

## Somerset Capital Management LLP

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

Class of Instrument	Equities – Shares and depositary Receipts Tick size liquidity band 1 and 2 (0 to 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 <sup>1</sup>	Percentage of aggressive orders <sup>2</sup>	Percentage of directed orders <sup>3</sup>
549300GX4FPMFF91RJ37 (Macquarie Capital (Europe) Limited)	61.87%	56.50%	N/A	N/A	0%
BFM8T61CT2L1QCEMIK50 (UBS AG)	8.90%	0.41%	N/A	N/A	0%
MP6I5ZYBZEU3UXPYFY54 (HSBC Bank PLC)	6.37%	20.16%	N/A	N/A	0%
K6Q0W1PS1L1O4IQL9C32 (JPMorgan Securities PLC)	6.24%	5.32%	N/A	N/A	0%
GGDZP1UYGU9STUHRDP48 (Merrill Lynch International)	5.06%	0.20%	N/A	N/A	0%

<sup>1</sup> A **Passive** order means an order entered into an order book that provided liquidity.

<sup>2</sup> An **Aggressive** order means an order entered into an order book that took liquidity

<sup>3</sup> A **Directed** order means an order where a specific execution venue or broker was specified by the underling client prior to the execution of the order.

Class of Instrument	Equities – Shares and depositary Receipts Tick size liquidity band 3 and 4 (80 to 1999 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
K6Q0W1PS1L1O4IQL9C32 (JPMorgan Securities PLC)	22.35%	6.28%	N/A	N/A	0%
MP6I5ZYZBEU3UXPYFY54 (HSBC Bank PLC)	13.71%	23.32%	N/A	N/A	0%
XKZZ2JZF41MRHTR1V493 (Citigroup Global Markets Limited)	11.44%	10.39%	N/A	N/A	0%
549300GX4FPMFF91RJ37 (Macquarie Capital (Europe) Limited)	11.39%	9.14%	N/A	N/A	0%
558600U9YMGSR4KAHP73 (Financial Brokerage Group)	10.89%	17.73%	N/A	N/A	0%

Class of Instrument	Equities – Shares and depositary Receipts Tick size liquidity bands 5 and 6 (from 2000 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
XKZZ2JZF41MRHTR1V493 (Citigroup Global Markets Limited)	20.06%	25.81%	N/A	N/A	0%
MP6I5ZYZBEU3UXPYFY54 (HSBC Bank PLC)	14.62%	21.46%	N/A	N/A	0%
K6Q0W1PS1L1O4IQL9C32 (JPMorgan Securities PLC)	12.26%	6.03%	N/A	N/A	0%
213800YZXS7U4QZP6441 (BTIG Limited)	8.04%	5.06%	N/A	N/A	0%
DL6FFRRLF74S01HE2M14 (Credit Suisse Securities (Europe) Ltd)	7.69%	6.30%	N/A	N/A	0%

Class of Instrument	Exchange traded funds				
Notification if <1 average trade per business day in the previous year	Y				
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
K6Q0W1PS1L1O4IQL9C32 (JPMorgan Securities PLC)	47.55%	18.37%	N/A	N/A	0%
213800YZXS7U4QZP6441 (BTIG Limited)	26.17%	24.49%	N/A	N/A	0%
213800SS94VGJTFLIG64 (Cowen Execution Services Limited)	8.16%	8.16%	N/A	N/A	0%
558600U9YMGSR4KAHP73 (Financial Brokerage Group)	7.54%	16.33%	N/A	N/A	0%
DL6FFRRLF74S01HE2M14 (Credit Suisse Securities (Europe) Ltd)	5.10%	2.04%	N/A	N/A	0%

Class of Instrument	Exchange traded products (exchange traded notes)				
Notification if <1 average trade per business day in the previous year	Y				
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
GGDZP1UYGU9STUHRDP48 (Merrill Lynch International)	42.39%	27.48%	N/A	N/A	0%
MP6I5ZYBUE3UXPYFY54 (HSBC Bank PLC)	27.98%	47.33%	N/A	N/A	0%
213800VZMAGVIU2IJA72 (CLSA (UK))	21.37%	22.14%	N/A	N/A	0%
DL6FFRRLF74S01HE2M14 (Credit Suisse Securities (Europe) Ltd)	8.27%	3.05%	N/A	N/A	0%
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**Summary of the analysis and conclusions drawn from the Firm's detailed monitoring of the quality of execution obtained on the execution venues where it executed client orders in the 12 months to 31 December 2020.**

*Somerset Capital Management LLP (the "Firm") acts as a portfolio manager for funds and segregated account mandates. It is authorised to provide services to Professional Clients only and not to Retail Clients.*

*The Firm monitors the effectiveness of its order execution arrangements on a regular basis:*

- *The Firm's dedicated traders monitor trade executions as they occur. Any issues detected are queried with the broker concerned. A monthly assessment of each broker's effectiveness is formally reported by the Trading desk to the Compliance Officer.*
- *The Firm's Operations department ensures that actual transaction costs (including broker commissions and exchange fees) are the same as previously agreed transaction costs for a transaction to be matched and proceed to settlement.*
- *The Firm reviews Transaction Cost Analysis (TCA) provided by a third party specialist with particular emphasis on Implementation Shortfall<sup>4</sup> and Interval VWAP<sup>5</sup>.*
- *An annual review of the effectiveness of the Firm's execution arrangement is undertaken by Compliance and reported to the Firm's Executive Committee.*

*During the year the Firm did not identify any deficiencies in its execution arrangements.*

**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;**

*Subject to any specific instructions from the client, the factors that the Firm will consider in order to determine the manner in which an order will be executed are: price, costs, speed, likelihood of execution and settlement, together with any other consideration relevant to the execution of the order. Such considerations include the availability of liquidity and the market impact of the order.*

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<sup>4</sup> Implementation shortfall is the difference between the decision price and the final execution price (including commissions, taxes, etc.) for a trade.

<sup>5</sup> The slippage between the Volume Weighted Average Price (VWAP) during the trading interval and the average execution price.

*In determining the relative importance of these factors the Firm will take into account its client's status as a professional client, together with the nature of the order, the characteristics of the financial instruments to which the order relates and the characteristics of the available execution venues. In the absence of specific instructions from the client, the Firm will exercise its discretion to determine which of these factors, or combination of them, will be relevant to achieve the best result.*

*Ordinarily, price will merit a high relative importance in obtaining the best possible result for professional clients. The next most important factor is likely to be liquidity. However, in certain circumstances, for some client orders, financial instruments or markets, the Firm, in its absolute discretion, may decide that other factors may be more important in determining the best possible result in accordance with this Policy.*

**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, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.*

**Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;**

*There are no arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.*

*The Firm does not receive inducements from its appointed brokers other than minor non-monetary benefits which are judged not to impair the Firm's duty to act in the best interests of its clients and which are capable of enhancing the quality of client service. The types of minor non-monetary benefits that may be received include: information relating to financial instruments such as market commentaries; participation at conferences or seminars on specific financial instruments and reasonable and proportionate hospitality of a de minimis value.*

**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;**

*During the 12 months to 31 December 2020 there were no changes to the Firm's list of approved brokers.*

**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;**

*This is not applicable as the Firm only provides services to Professional Clients.*

**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;**

*This is not applicable as the Firm does not provide services to Retail Clients.*

**Explanation of how the investment firm has used any data or tools relating to the quality of execution and, where applicable, an explanation of how the investment firm has used output of a consolidated tape provider.**

*As described above, the Firm uses market data on execution prices to gain assurance as to the quality of execution provided by appointed executing brokers.*