

Article 65(6) / RTS28 Qualitative Report

Calendar Year 2019

Architas Multi Manager Limited

- LEI Number: [549300045BR8V1GNWF18](#)

Listed instruments:-

Architas Multi Manager Limited (“our”/”we”/”us”) does not currently *execute* orders directly on any exchanges. Instead, we use a dedicated outsourced trading service (described further below) for order *placement*.

For calendar year 2019 we placed all of our **Equities** orders, specifically **Exchange Traded Fund** and **UK listed Investment Trust orders**, with Northern Trust Securities Limited (“NTSL”) for execution.

NTSL is a centralised outsourced dealer who acts as our execution broker, interacting with the wider marketplace to execute our orders with a network of different market participants and execution venues, making use of various liquidity sources. NTSL uses its expertise and judgement to select the most suitable venue given our specific instructions, the market environment, the asset class specifics and the size of the order. Our Order Execution Policy lists various execution factors relevant to the types of **instruments** in which we *place* orders for execution.

These execution factors are as follows:

- **Price**
- **Total cost of execution**
- **Speed of execution**
- **Likelihood of execution or settlement**
- **Size and nature of the order**
- **Any other consideration relevant to the efficient execution of the order (including the availability of liquidity and the market impact of the order).**

When assessing the quality of execution of orders in **Exchange Traded Funds**, due to the typically high availability of liquidity in this class of asset, **price** and the **total cost of execution** were our key execution factors with some consideration also of **speed of execution**. Typically our orders in **Exchange Traded Funds** are executed via a Request For Quote, price discovery process (“RFQ”) using competing market makers, also via NTSL. This process is a very transparent on-screen auction process using different competing market makers and authorised participants which allows us to monitor the competing quotes from multiple market participants to ensure the order has been transacted at the best **Price** available from these participants. It also allows us to assess the **Speed of Execution** as the RFQ process allows NTSL to execute for us quickly in the full order size if required. We may do this “at market” or to align with a specific reference point e.g. the market open or market close, depending on the size and nature of the order.

When assessing the quality of execution of orders in less liquid **Investment Trusts**, **price** was also an important factor. However, as Investment Trusts tend to be more illiquid and can offer significantly less on-screen liquidity we also considered the **likelihood of execution**, the **size of the order (and therefore the potential market impact)** and the **total cost of execution** as important factors. In

particular, in instances where Architas was seeking to trade relatively large volumes when liquidity was scarce, we have also factored in **Opportunity costs**. We attached less importance to **Speed of execution** as this is less relevant to our typical orders in Investment Trusts.

We have a fixed commission rate when transacting with NTSL but may transact at reduced costs when placing any on-market crosses or subscribing to Initial Public Offerings (IPOs) and placings. These rates are subject to review and in the final quarter of 2019 we agreed reduced execution commission costs with NTSL to lower the overall cost of execution for listed securities trading. For larger value orders we have flexibility to request a further reduction in the fixed commission cost.

We receive no rebates or material non-monetary benefits in respect of our arrangements with NTSL. NTSL acts as an integrated trading solution and has no proprietary trading desk or research service such that we are comfortable that any actual or perceived conflict of interest is therefore reduced.

During 2019 we monitored NTSL's execution quality using monthly and quarterly transaction cost analysis reports to analyse the overall cost of execution compared to arrival price and other reference benchmarks as appropriate. Arrival price analysis compares the price at the order start time to the order execution time and allows us to assess the implicit **Total Cost Of Execution**. In the final month of 2019 NTSL moved to a new transaction cost analysis reporting tool which will allow us to assess in more detail factors such as **Market Impact**

Results of the analysis have been in line with our expectations and we have seen a generally improving trend in performance relative to this arrival price benchmark but we continue to regularly monitor execution quality. We also monitor NTSL's use of different execution venues and brokers.

These venues and brokers are detailed in NTSL's Order Execution Policy here;
<https://www.northerntrust.com/documents/legal/mifid/nt-order-execution-policy.pdf>

NTSL themselves monitor the quality of execution and service of their execution venues and keep the list under review.

We have no close links or common ownerships with respect to any broker used for order placement or with execution venues used by those brokers to execute our orders. In 2019 we did not identify any other conflicts of interest in connection with our securities trading activities. We do not differentiate orders by client type and place orders only for professional clients with nothing for retail clients. We do not pay NTSL for research or other services using any broker commission and the service they offer us is for execution only. As confirmed in their own Order Execution Policy NTSL themselves do not structure or charge commissions in such a way as to discriminate unfairly across execution venues or counterparties.

The broker service level, execution quality and transaction costs are subject to regular review as well as on-going monitoring and assessment. We have had no significant, execution, service or settlement issues over the period which means we can assess the factor of **Likelihood of Execution or Settlement** positively. We have reviewed NTSL's Best Execution Policy and are satisfied that it meets both the FCA's requirements and those of the business that Architas have carried out through them. Architas will continue to review the policy on at least an annual basis and whenever NTSL update it.

Architas have also reviewed NTS LLP's Order Allocation Policy and have deemed it in line with the regulatory requirements and compatible with our duty to act in the best interests of our clients

For Collective Investment Schemes:

Collective Investment Schemes are executed at the prevailing daily price and for calendar year 2019 any orders in Collective Investment Schemes ("CIS") were executed with the underlying transfer agent at the relevant daily price via our relevant dealing agent. We placed orders for execution with State Street Bank and Trust Co, BNP Securities Services (Luxembourg and Paris) and Vidacos Nominees Ltd.

Results of these assessments for both Equities and Collective Investment Scheme execution are reported to our Investment Committee on a quarterly basis. We have policies and procedures in place in order to ensure that arrangements with our counterparties are in the best interest of clients.

As part of our regulatory obligations we publish on an annual basis on our website the detail of the Top 5 execution venues for different instrument types in line with regulatory guidance.