orders.

A: We do not trade with any affiliates. Conflicts of interest are continually monitored and we are not aware of any in our trading history.

Q: A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

A: We do not have any specific arrangements with any execution venues regarding payments made or received and do not receive payments, discounts, rebates or non-monetary benefits.

Q: 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.

A: There have been two changes in execution venues during the period under review. Brokers are subject to on-going monitoring process, which includes, but is not limited to, their credit worthiness, financial stability, a review of the performance of execution services by the broker and the broker's ability to trade effectively on our client's behalf. This monitoring also includes a review of the RTS 27 and RTS 28 submissions published by the relevant execution venues as well as reviewing each broker's FCA authorisation together with its financial reports, Best Execution reports and policies, conflict of interest policies as they become available.

Q: 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.

A: All of our clients are treated the same.

Q: 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.

A: This is not applicable as we do not trade in retail client orders.

Q: An explanation of how any data or tools have been used relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575 (RTS 27).

A: Our Risk Committee undertakes a review of Best Execution at our execution venues monthly which assists with our monitoring of the quality of execution obtained on the execution venues where we execute/place execution orders for our clients. We monitor and analyse RTS 27 and RTS 28 submissions from our execution venues where relevant.

Q: Where applicable, an explanation of how output of a consolidated tape provider has been used.

*Registered under No. 5119560 of the Companies House of England & Wales.
Authorised and regulated by the Financial Conduct Authority – No 400908
A list of Directors is available at the registered office address: Devonshire House, One Maufair Place, London
W1J 8AJ*

Issued on: 1 May 2019

A: This is not applicable as there are currently no consolidated tape providers in Europe.

This report is provided to our clients in compliance with our Best Execution obligations under Mifid II and will be updated annually on our website.

Sector Investment Managers Ltd

1 May 2019

Issued on: 1 May 2019

RTS Annex 28 disclosures

We are only required to make disclosures in respect of our professional clients. As our current clients are an OEIC and a Unit Trust we disclose the following:

Class of Instrument	Equities - Shares
Notification if <1 average trade per business day in the previous year	Y

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
HARTLEYS	34.0%	34.0%	0%	0%	0%
SCOTIA BANK	28.1%	23.6%	0%	0%	0%
ARGONAUT SECURITIES	15.8%	22.6%	0%	0%	0%
GMP SECURITIES	13.2%	7.5%	0%	0%	0%
PARETO SECURITIES	8.9%	12.3%	0%	0%	0%

Definitions:

“Passive Order”: An order entered into the order book that provided liquidity – as all orders that SIM executes are placed with brokers and not directed this has been deemed to be out of scope in accordance with RTS 28.

“Aggressive Order”: An order entered into the order book that took liquidity - as all orders that SIM executes are placed with brokers and not directed this has been deemed to be out of scope in accordance with RTS 28.

“Directed Order”: An order where a specific execution venue was specified by the client prior to the execution of the order - as all orders that SIM executes are placed with brokers and not directed this has been deemed to be out of scope in accordance with RTS 28.

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

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