

Small Cap Equity clients

Top 5 Venues Report

On an annual basis Kestrel Partners LLP (“Kestrel”) is required to provide disclosures in respect of the top five execution venues utilised for each asset class and certain information on the quality of execution in line with the requirements of RTS 28 of the MiFID II Regulation. Kestrel has decided to disclose this separately for its two distinct mandates. This report discloses the top five execution venues in relation to its small cap equity business.

Orders for the small cap equity business are placed with approved brokers by the relevant Portfolio Managers. The Portfolio Managers, in line with best execution requirements, ensure they take sufficient steps to obtain the best possible result for Kestrel clients and consider speed and likelihood that the execution venue will be able to execute the trade without undue market impact, whilst obtaining the best possible price at a reasonable cost. Given the stocks traded the Portfolio Managers generally trade with brokers that have small cap equity expertise and an in-depth knowledge of the market surrounding the particular stock.

In accordance with RTS 28, the table below shows the top five brokers used in 2018 in terms of volume percentage and also discloses the percentage based on the number of orders. Equities are the only relevant class of instrument traded for this mandate.

Top 5 Venues – 2018

Class of instrument	Equities - tick size liquidity bands 1 & 2				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes	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
N+1 Singer Capital Markets Ltd 213800ITO7QMNQ9SFG53	54.23%	35.69%	N/A	N/A	0.00%
finnCap Ltd 213800DSWHX26RRA1N75	27.68%	45.74%	N/A	N/A	0.00%
Winterflood Securities Ltd 8BRUP6V1DX3PIG2R0745	11.96%	13.99%	N/A	N/A	0.00%
Cenkos Securities Plc 213800ALVRC52VN3I821	2.25%	2.34%	N/A	N/A	0.00%
Investec Plc 2138007Z3U5GWDN3MY22	1.23%	0.74%	N/A	N/A	0.00%

Class of instrument	Equities - tick size liquidity bands 3 & 4				
Notification if <1 average trade per business day in the previous year	Y				
Top five execution venues ranked in terms of trading volumes	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
Winterflood Securities Ltd 8BRUP6V1DX3PIG2R0745	68.65%	37.84%	N/A	N/A	0.00%
Investec Plc 2138007Z3U5GWDN3MY22	11.26%	10.81%	N/A	N/A	0.00%
Shore Capital Stockbrokers Ltd 2138002TLQU3X2QPRE66	6.32%	8.11%	N/A	N/A	0.00%
Cenkos Securities Plc 213800ALVRC52VN3I821	5.96%	5.41%	N/A	N/A	0.00%
finnCap Ltd 213800DSWHX26RRA1N75	3.67%	16.22%	N/A	N/A	0.00%

Quality of execution

As at the time of this report Kestrel is satisfied that its authorised execution venues provide a good quality of execution. This is continually reviewed and considered in light of the particular stocks it is trading.

Venue conflicts and payments

There are no venue conflicts and no specific arrangements with any execution venues.

Venue changes

There have been no changes in execution venues.

Client categorisation and retail factors

In terms of execution all Small Cap Equity mandate clients are treated equally. These clients are retail and professional clients. The factors described above apply to these retail clients in the same way as professional clients.

Execution analysis

Trade data is collated and reviewed on a quarterly basis by the Kestrel Small Cap Equity Investment Committee who consider the effectiveness of the execution venues used.

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