

INTRODUCTION

On an annual basis, Ethical Capital Opportunity Advisors Limited (“ECO Advisors”) are required to provide disclosure around the execution venues we use for each class of MiFID II financial instrument and other specific information on the quality of execution in accordance with the requirements of Regulatory Technical Standard 28 (RTS 28) of the MiFID II Regulations and Article 65(5) of the MiFID II Delegated Regulations.

This document provides a summary for each class of MiFID II financial instrument, the top five execution venues in terms of trading volumes where ECO Advisors has executed or placed client orders over the course of 2019 and information on the quality of execution obtained.

RTS 28/ARTICLE 65(6) – QUALITATIVE STATEMENTS COMMON TO ALL ASSET CLASSES

The following commentary applies to all our trading for each class of financial instruments unless otherwise noted in the specific commentary provided per class of financial instrument:

Close links, conflicts of interest or common ownership with execution venues

ECO Advisors Ltd undertakes trading activities with Pictet Trading and Sales (PTS), which comprises of Banque Pictet & Cie SA, Banque Pictet & Cie (Asia) Ltd and Pictet Canada LP. ECO Advisors Ltd use affiliates of Banque Pictet & Cie for custody, UCITS Management company and fund administration services including Fund Partner Solutions S.A.

ECO Advisors Ltd undertakes trading activity with JP Morgan Securities. ECO Advisors also use JP Morgan Securities for synthetic prime brokerage services.

ECO Advisors Ltd does not receive payments, discounts, rebates or non-monetary benefits in its trading arrangements. In addition, the inducement and research rules of the Financial Conduct Authority (FCA), prohibits investment firms which carry out portfolio management services from receiving inducements (other than acceptable minor non-monetary benefits) in relation to those services. Minor non-monetary benefits must be of a scale and nature that could not be judged to impair ECO Advisors Ltd compliance with its duty to act honestly, fairly and professionally in the best interests of the client. ECO Advisors Ltd monitors non-monetary benefits through its compliance policies. ECO Advisors Ltd also monitors and requires pre-clearance of gifts and entertainment to ensure that ECO Advisors Ltd is not induced to use one execution venue over another.

Changes to the list of Execution Venues for 2019

No change has occurred to the list of execution venues listed in the ECO Advisors Best Execution policy during the course of 2019.

Client categorisation

ECO Advisors Ltd does not have any retail clients. The ECO Advisors Best Execution Policy does not treat different categories of clients differently. For derivative products that trade under legal agreements such as ISDAs, we are limited to counterparts with whom we have that documentation in place.

Execution Monitoring Process

The firm's trader is responsible for the monitoring of best execution and delivering the best execution strategy.

Post-trade monitoring comprises of transaction cost analysis (TCA) reports as well as exception based price/basis point monitoring reports for equities and equity swaps.

Trade executions that fall outside of designated tolerances are highlighted and investigated initially by the trader, as the first line of control. The firm's compliance officer also reviews TCA output and a sample of executions to ensure the efficacy of the monitoring process. Finally, Fund Partner Solutions, in their role as UCITS management company also perform exception based reviews of executions instructed by ECO Advisors.

Tolerances are used to identify trades which have been executed outside a specific range compared to the closing price on the day in question. The price and basis point tolerance ranges are set by the trader and agreed with compliance.

For equities, derivatives and CFDs, the guiding metric of ECO Advisors' Best Execution Policy is the market closing price on the relevant day of execution. However, a number of other data points are utilised to inform ECO Advisors' trading policy, including: reversion, opportunity cost, addition-removal of liquidity, momentum, timing, interval VWAP, relative performance, peer comparisons and expected cost.

TCA output data is analysed and reviewed on a regular basis by the trader with the appropriate Portfolio Manager(s). These reviews attempt to address all the influences on execution quality including portfolio manager market timing, longer-dated reversion and appropriate use of order types. Improvements to the approach and recommendations are documented and reviewed. Trader execution data is also analysed to identify possible improvements to the execution process.

Regular reviews are performed of our key counterparties including an analysis of their performance and execution quality and their ability to successfully target market closing prices as instructed.

ECO Advisors board will assess information provided under RTS 28 for the applicable asset classes in its analysis and oversight of best execution where this information is relevant and enhances our capability to monitor the execution quality provided by the relevant trading venue.

Assessment of execution quality obtained across all classes of financial instruments

When executing or placing client orders with other entities for execution, ECO Advisors is subject to various execution factors, some of which we can influence directly and some of which are outside of our control but which we can respond to.

Factors that we can influence include setting the most appropriate trading strategy or methodology, speed of execution, trading venue and counterparty selection, quality of our trade management tools and the ability and skill of our traders.

Factors outside our control but which we can respond to include market and product volatility, positioning and order flow in the marketplace from other participants active in the same financial instruments we are trading.

This means that the execution methodology or trading strategy we adopt, the cost of trading and the outcome achieved for identical or similar trades that are undertaken at different times may differ because of the effect of those variables. For instance, if ECO Advisors is selling a security at a time where there is an excess of buyers over sellers present in the market then we can adjust our trading style to take advantage of that. However, if we are selling at a time when everyone else is selling then we will again tailor our trading style to reflect that market circumstance, but our trading costs may be greater than if we were the only seller in the marketplace.

With regard to assessing the quality of our executions achieved, ECO Advisors seeks to ensure that we have created the best possible environment and trade execution process with regard to the factors that we can directly influence to enable us to deliver on a consistent basis the best possible result for our clients.

For example:

- › By ensuring that we can efficiently connect to a sufficient number of execution venues and counterparties in order to effectively execute our strategy.
- › By implementing a detailed Best Execution Policy along with effective and robust trading processes and procedures.

- › By employing specialist trading staff, ensuring they are well trained and have access to appropriate trading tools, which can be used to augment their understanding of the pre-trade execution factors and help them make better-informed trading decisions.
- › By implementing effective management reviews to oversee our trade execution process as well as our trading policies and procedures.

The relative importance of each execution factor is particular to the circumstances surrounding each client order.

The trader makes their assessment of the pre-trade execution factors, such as price, cost (implicit and explicit), speed, size and likelihood of execution and settlement with the objective of optimising the method of execution.

The relevant importance of these factors will usually be determined by considering the characteristics of the order, the financial instrument, the counterparty and the execution venue.

Examples of other considerations relevant to the execution may also include:

- › The character of the market for the relevant Financial Instrument (e.g. price volatility or relative liquidity)
- › The market impact of an order
- › The execution capability and responsiveness of an Execution Venue

Ordinarily, price and costs together will merit high relative importance in obtaining best execution, but this may be tempered, for example, where the size of the trade is large compared to the liquidity available, or where speed of execution is paramount.

Whilst it is always possible to improve on the quality of execution we provide to our clients, for the year ending 2019, ECO Advisors can confirm that it considers it has met its obligation to achieve the best possible result for its clients on a consistent basis.

However, we remain vigilant and continue to constantly monitor our counterparts, venues, trading styles and outcomes to ensure we deliver consistently the best possible trading outcomes to our clients.

A. Contracts for Difference

CLASS OF INSTRUMENT: CONTRACTS FOR DIFFERENCE

Notification if <1 average trade per business day in the previous year	N				
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
J.P. Morgan Securities (LEI: K6Q0W1PS1L104IQL9C32)	100.00%	100.00%	N/A	N/A	0%

Commentary:

The relative importance of each of the execution factors within our dealing process will vary depending upon a number of criteria, namely:

1. The characteristics of financial instruments that are the subject of that order; and
2. The characteristics of the execution venues to which that order can be directed. Each client order that is transacted by our traders is inherently unique in its characteristics and market conditions are never constant. The relative importance of the execution factors is therefore variable.

Generally, the most important factors for CFDs are price, opportunity cost, cost, speed and the likelihood of execution as well as having the necessary legal agreements such as ISDAs in place.

Within CFDs there is a heavy concentration of Guaranteed Market on Close Program order flow. In addition, Transaction Cost Analysis is used as part of the process when assessing the performance of CFD counterparts.

Each Order is handled on its own merit and transacted in line with our Best Execution Policy.

B. Equities – Shares & Depositary Receipts

CLASS OF INSTRUMENT: EQUITIES, SHARES & DEPOSITARY RECEIPTS / ALL TICK SIZE LIQUIDITY BANDS

Class of Instrument	Transferable securities				
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Pictet Geneva (LEI: 549300GSSPQ1Q SKI1376)	100.00%	100.00%	N/A	N/A	0%

Commentary:

The relative importance of each of the execution factors within our trading process will vary depending upon a number of criteria, namely:

1. The characteristics of financial instruments that are the subject of that order; and
2. The characteristics of the execution venues to which that order can be directed

The most important factors for cash equities are price, opportunity cost, cost, speed/likelihood of execution according to the investment manager's intent and/or the liquidity of the instrument and the ability to successfully target the closing price.

Within Executed Equities there is a heavy concentration of Guaranteed Market on Close Program order flow. The selection of the Counterparty was made in accordance with the factors described above.

In addition, Transaction Cost Analysis is used as part of the process when assessing the performance of cash equity counterparts.

C. Currency derivatives - Swaps, Forwards, and Other Currency Derivatives

CLASS OF INSTRUMENT CURRENCY DERIVATIVES - (II) SWAPS, FORWARDS, AND OTHER CURRENCY DERIVATIVES

Class of Instrument	Currency Forwards				
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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Pictet Geneva (LEI: 549300GSSPQ1 QSKI1376)	100.00%	100.00%	N/A	N/A	0%

Commentary:

The relative importance of each of the execution factors within our dealing process will vary depending upon a number of criteria, namely:

1. The characteristics of financial instruments that are the subject of that order; and
2. The characteristics of the execution venues to which that order can be directed
3. Speed of execution, deviation from relevant FX spot price and appropriateness of forward points

Each client order that is transacted by our traders is inherently unique in its characteristics and market conditions are never constant. The relative importance of the execution factors is therefore variable.

Each Order is handled on its own merit and transacted in line with our Best Execution Policy.