

BEST EXECUTION REPORT APRIL 2017/2018

Background

Beside the clear moral obligation, Church House Investments Limited (“Church House”) has a legal obligation, under the rules of the Financial Conduct Authority (“FCA”), to take all sufficient steps to obtain the best possible result for its clients when executing orders on their behalf. The ‘best possible result’ must take into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order (“Best Execution”). Church House has established an Order Execution Policy (“Policy”) that sets out the steps that Church House takes to achieve Best Execution for its clients. The Policy details the Execution Factors and the relative importance of these factors that Church House takes into account to achieve Best Execution for its clients, it can be accessed on our website at www.ch-investments.co.uk.

Under MiFID II (The Markets in Financial Instruments Directive II), Church House is required to publish annually for each class of financial instruments the top five execution venues in terms of trading volumes and a summary of the quality of execution obtained on these execution venues. The purpose of this document is to comply with this requirement and to provide clients with sufficient information to allow for comparison between different firms and demonstrate how Church House achieves and monitors its obligation to meet Best Execution.

For the purpose of achieving Best Execution, Church House treats all clients (Retail and Professional) as Retail. This means that Church House undertakes to provide the highest protection to its clients regardless of classification.

Monitoring Approach

Church House performs ongoing and regular monitoring of the effectiveness of its order execution arrangements, which is set out below:

- Contemporaneous details of all transactions are recorded along with evidence of market price and volume;
- Due diligence of counterparties;
- Annual review (or more frequent, if there is any material change) of the Policy and related client disclosures in respect of Best Execution; and
- Annual assessment of Church House’s order execution arrangements.

Church House has set tolerances that would trigger a review of the transaction. Any transaction with a price that is outside the tolerance set, is investigated.

The results of monitoring are presented to the Investment Committee, which meet on a monthly basis and to the Risk Committee, which oversees the order execution arrangements of Church House. In addition, Church House has policies and procedures to ensure any potential conflict of interest is managed

appropriately. During the period from 1 January to 31 December 2017, nothing has come to the attention of either Committee that would indicate any conflicts of interests pertaining to Church House’s counterparties/execution venues.

Top 5 Execution Venues

Equities

Class of Instrument	Equities		
Notification if average trade per business day in the period was less than one	No		
Top five execution venues ranked in terms of trading value and LEI	Proportion of value traded as a percentage of total	Proportion of orders executed as a percentage of total	Percentage of directed orders
Winterflood Securities Ltd 8BRUP6V1DX3PIG2R0745	30.2%	88.1%	0.9%
Bloomberg Tradebook	17.7%	4.4%	<0.1%
Canaccord Genuity Ltd	15.6%	2.5%	0
JP Morgan Securities K6Q0W1PS1L1O4IQL9C32	10.4%	1.1%	<0.1%
Panmure Gordon & Co. 213800GM8RB7MS4L3Z24	6.9%	1.9%	0

The distinction between 'passive' and 'aggressive' orders is not applicable

Fixed Interest

Class of Instrument	Fixed Interest and Debt Instruments		
Notification if average trade per business day in the period was less than one	No		
Top five execution venues ranked in terms of trading value and LEI	Proportion of value traded as a percentage of total	Proportion of orders executed as a percentage of total	Percentage of directed orders
Lloyds Bank H7FNTJ4851HG0EXQ1Z70	27.8%	27.9%	0
JP Morgan Securities K6Q0W1PS1L1O4IQL9C32	20.2%	19.1%	0
TD Bank (Europe) Ltd PT3QB789TSUIDF371261	15.8%	4.6%	0
RBS / NatWest Markets RR3QWICWWIPCS8A4S074	7.8%	7.4%	0
Barclays Capital Securities 213800LBQA1Y9L22JB70	6.9%	1.9%	0

The distinction between 'passive' and 'aggressive' orders is not applicable

Quality of Execution

Church House is also required to provide information as to the quality of execution achieved for each class of financial instrument during the past twelve months to include:

- 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;
Church House's policy regarding execution factors is set out in our Order Execution Policy. We consider that price is normally the most important factor for retail clients and likely to be dominant in most transactions. The best price may not represent the best outcome in all circumstances, e.g. when dealing in the shares of a small company with limited liquidity, and it may be appropriate to transact at a price outside the quoted market price to establish liquidity and achieve the whole transaction.
- b) a description of any close links, conflicts of interests and common ownerships with respect to any execution venues used to execute orders;
There were none
- c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;
There were none
- d) an explanation of the factors that led to a change in the list of execution venues listed in the execution policy, if such a change occurred;
See Church House Order Execution Policy. Church House utilises a number of execution entities to access the appropriate execution venues.
- 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 Order Execution Policy applies to all clients and may only be varied by specific instructions received as part of a directed order.
- 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 total consideration to the client;
See Church House Order Execution Policy
- 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 (supplementing MiFID II Directive);
Church House utilises price evidence from Bloomberg
- 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 (MiFID II).
Not applicable

Disclaimer

This report has been produced in line with the requirements set out by regulation on a best endeavours basis. Due to the fact that the period under report precedes these new requirements, there are some exceptions due to the lack of available data where this was not previously required. The report details values in sterling and where relevant are converted to sterling based on the exchange rate obtained at the year-end rather than the European Central Bank exchange rates which will be required for future reporting, as the historic data does not facilitate this static conversion rate.