

Best Execution Report 2022

Background

4 Shires Asset Management Limited (“4 Shires”) is required by the Financial Conduct Authority (“FCA”) to take all reasonable effort to obtain “best execution” for its clients. Best execution refers to the way that 4 Shires undertakes investment transactions on behalf of its clients in order to obtain the best outcomes for clients at the point of trade. Please see our Order Execution Policy for further information.

Under The Markets in Financial Instruments Directive II (“MiFID”), 4 Shires is required to disclose each year, and, for each type of financial instrument it trades in on behalf of its clients, its top 5 trading venues used. This includes by monetary volume and by the discrete number of orders. 4 Shires is also required to identify which proportion of trades are conducted “passively” (where liquidity is added to the market, e.g. through a limit order), or “aggressively” (where liquidity is removed from the market, e.g. through an at market best order). We have identified these as LIM and MKT orders respectively.

4 Shires treats all clients as retail clients for the purposes of best execution.

Monitoring

4 Shires monitors the effectiveness of its order execution arrangements, as per the below:

- Details of all transactions are recorded with estimated price based on prevailing bid/offer of the security and the price actually achieved;
- Due diligence of counterparties;
- An annual review of the Order Execution Policy (or more frequent if there are material changes);
- An annual assessment of 4 Shire’s order execution arrangements.

A narrative for best execution is written by each dealer at the point of trade, highlighting the reasons for the method of execution chosen and an ongoing commentary where there is a delay between order submission and order execution (i.e. where the submitted order does not execute instantaneously).

4 Shires assesses and manages any conflicts of interest that may arise (if any) from its use of execution venues on a regular basis.

4 Shires does not have any close links, conflicts of interests or common ownerships with respect to any counterparties used to execute orders. 4 Shires does not receive any payments or non-monetary benefits for executing trades at a specific execution venue. Any other incidental payments made to/received from an order execution venue must adhere to 4 Shires gifts and inducements policy.

In 2022, there were no reasons for 4 Shires to consider that any conflict of interest existed between it and its execution venues.

Payments may be made by 4 Shires to its execution venues for the provision of third party investment research under MiFID II regulations, and not in connection with any particular trade(s). Members of 4 Shires staff and staff of execution venues may attend relevant events and functions of the other firm in such research capacity.

No payments were received by 4 Shires from its execution venues.

Top 5 Execution Venues

4 Shires trades in the following types of listed security:

- Direct Bonds
- Direct Equities
- Exchange Traded Funds (ETFs)
- Investment Trusts

4 Shires' best execution statistics are outlined below:

Direct Bonds

Row Labels	Broker Business (£)	% of Volume	Orders Executed	% of Orders
Jarvis	£7,811.40	100.00%	2	100.00%
MKT	£7,811.40	100.00%	2	100.00%
Grand Total	£7,811.40	100.00%	2	100.00%

4 Shires had very little direct bond trading in 2022 as we had sold most of our holdings in 2021 in anticipation of inflationary pressures in the wider economy. The two orders that occurred were through our custodian Jarvis and they were sells.

Direct Equities

Row Labels	Broker Business (£)	% of Volume	Orders Executed	% of Orders
Liberum	£11,052,652.23	54.04%	29	6.05%
MKT	£10,207,665.28	92.35%	21	72.41%
LIM	£844,986.95	7.65%	8	27.59%
Jarvis	£5,699,756.12	27.87%	395	82.46%
MKT	£5,324,756.32	93.42%	394	99.75%
LIM	£374,999.80	6.58%	1	0.25%
Numis	£1,959,435.77	9.58%	20	4.18%
MKT	£1,471,751.62	75.11%	16	80.00%
LIM	£487,684.15	24.89%	4	20.00%
Winterflood	£743,213.25	3.63%	16	3.34%
LIM	£684,758.25	92.13%	14	87.50%
MKT	£58,455.00	7.87%	2	12.50%
Cenkos	£542,495.64	2.65%	13	2.71%
LIM	£516,609.04	95.23%	12	92.31%
MKT	£25,886.60	4.77%	1	7.69%
Zeus Capital	£298,528.10	1.46%	5	1.04%
LIM	£207,231.00	69.42%	3	60.00%
MKT	£91,297.10	30.58%	2	40.00%
Baadar Bank	£158,253.59	0.77%	1	0.21%
LIM	£158,253.59	100.00%	1	100.00%
Grand Total	£20,454,334.69	100.00%	479	100.00%

In step with previous years, trading in direct equities was the majority of transaction volume in 2022. Volumes were very similar to those in 2021. 54% of our direct equity volume was done through Liberum which was used for the majority of trades involving large-cap FTSE companies. These included the likes of Vodafone, GlaxoSmithKline and Tesco. 4 Shires also trades direct equities through our custodian Jarvis Investment Management Limited via its RSP service. 4 Shires may also execute bulk trades through Jarvis in liquid FTSE 100 investments where it is not likely that paying additional third-party broker fees will result in an improvement in price. There are no broker fees payable to Jarvis. Baadar Bank was used for the first time in 2022 with one trade placed with them. Both Winterflood & Zeus Capital saw a slight increase as there was more trading in the small-cap and AIM markets to which they specialize in.

Exchange Traded Funds

Row Labels	Broker Business (£)	% of Volume	Orders Executed	% of Orders
Jarvis	£614,482.80	100.00%	22	100.00%
MKT	£614,482.80	100.00%	22	100.00%
Grand Total	£614,482.80	100.00%	22	100.00%

The volume of ETF trades fell in 2022 compared with 2021. The decrease was in some part due to a move away from index ETFs in favour of active funds. Due to the liquid nature of ETFs that 4 Shires trades in, 4 Shires does not consider it in the best interests of clients to trade in ETFs and pay additional fees using third party brokers as this will not normally result in an improvement in price. Therefore all the trades in ETFs were placed through our custodian Jarvis.

Investment Trusts

Row Labels	Broker Business (£)	% of Volume	Orders Executed	% of Orders
Panmure Gordon	£5,074,797.24	42.03%	8	1.98%
LIM	£5,074,797.24	100.00%	8	100.00%
Jarvis	£3,648,394.72	30.22%	358	88.40%
MKT	£3,648,394.72	100.00%	358	100.00%
Numis	£2,155,861.92	17.86%	29	7.16%
LIM	£1,923,400.26	89.22%	25	86.21%
MKT	£232,461.66	10.78%	4	13.79%
Liberum	£1,085,751.05	8.99%	8	1.98%
LIM	£982,784.59	90.52%	7	87.50%
MKT	£102,966.46	9.48%	1	12.50%
Winterflood	£108,414.16	0.90%	2	0.49%
LIM	£54,950.00	50.69%	1	50.00%
MKT	£53,464.16	49.31%	1	50.00%
Grand Total	£12,073,219.10	100.00%	405	100.00%

4 Shires was less active in investment trust trading in 2022 than in 2021 due to favouring direct UK holdings. The highest number of trades were conducted through Panmure Gordon reflecting the need for specialist brokers when conducting larger trades in investment trusts. Trades with Jarvis tend to represent smaller RSP trades for individual clients. High proportion of trades are placed with a limit order due to the lack of liquidity in the investment trust sector.

Quality of Execution

The relative importance 4 Shires ascribes to its order execution factors is highlighted in the Order Execution Policy.

4 Shires obtains indicative estimated prices from Alpha Terminal Level 2 facility prior to trade.

There were no additions or removals from 4 Shires' list of approved execution venues in 2022.

Disclaimer

This report has been provided on a best endeavours basis. Whilst we believe all data is accurate, some data is unavailable for the categorisation of trades between “passive” (LIM) and “aggressive” (MKT) orders. Where this information is not available the order type has been identified as “Unspecified”. As far as 4 Shires is aware, trades with an unspecified order type occurred prior to the reporting requirement for these types of trades.