

FEROX CAPITAL LLP

Best Execution - RTS 28

Period: 1st January 2019 - 31st December 2019

One of the requirements under Directive 2014/65/EU ("MiFID") is for investment firms to publish information on the identity of execution venues where they executed client orders in the preceding year and the quality of execution obtained for each class of financial instrument. Detailed requirements are outlined in Regulatory Technical Standard 28 ("RTS 28") that supplements MiFID.

Ferox Capital LLP ("Ferox") is an EU Alternative Investment Fund Manager with ancillary ("top up") MiFID permissions. The scope of this report is therefore limited to summarising the top five execution venues in terms of financial instrument and trading volumes where Ferox transmitted or placed client orders with a broker for execution in the preceding year and does not include transactions where an order was executed directly with an execution venue or counterparty. It does not therefore cover convertible bond or OTC transactions which form part of the firm's strategy. It only relates to trades transmitted or placed for execution where Ferox is performing the top up MiFID activity of portfolio management.

This information is published on a best efforts basis.

Important Information

Relative Factor Importance

Best execution is the obligation on a firm to take all sufficient steps to obtain the best possible result when executing client orders or placing orders with other entities to execute. There are a number of execution factors to consider when delivering best execution including price, cost, speed, likelihood of execution and settlement, size and nature of the order. Ferox only provides investment services to professional clients and not retail clients. Across all financial instruments traded, price, cost and efficiency of execution are the most important factors Ferox takes into account when determining whether it has achieved best execution.

Venue Conflicts

Ferox does not execute transactions through parties connected to it through common ownership or control. BNP Paribas Securities Services provides Depositary services to Salar Fund Plc and Ferox Investments ICAV and BNP Paribas Fund Administration Services provides Administration services to Salar Fund Plc and Ferox Investments ICAV. Ferox may also use entities in the BNP Paribas Group as execution venues to execute orders. Where such entities are used they are done so on the basis that their execution service meets the price, cost and efficiency of execution factor criteria that Ferox prioritises for each class of financial instrument traded. No inducement arrangements exist between Ferox and the BNP Paribas Group.

Venue Payments

There are no specific arrangements regarding payments made or received with the execution venue. Ferox is unable to accept and retain any fees, commission, monetary or non-monetary benefits from third parties in performance of its portfolio management services other than minor non-monetary benefits or that constitute research which is paid for in an eligible manner. The only payments made to venues are those which are necessary for the provision of the investment service which cannot give rise to conflicts with the firm's duty to act honestly, fairly and professionally in the best interests of the client.

Execution Analysis Tools

First line monitoring is undertaken by the front office dealing team on a daily basis with an assessment of multiple prices/quotes, transaction cost, market price information and selection of execution venue prior to placing a transaction to ensure best price, cost and efficiency of execution is achieved.

Second line monitoring is undertaken by the Compliance Department who will review a random sample of transactions against market prices/quotes to ensure the best possible result was obtained.

A brokerage committee periodically reviews execution costs and execution venues by volume traded to assess whether best execution is achieved.

Conclusion

Based on our analysis of execution factors and the results achieved it is our view that the overall quality of execution is high.

| Class of Instrument | | | | (a) Equities - Shares & Depository Receipts (i) Tick size liquidity bands 5 and 6 (from 2000 trades per day) | |
|--|--|--|------------------------------|--|-------------------------------|
| Notification if < 1 average trade per business day in the previous year | | | | TRUE | |
| <u>Top five</u> 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 |
| BNP Paribas Arbitrage SNC 6EWKU0FGVX5QQJHFGT48 | 51% | 9% | | | |
| Citigroup Global Markets Limited XKZZZJZF41MRHTR1V493 | 12% | 25% | | | |
| Scotia Bank Europe PLC 5G6NVP4WADOI32VUUB17 | 7% | 26% | | | |
| JP Morgan Securities PLC K6Q0W1PS1L1O4IQL9C32 | 6% | 5% | | | |
| BNP Paribas ROMUWSFPU8MPRO8K5P83 | 5% | 4% | | | |

| Class of Instrument | | | | (a) Equities - Shares & Depository Receipts (ii) 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 | | | | TRUE | |
| <u>Top five</u> 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 |
| HSBC Bank plc MP6I5ZYBEU3UXPYFY54 | 46% | 30% | | | |
| Morgan Stanley & Co International PLC 4PQUHN3JPGFNF3BB653 | 45% | 20% | | | |
| Scotia Bank 549300BLWPABP1VNME36 | 4% | 20% | | | |
| Goldman Sachs & Co. LLC FOR8UP27PHTHVYLBNG30 | 3% | 10% | | | |
| Deutsche Bank Securities Corp - New York 9J6MBOOO7BECTDTUZW19 | 3% | 10% | | | |

| Class of Instrument | | | | (a) Equities - Shares & Depository Receipts (iii) 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 | | | | FALSE | |
| <u>Top five</u> 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 |
| Scotia Bank 549300BLWPABP1VNME36 | 29% | 71% | | | |
| Nomura International New York DGQCSV2PHVF7I2743539 | 11% | 3% | | | |
| UBS AG BFM8T61CT2L1QCCEMIK50 | 11% | 1% | | | |
| JP Morgan Securities - New York 7H6GLXDRUGQU57RNE97 | 7% | 1% | | | |
| BNP Paribas Securities (Asia) Limited 213800DJA4ZR21F9J77 | 6% | 2% | | | |

| Class of Instrument | | | | (c) Interest rates derivatives (i) Futures and options admitted to trading on a trading venue | |
|--|--|--|------------------------------|---|-------------------------------|
| Notification if < 1 average trade per business day in the previous year | | | | TRUE | |
| <u>Top five</u> 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 |
| BNP Paribas ROMUWSFPU8MPRO8K5P83 | 100% | 100% | | | |
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| Class of Instrument | | | | (g) Equity Derivatives (i) Options and Futures admitted to trading on a trading venue | |
|--|--|--|------------------------------|---|-------------------------------|
| Notification if < 1 average trade per business day in the previous year | | | | FALSE | |
| <u>Top five</u> 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 |
| BNP Paribas R0MUWSFPU8MPRO8K5P83 | 99% | 98% | | | |
| Morgan Stanley & Co International PLC 4PQUHN3JPFQFNF3BB653 | 1% | 2% | | | |
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