



SILVER RIDGE

ASSET MANAGEMENT

SRAM | BEST EXECUTION QUALITATIVE INFORMATION
2017

BEST EXECUTION QUALITATIVE INFORMATION**A SUMMARY OF THE ANALYSIS AND CONCLUSIONS THE FIRM DRAWS FROM ITS DETAILED MONITORING OF THE QUALITY OF EXECUTION OBTAINED ON THE EXECUTION VENUES WHERE IT EXECUTED ALL CLIENT ORDERS IN THE PREVIOUS YEAR****(b) Debt instruments**

As part of Silver Ridge Asset Management UK LLP ("SRAM")'s analysis of best execution in relation to debt instruments, reviews of externally verifiable reference prices (where available) were undertaken when pricing or checking bids or offers.

The monitoring completed supported that best execution was obtained consistently on the approved execution venues throughout the year.

(c) Interest rates derivatives

As part of the Firm's analysis of best execution in relation to interest rate derivatives, the Firm reviews post trade pricing analysis on a periodic basis by reference to available market data to ensure pricing achieved was in-line with its expectations.

The monitoring completed supported that best execution was obtained consistently on the approved execution venues throughout the year.

(d) Credit derivatives

As part of the Firm's analysis of best execution in relation to credit derivatives, reviews were undertaken of the established request for quote ("RFQ") process. There is a periodic review of traded prices against quotes available from other counterparties at the time of the trade.

The monitoring completed supported that best execution was obtained consistently on the approved execution venues throughout the year.

(e) Currency Derivatives

As part of the Firm's analysis of best execution in relation to currency derivatives, reviews were undertaken of the established request for quote ("RFQ") process, which involves obtaining competing quotes from counterparties to assess a spread of all quoted prices to illustrate RFQ competitiveness.

The monitoring completed supported that best execution was obtained consistently on the approved execution venues throughout the year.

(g) Equity Derivatives

As part of SRAM's analysis of best execution in relation to equity derivatives, the Firm analysed a sample of the trades during the relevant period to determine whether they were executed in-line with exchange-traded levels and, where relevant, examined the RFQ process to determine this was carried out in accordance with internally established protocols.

The monitoring completed supported that best execution was obtained consistently on the approved execution venues throughout the year.

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(i) Commodity derivatives and emission allowances derivatives

As part of SRAM's analysis of best execution in relation to commodity derivatives, the Firm analysed a sample of the trades during the relevant period to determine whether they were executed in-line with its expectation and with exchange-traded levels.

The monitoring completed supported that best execution was obtained consistently on the approved execution venues throughout the year.

(j) Contracts for difference

As part of SRAM's analysis of best execution in relation to contracts for difference, the Firm analysed a sample of trades during the relevant period to determine whether any of the trades were executed at a price outside of an internally defined tolerance to a pre-determined benchmark for the underlying. Where any trades were found to be outside the tolerance, Compliance investigated to determine the cause.

The monitoring completed supported that best execution was obtained consistently on the approved execution venues throughout the year.

(k) Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)

As part of SRAM's analysis of best execution in relation to contracts for difference, the Firm analysed a sample of trades during the relevant period to determine whether any of the trades were executed at a price outside of an internally defined tolerance to a pre-determined benchmark for the underlying. Where any trades were found to be outside of the tolerance, Compliance investigated to determine the cause.

The monitoring completed supported that best execution was obtained consistently on the approved execution venues throughout the year.

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

SRAM's delivery of best execution is a key element in its commitment to act in the best interests of its clients, as well as being a regulatory requirement. The Firm prioritises ensuring that all sufficient steps are taken to obtain the best possible result for its clients when it executes, places or transmits orders on their behalf. This means taking into account the 'execution factors' such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

The relative importance of the execution factors is judged on an order-by-order or transaction-by-transaction basis in line with the Firm's industry experience and prevailing market conditions. In addition, key factors for relevant asset classes have been identified as follows:

(b) Debt Instruments

Due to the nature of debt instruments, the Firm will typically place price, size and the nature of the transaction as factors of primary importance.

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(c) Interest rates derivatives

Due to the nature of the orders the Firm will typically place price, size, likelihood of execution and settlement and the nature of the transaction as factors of primary importance.

(d) Contracts for difference

Due to the nature of credit derivatives, the Firm will typically place price, size, counterparty risk and the likelihood of execution as factors of primary importance..

(e) Currency Derivatives

Key factors considered are price, size and overall transaction costs. Prices are compared via an RFQ, taking into account additional transaction costs that may be applicable. When transactions are time-sensitive, response time to RFQ is often a defining factor. On occasion, preference is given to counterparties that are operationally easier to work with where time factors are a consideration.

(g) Equity Derivatives

Due to the nature of the orders the Firm will typically place price, size and cost as factors of primary importance.

(i) Commodity derivatives and emission allowances Derivatives

Due to the nature of the orders the Firm will typically place size, price and cost as factors of primary importance.

(j) Contracts for difference

Due to the nature of the orders the Firm will typically place price, size and cost as factors of primary importance.

(k) Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)

Due to the nature of the orders the Firm will typically place price, size and cost as factors of primary importance.

A DESCRIPTION OF ANY CLOSE LINKS, CONFLICTS OF INTERESTS, AND COMMON OWNERSHIPS WITH RESPECT TO ANY EXECUTION VENUES USED TO EXECUTE ORDERS

Applies across all classes of financial instruments traded.

The Firm does not have any close links, conflicts of interests or common ownerships with respect to the execution venues it uses to execute orders.

A DESCRIPTION OF ANY SPECIFIC ARRANGEMENTS WITH ANY EXECUTION VENUES REGARDING PAYMENTS MADE OR RECEIVED, DISCOUNTS, REBATES OR NON-MONETARY BENEFITS RECEIVED**Applies across all classes of financial instruments traded.**

SRAM has not entered into any arrangements with its execution venues regarding payments made or received discounts or non-monetary benefits that would compromise its ability to meet its obligations in regards to best execution, conflicts of interest or inducements.

The Firm has determined that it will pay for research from its own resources. Additionally, SRAM may on occasion receive or provide minor non-monetary benefits from execution venues. They must be received/provided in accordance with the Firm's Inducements policy.

When selecting execution venues for inclusion in the execution policy, the Firm does not take into account the non-monetary benefits it may obtain in connection with the services provided to its clients, but focuses on the potential of the venues to enable the Firm to obtain on a consistent basis the best possible result for the execution of its client orders. However, the Firm does take into account the effect of fees and commission when choosing a venue for the execution of a particular client order.

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**Applies across all classes of financial instruments traded.**

During the period under review, SRAM's list of execution venues changed. The Firm regularly reviews the effectiveness of its Best Execution Policy and its execution arrangements to identify and, where appropriate, incorporate any changes to enhance the quality of execution obtained. Following discussions with front office staff and as part of the reviews carried out over the period it was determined that certain changes involving both addition and removal of certain counterparties were required to ensure that the Firm continues to obtain the best possible result for its clients. Factors considered included price, access to the market, counterparty risk and market liquidity.

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**Applies across all classes of financial instruments traded.**

While SRAM does take the characteristics of its clients into account when judging the relative importance of the execution factors, the Firm's clients are exclusively professional clients and so are treated with a consistent approach.

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

Applies across all classes of financial instruments traded.

Not applicable. The Firm does not execute retail client orders.

AN EXPLANATION OF HOW THE FIRM HAS USED ANY DATA OR TOOLS RELATING TO THE QUALITY OF EXECUTION, INCLUDING ANY DATA PUBLISHED UNDER COMMISSION DELEGATED REGULATION (EU) 2017/575

Applies across all classes of financial instruments traded.

SRAM did not utilise any data or tools relating to the quality of execution over the period to which this disclosure relates, but will utilise such data and tools as are made available in due course, particularly data published by trading venues under 'RTS 27'. Where the Firm directly executes transactions on behalf of its client with counterparties where the order relates to OTC products, the Firm takes steps to check the fairness of the price on offer by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products

WHERE APPLICABLE, AN EXPLANATION OF HOW THE INVESTMENT FIRM HAS USED OUTPUT OF A CONSOLIDATED TAPE PROVIDER ESTABLISHED UNDER ARTICLE 65 OF DIRECTIVE 2014/65/EU.

Applies across all classes of financial instruments traded.

This is not currently applicable as the services of a Consolidated Tape Provider were not available during the period to which this disclosure relates.