

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: 2019

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 2019 the only class of financial instrument traded by Cedar Rock was equities.

Liquidity bands are based on the average daily number of shares traded on the EU trading venue with the highest turnover. As a result, non-EU shares primarily traded on trading venues located outside the EU may be disclosed in lower liquidity bands than if disclosure was based on the average number of shares traded on their primary non-EU trading venue. 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 2019 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

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)	27.6	21.8	N/A	N/A	36.1
Societe Generale, London Branch (LEI: O2RNE8IBXP4R0TD8PU41)	15.1	16.4	N/A	N/A	0
Sanford C. Bernstein Limited (LEI: 54930049G8WQ50OUSD19)	14.0	24.3	N/A	N/A	4.2
Liquidnet Europe Limited (LEI: 213800ZIRB79BE5XQM68)	13.8	9.1	N/A	N/A	0
Sanford C. Bernstein & Co., LLC (LEI: 549300I7JYZHT7D5CO04)	9.6	9.1	N/A	N/A	18.4

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
Liquidnet Europe Limited (LEI: 213800ZIRB79BE5XQM68)	40.2	28.1	N/A	N/A	0
Morgan Stanley & Co. International plc (LEI: 4PQUHN3JPFQFNF3BB653)	29.9	18.8	N/A	N/A	44.4
UBS AG, London Branch (LEI: BFM8T61CT2L1QCEMIK50)	11.9	21.9	N/A	N/A	0
JP Morgan Securities plc (LEI: K6Q0W1PS1L1O4IQL9C32)	7.2	9.4	N/A	N/A	0
Sanford C. Bernstein Limited (LEI: 54930049G8WQ50OUSD19)	5.9	9.4	N/A	N/A	0

Class of Instrument: Equities - Tick size liquidity bands 1 and 2 (0-79 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
Sanford C. Bernstein & Co., LLC (LEI: 549300I7JYZHT7D5CO04)	88.0	87.4	N/A	N/A	25.7
Jones Trading International Limited (LEI: 213800DIYIKDWRCFOC55)	6.5	4.2	N/A	N/A	0
Morgan Stanley & Co. International plc (LEI: 4PQUHN3JPFGFNF3BB653)	3.8	4.2	N/A	N/A	0
Luminex Trading & Analytics LLC (LEI: 254900ZBK50B4Y36MJ33)	1.6	2.1	N/A	N/A	0
Liquidnet, INC (LEI: 213800HSKBBO1GCVRG79)	0.1	2.1	N/A	N/A	0

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 have been identified in Cedar Rock's execution arrangements in 2019.

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. Cedar Rock has arrangements in place with certain brokers to facilitate the submission of direct orders to Turquoise Plato (MIC:TRQM) and Investors Exchange (IEX) (MIC: IEXG). 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, or members of its staff, have 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 chargeable to clients for the execution of cross trades by an external broker. 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.