

CEDAR ROCK CAPITAL LIMITED

Annual disclosure of the top execution venues by trading volume used to execute professional client orders

(Market in Financial Instruments Directive 2014/65/EU (“MiFID II”))

Article 27(6))

Disclosure Period: 2018

Cedar Rock Capital Limited (“Cedar Rock”) is authorised and regulated by the Financial Conduct Authority as an Alternative Investment Fund Manager, pursuant to the Alternative Investment Fund Managers Directive, and permitted to manage Alternative Investment Funds (“AIFs”) and segregated managed accounts for Professional Clients. The Firm is not authorised to provide services to Retail Clients.

Annually, Cedar Rock is required to summarise, and make public on its website, data on its top 5 execution venues (e.g. brokers and trading venues (exchanges)) in terms of trading volumes¹ by class of financial instrument traded, and to disclose information on the quality of execution.

During the 12 months to 31 December 2018 the only classes of financial instruments traded were equities with tick sizes in the liquidity bands 5 and 6 (from 2,000 trades per day) and tick size liquidity band 3 and 4 (80 to 1999 trades per day). Liquidity bands are based on the average daily number of shares traded on the trading venue with the highest turnover, including trading venues located outside the EU². In seeking to obtain best execution on behalf of its clients, Cedar Rock’s traders may utilise “directed orders” and specify the trading venue on which the broker should execute the order using direct electronic access.

Note: Data shown for 2018 is aggregated across all clients, including both AIFs and segregated managed accounts.

¹ Trading volumes are calculated by reference to the market price of executed transactions

² Commission Delegated Regulation (EU) 2019/443 amending Delegated Regulation (EU) 2017/588

Class of Instrument: Equities - Tick size liquidity bands 5 and 6 (from 2,000 trades per day)

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 of 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
Morgan Stanley & Co. International plc (LEI: 4PQUHN3JPF GFNF3BB653)	31.3	28.2	N/A	N/A	26.0 ^{3&4}
Sanford C. Bernstein & Co., LLC (LEI: 549300I7JYZHT7D5CO04)	13.8	13.9	N/A	N/A	6.6 ⁴
Sanford C. Bernstein Limited (LEI: 54930049G8WQ5OOUSD19)	12.4	17.7	N/A	N/A	2.9 ³
Liquidnet Europe Limited (LEI: 213800ZIRB79BE5XQM68)	9.5	7.8	N/A	N/A	0
Liquidnet, Inc. (LEI: 213800HSKBBO1GCVRG79)	7.9	6.3	N/A	N/A	0

³ Directed orders placed with Turquoise Plato (MIC:TRQM)

⁴ Directed orders placed with Investors Exchange (IEX) (MIC: IEXG)

Class of Instrument: Equities - Tick size liquidity bands 3 and 4 (80-1,999 trades per day)

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 of 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
Pavilion Global Markets Ltd (LEI: 89RLTMP2WM4KXYJMWI06)	54.7	34.3	N/A	N/A	0
Morgan Stanley & Co. International plc (LEI: 4PQUHN3JPFQFNF3BB653)	11.8	8.6	N/A	N/A	46.2 ^{3&4}
Sanford C. Bernstein Limited (LEI: 54930049G8WQ50OUSD19)	8.9	20.0	N/A	N/A	0
JP Morgan Securities plc (LEI: K6Q0W1PS1L1O4IQL9C32)	8.6	11.4	N/A	N/A	0
UBS Limited (LEI: REYPIEJN7XZHSUI0N355)	6.4	8.6	N/A	N/A	0

³ Directed orders placed with Turquoise Plato (MIC:TRQM)

⁴ Directed orders placed with Investors Exchange (IEX) (MIC: IEXG)

Execution factors

The relative importance of execution factors taken into account in considering execution quality were:

- Liquidity;
- Price;
- The likelihood of execution and settlement;
- Broker skill in limiting market impact of an order;
- Costs; and
- Speed of execution.

Monitoring the quality of execution

Cedar Rock monitors the effectiveness of its order execution arrangements on a regular basis through the following quality controls:

- Negotiation of transactions are undertaken by experienced trading staff utilising available market data;
- A diversified range of large, reputable brokers are available for the execution of transactions;
- Transaction Cost Analysis is performed internally and by an external vendor;
- Post-trade matching and settlement capability is monitored; and
- An annual review of the effectiveness of execution arrangements is undertaken by Compliance and reported to Cedar Rock's Board of Directors.

No deficiencies were identified as a result of the review of Cedar Rock's execution arrangements in 2018.

Execution venues used

A copy of the current list of execution venues used by Cedar Rock is available to our clients upon request. Brokers are generally only added to the list of approved execution venues where Cedar Rock perceives that they have access to a better liquidity in the relevant financial instrument in the relevant market. Brokers will no longer be utilised where they are perceived as not offering sufficient liquidity in the relevant financial instrument, or for poor service or operational reasons. Cedar Rock has no close links, conflicts of interests and/or common ownership with respect to any execution venues used to execute orders.

Specific arrangements with execution venues

There are no specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received other than a negotiated, discounted rate for the execution of agency cross trades. Cedar Rock does not receive inducements from its approved brokers other than minor non-monetary benefits which are judged not to impair Cedar Rock's duty to act in the best interests of its clients.