

Best Execution Report for 1 January to 31 December 2019

Under COBS 11.2A.39R a firm which executes client orders must summarise and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes, where they executed client orders in the preceding year, together with information on the quality of execution obtained.

Best Execution is achieved by considering the execution factors (Costs, Speed, Likelihood of execution, Settlement, Order size, Nature, Venue and any other relevant consideration) against the four execution criteria:

- The characteristics of the client including the categorisation of the client as professional;
- The characteristics of the client order (if there is a client order);
- The characteristics of financial instruments that are the subject of that client order; and
- The characteristics of the execution venues or brokers to which that order can be directed.

A best execution review occurs at least semi-annually. The Best Execution Committee, which is composed of the Chief Compliance Officer, the Chief Financial Officer, the Chief Risk Officer and a member of the risk team, will meet to evaluate systematically the execution performance of brokers. This process is managed centrally by Marathon Asset Management, LP. based in the New York.

On a day-to-day basis all trades are individually monitored by operations in the London office.

MCAP is required to identify and to prevent or manage any actual, potential or perceived conflicts of interest to ensure that it does not place its own interests above its clients' interests and must, at all times, observe the fair treatment of all of its clients. To fulfil this requirement, both MAM and MCAP maintain and operates effective organisational and administrative arrangements, and implement policies and procedures designed to identify, monitor and to prevent or manage any actual, potential or perceived conflicts of interest.

The top five venues for each of the types of financial instruments are listed below in table form.

The top five brokers used by MCAP shown by security type – 1 January to 31 December 2019

Corporate Bonds
Counter Party Name
<ol style="list-style-type: none">1. Barclays Bank Plc2. CitiGroup Global Markets Limited3. Goldman Sachs International4. Jeffries International Limited5. JP Morgan Securities Plc

Government Bonds
Counter Party Name
<ol style="list-style-type: none">1. CitiGroup Global Markets Limited2. Merrill Lynch International3. Jeffries International Limited4. JP Morgan Securities Plc5. Barclays Bank Plc

Credit Default Swaps
Counter Party Name
<ol style="list-style-type: none">1. JP Morgan Chase Bank, NA London Branch2. Barclays Bank Plc3. Credit Suisse International4. Morgan Stanley & Co. International Plc5. Merrill Lynch International

Equity
Counter Party Name
<ol style="list-style-type: none">1. Goldman Sachs International2. JP Morgan Securities Plc