

Global Systematic Investors LLP

Best Execution Annual Report (Article 65(6))

For the period 1 January 2018 to 31 December 2018

## 1 Introduction

MiFID II requires Global Systematic Investors LLP (“the Firm”) to provide on an annual basis, for each class of financial instruments traded by the firm, the top five execution venues used for the preceding year.

The below qualitative information is applicable to trading undertaken by the Firm in reportable instruments during the period 1 January 2018 to 31 December 2018. The quantitative information relating to Article 65(6) Disclosures, execution via a broker, is also provided within this document.

## 2 Qualitative Report

### 2.1 Relative importance of execution factors

(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;

In the absence of express instructions from the client, the Firm will exercise its own discretion in determining the relative importance it assigns to the execution factors (or the process by which it determines their relative importance) that it needs to take into account for the purposes of providing the client with the best possible result.

These execution factors have been listed in order of priority and will include, but are not restricted to, the:

- Price: The Firm will generally consider that price merits the highest importance, however, the nature of securities will determine if the Firm may give precedence of other factors such as speed or likelihood depending on the security characteristics.
- Speed: The Firm considers that for liquid securities, speed has moderate priority, taking into account the fact that markets tend to move quickly, i.e. the price of the security may vary significantly.
- Likelihood of execution and settlement: The Firm considers that for illiquid securities, likelihood of execution may take precedence over price and speed.
- Costs: The Firm will always pay due regards to the costs related to any execution to ensure that the costs will not jeopardise the end result.
- Size of order: The Firm considers the size of the transaction and how it may impact the price of execution.
- Nature of order: The Firm will consider how the characteristics of the transaction can impact how best execution is achieved.

### 2.2 Close links, conflicts of interests, and common ownerships

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

The Firm has no close links or common ownerships with respect to any execution venues used to execute orders.

The Firm recognises that there are a variety of potential conflicts of interest, ranging from gifts and inducements offered by service providers to personal trading based on internal knowledge. The Firm has effective policies and procedures in place to mitigate the risks of these potential conflicts.

### 2.3 Payments or other arrangements with execution venues

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

The Firm has entered into an investment sub-advisory services agreement with Vident Investment Advisory LLC (Vident). Under this agreement, Vident advises the Firm on matters relating to portfolio management, trading, and execution services. The Firm pays Vident an annual fee for these services. This fee is not an additional charge to the fund as it is paid by the Firm.

### 2.4 Changes to the list of Execution Venues

(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;

There have been no changes to the list of execution venues.

### 2.5 Order execution across client categories

(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;

The Firm only acted for for the Global Sustainable Value Fund in 2018. All clients are treated in the same manner.

### 2.6 Precedence of other execution factors in executing retail client orders

(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 as the Firm did not act for retail clients in 2018.

### 2.7 Use of any data or tools relating to execution quality

(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 Commission Delegated Regulation (EU) 2017/575;

The Firm's Investment Committee reviews explicit and implicit transaction costs on a monthly basis. To do so, the Firm uses market data and internally developed tools to analyse the costs. The Firm's Investment Committee is satisfied that these costs are within expectations.

### 2.8 Use of the output of a consolidated tape provider (where applicable)

(h) 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.

The Firm did not use any output of a consolidated tape provider.

ARTICLE 65(6) DISCLOSURES

Article 65(6) disclosures cover all Global Systematic Investor's trading placed with Brokers/Counterparties.

Class of Instrument	Equities				
Notification if <1 average trade per business day in the previous year	N				
Top 5 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
Liquidity band 1 - 2 (0 to 79 trades per day)					
n/a					
Liquidity band 3 - 4 (80 to 1999 trades per day)					
n/a					
Liquidity band 5 - 6 (from 2000 trades per day)					
Vident Investment Advisory (254900XSZB691Z1A6X78)	100%	100%	0%	0%	0%