

Foresight Group LLP – Best Execution Disclosures 2020

1. Introduction

Foresight Group LLP (Foresight) is authorised by the Financial Conduct Authority to provide portfolio management services.

Article 65(6) of the MiFID II Delegated Regulation requires Foresight to disclose on an annual basis the top 5 brokers with which it places orders for execution and to publish information on the quality of the execution services received. Foresight does not directly execute orders on trading venues.

This report covers the 2020 calendar year. During the relevant period Foresight placed orders for the following instrument types:

- Equities – equity trades have been split into separate tables based on the MiFID II tick size regime. The tick size regime categorises instruments into different bands (1 to 6) based on the average number of trades per day in an instrument on that instrument's most liquid market.
- Other Instruments – Non-EU equities for which tick size data is not available have been categorised as 'other instruments'.
- Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)

All orders were placed for professional clients.

In addition to the quantitative information set out above, Foresight is required to produce a qualitative summary of the analysis and conclusions drawn from monitoring the quality of execution for each class of financial instruments. The Execution Quality Report is provided in section 3.

As Foresight has adopted the same approach for all types of instrument traded during both periods, a single Execution Quality Report has been provided below that is applicable to all of the firm's orders during the periods covered in this report.

2. Period covering 1/1/2020 to 31/12/2020

Equities

Class of instrument	Equities (Share and Depositary Receipts) - Tick size liquidity band 5 and 6 (from 2000 trades per day)		
Notification if <1 average trade per business day in the previous year	No		
Top five executing brokers ranked in terms of trading volumes (LEI)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of directed orders
BERNSTEIN AUTONOMOUS LLP (213800LBM6PT85IGM996)	63.6%	69.46	N/A
COWEN INC (5493008QI0EFC5WBED75)	34.69%	29.49%	N/A
THE TORONTO-DOMINION BANK (PT3QB789TSUIDF371261)	1.71%	1.05%	N/A
Class of instrument	Equities (Share and Depositary Receipts) - Tick size liquidity band 3 and 4 (from 80 to 1999 trades per day)		
Notification if <1 average trade per business day in the previous year	No		
Top five executing brokers ranked in terms of trading volumes (LEI)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of directed orders
NUMIS SECURITIES LIMITED (213800P3F4RT97WDSX47)	31.08%	3.03%	N/A
BERNSTEIN AUTONOMOUS LLP (213800LBM6PT85IGM996)	22.52%	59.02%	N/A
INVESTEC PLC (2138007Z3U5GWDN3MY22)	19.43%	0.17%	N/A
COWEN INC. (5493008QI0EFC5WBED75)	18.1%	35.69%	N/A

JEFFERIES LLC (58PU97L1C0WSRCWADL48)	8.77%	2.07%	N/A
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Class of instrument	Equities (Share and Depositary Receipts) - Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)		
Notification if <1 average trade per business day in the previous year	No		
Top five executing brokers ranked in terms of trading volumes (LEI)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of directed orders
INVESTEC PLC (2138007Z3U5GWDN3MY22)	23.75%	0.63%	N/A
COWEN INC. (5493008QI0EFC5WBED75)	23.45%	30.89%	N/A
NUMIS SECURITIES LIMITED (213800P3F4RT97WDSX47)	21.9%	5.83%	N/A
JEFFERIES LLC (58PU97L1C0WSRCWADL48)	17.65%	3.13%	N/A
BERNSTEIN AUTONOMOUS LLP (213800LBM6PT85IGM996)	9.32%	59.48%	N/A

Other Instruments

Class of instrument	Other instruments		
Notification if <1 average trade per business day in the previous year	No		
Top five executing brokers ranked in terms of trading volumes (LEI)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of directed orders
BERNSTEIN AUTONOMOUS LLP (213800LBM6PT85IGM996)	71.39%	82.8%	N/A

COWEN INC. (5493008QI0EFC5WBED75)	26.06%	14.64%	N/A
THE TORONTO- DOMINION BANK (PT3QB789TSUIDF371261)	2.55%	2.56%	N/A

Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)

Class of instrument	Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)		
Notification if <1 average trade per business day in the previous year	No		
Top five executing brokers ranked in terms of trading volumes (LEI)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of directed orders
BERNSTEIN AUTONOMOUS LLP (213800LBM6PT85IGM996)	97.79%	98.46%	N/A
COWEN INC. (5493008QI0EFC5WBED75)	2.21%	1.54%	N/A

3. Execution Quality Report

(a) an 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

Generally, market price will be the key factor for deciding the best possible result. However, there may be occasions where other factors take a priority over price; for instance, where a trade needs to take place as soon as possible, this may mean that speed of execution should be the driving factor.

(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders

Foresight does not have any close links or conflicts of interests with brokers used.

(c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received

Foresight does not receive payments, discounts, rebates or non-monetary benefits in respect of its portfolio management activity.

(d) an 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

Brokerage firms remain on Foresight's list of execution venues subject to initial due diligence and ongoing monitoring, which takes into account:

- Financial strength (for likelihood of execution)
- Ability to offer the best price or liquidity;
- Ability to settle trades in a timely manner;
- Ability to settle the size of the trade required;
- Screening against various regulatory and sanctions issues;
- Quality of RTS 27 reports;
- Where relevant, they agree by contract to comply with the best execution obligations; and
- Counterparty risk.

We regularly assess the brokers we use to satisfy ourselves that the broker is considering best execution factors on our behalf and that they are obtaining, on a consistent basis, the best possible result for clients when executing orders.

(e) an 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

Foresight does not place or execute orders on behalf of retail clients. All professional clients are treated the same.

(f) an 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

Foresight does not place or execute orders on behalf of retail clients. All professional clients are treated the same.

(g) an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575 (RTS 27)

Foresight's investment management teams conduct regular reviews and analysis of the quality of execution provided by brokers. Best execution is also considered as part of the firm's compliance monitoring programme. The brokers used have not produced RTS27 reports for the period.

(h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU

Foresight has not used the output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU