

# ECM Asset Management Limited

("ECM" or the "Firm")

## Qualitative report supporting RTS 28 and Article 65(6) annual disclosure reports for the period 1 January 2017 – 31 December 2017

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This qualitative report is intended to provide a clear picture of the execution strategies and tools used by ECM to assess the quality of execution obtained on venues and from brokers to assist clients in assessing the effectiveness of the best execution monitoring carried out by ECM.

**RTS 28** – covers transactions where ECM has executed an order directly against an execution venue (for example, a regulated market, Multi-Lateral Trading Facility, Organised Trading Facility, Systematic Internaliser, market maker and liquidity provider). Data contained in RTS 28 tables includes the top five execution venues in terms of trading volumes, as well as a narrative summarising the analysis and conclusions drawn from monitoring of the quality of execution obtained for each class of financial instrument.

**Article 65(6)** – covers transactions where ECM has selected another firm to execute an order (for example, execution brokers to provide order execution services). Data contained in Article 65(6) tables includes the top five execution brokers in terms of trading volumes where ECM transmitted or placed clients' orders for execution, as well as a narrative summarising the analysis and conclusions drawn from monitoring of the quality of execution obtained for each class of financial instrument.

Note: The following information is applicable for all classes of financial instruments and should be read in conjunction with the qualitative analysis accompanying each RTS 28 and Article 65(6) table:

- In calculating the average trade per business day, the Firm has based its calculation on 252 working days in the UK in 2017.
- The Firm has only reported on its top five execution venues and execution brokers in financial instruments that are executed by the Firm (as detailed in the Wells Fargo Asset Management Order Execution Policy) in the course of performing investment business on behalf of its professional clients.
- The Firm does not trade with any affiliates and therefore does not have any close links, conflicts of interest, and common ownerships with respect to any execution venues used to execute orders.
- From 3 January 2018, the Firm has priced research separately from execution and is paying for investment research out of its own P&L accounts. Prior to the implementation of MiFID II research unbundling arrangements, the Firm received non-monetary benefits (in the form of research) from the vast majority of the broker firms that executed trades for the Firm.

- This is the first Report and there are no changes to note in the list of execution venues listed in the Wells Fargo Asset Management Order Execution Policy.
- Execution brokers are subject to an authorisation and ongoing monitoring process, which includes, but is not limited to, the broker's creditworthiness and financial stability and the broker's ability to trade effectively on behalf of our clients.
- The Firm does not undertake investment business with retail clients, and all clients are treated the same with respect to order execution.
- The Firm does not undertake investment business with retail clients. Accordingly, the requirement to provide an explanation as to whether other criteria were given precedence over immediate price and cost and how such other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client does not apply.
- The Firm's investment teams review transaction data and utilise various analytic tools to evaluate best execution, including information provided by venues and brokers and internal transaction cost analyses. The data and tools available vary depending on the particular asset class. Execution data is assessed by the Firm's investment teams, compliance group and specialised committees that govern best execution.
- On the basis that there are currently no consolidated tape providers in Europe, the Firm is not in a position to provide an explanation of how the Firm has used output of a consolidated tape provider.