

AVENUE EUROPE MANAGEMENT, LLP

BEST EXECUTION

ANALYSIS

April 2021

This report is intended to provide a clear picture of the execution strategies and tools used by Avenue Europe Management, LLP (the "firm") to assess the quality of execution obtained on venues, such that its client can assess the effectiveness of the monitoring carried out by investment firms in relation to those execution venues and brokers utilised by the firm.

For each class of financial instruments in which the firm deals¹, included below is a summary of the analysis and conclusions drawn from monitoring of the quality of execution obtained on all execution venues and brokers used in the 2020 calendar year (the "review period"). Please be advised that:

- The firm does not have any close links with execution venues or brokers used to execute client orders;
- The firm does not have any specific arrangements with any execution venues or brokers regarding payments made or received, discounts, rebates or non-monetary benefits received in connection with execution of client orders. However, entities affiliated with the firm, including without limitation, Avenue Europe International Management, L.P. may acquire non-monetary benefits in connection with executing client orders for which the client may benefit; as such the firm has instituted policies, procedures, training and monitoring of the receipt of non-monetary benefits;
- During the calendar year, there have been no material² changes in the execution venues or brokers listed in the firm's approved broker and venue lists;
- The firm's client is a professional investor and, as such, order execution does not differ according to client categorisation;
- On not less than a quarterly basis, Avenue Capital Group, which includes the firm, convenes a best execution committee meeting to analyse the quality of execution of transactions entered into on behalf of its client. In completing this analysis, the firm utilizes, among other things, market data to assess the quality of execution obtained;
- The firm currently does not have any agreements with a multi-lateral trading facility ("MTF") whereby the MTF either executes or directs the execution to a broker. Rather, the firm will use trading facilities (e.g., Instinet, FxAll and Markit Access) to conduct price discovery prior

¹ The firm is a subadvisor to Avenue Europe International Management, L.P., an investment adviser registered with the United States Securities and Exchange Commission.

² From time to time brokers may be added or deleted from the firm's approved counter-party list. Any such changes that occurred during the review period related to broker dealers that did not execute a material number of transactions as compared to the firm's total volume from an order, quantity or value amount perspective.

to executing an order. Therefore, we do not have direct execution with an MTF and so the distinction between passive and aggressive orders is not relevant;

- All execution decisions are made according to a single policy;
- The firm has not used output from consolidated tape providers, as there were no such consolidated tape providers available in Europe during the period to which this disclosure relates; and
- As part of our best execution monitoring policies and procedures we have considered the data published under Commission Delegated Regulation (EU) 2017/575 by certain trading venues we have used, certain of those of our counterparties which operate as systematic internalisers and a sample of reports published by other execution venues which we do not currently utilise.

Below is a summary of the firm's analysis and conclusions in relation to each class of financial instruments (within the scope of MiFID II Directive 2014/65/EU) in which it executed client transactions in 2020.

Fixed Income

Included in this summary under fixed income are corporate bonds and bank debt.

Although price is generally the primary factor in selecting a counterparty, due to the large variance in liquidity and lack of price discovery across fixed income it is sometimes necessary in the illiquid markets to place the highest priority on likelihood of execution. It would be difficult to suggest that this comes at the expense of price, as price discovery is incomplete which limits choice. Within the fixed income space execution costs are almost entirely standardised and so that is unlikely to be considered high priority.

1. Price
2. Likelihood of Execution
3. Confidentiality
4. Costs
5. Speed
6. Counterparty Risk
7. Settlement Issues

There are no specific arrangements concerning rebates or non-monetary benefits with any current execution venues.

Recently, a number of new venues have entered the fixed income space and a number of traditional brokers have become MTFs. To date we have not entered into any agreements with MTFs, but may choose to do so in the future if we believe that it will provide us with an opportunity to improve execution quality.

Class of Instrument: Debt Instruments					
Notification if <1 average trade per business day in the previous year		No			
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume executed as percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs and Co. LLC (LEI: FOR8UP27PHTHYVLBNG30)	19.00%	12.20%	n/a	n/a	0.00%
Deutsche Bank Securities Inc. (LEI: 9J6MBOOO07BECTDTUZW19)	14.50%	13.00 %	n/a	n/a	0.00%
JP Morgan Chase Bank, National Association (LEI: 7H6GLXDRUGQFU57RNE97)	9.30%	11.00%	n/a	n/a	0.00%
Citigroup Global Markets Inc. (LEI: MBNUM2BPBDO7JBLYG310)	8.20%	14.10 %	n/a	n/a	0.00%
Barclays Bank PLC (LEI: G5GSEF7VJP5I7OUK5573)	6.50%	7.80%	n/a	n/a	0.00%

Credit Derivatives

Included in this summary under credit derivatives are the following asset classes: (i) credit default swaps and (ii) total return swaps with reference assets consisting of bank loans. As the treatment of the latter for best execution purposes is not clearly defined we have elected to include them as a separate table.

Although price is generally the primary factor in selecting a counterparty, due to the large variance in liquidity and lack of price discovery across credit derivatives it is sometimes necessary in the illiquid markets to place the highest priority on likelihood of execution. It would be difficult to suggest that this comes at the expense of price, as price discovery is incomplete which limits choice. Within the fixed income space execution costs are almost entirely standardised and so that is unlikely to be considered high priority.

1. Price
2. Likelihood of Execution
3. Speed
4. Costs
5. Confidentiality
6. Counterparty Risk

There are no specific arrangements concerning rebates or non-monetary benefits with any current execution venues.

Class of Instrument: Credit Derivatives					
Notification if <1 average trade per business day in the previous year		No			
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume executed as percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Citigroup Global Markets Inc. (LEI: MBNUM2BPBDO7JBLYG310)	24.80%	14.00%	n/a	n/a	0.00%
Goldman Sachs and Co. LLC (LEI: FOR8UP27PHTHYVLBN30)	19.00%	15.00%	n/a	n/a	0.00%
Morgan Stanley and Co. International PLC (LEI: 4PQUHN3JPF GFNF3BB653)	13.90%	17.50%	n/a	n/a	0.00%
Deutsche Bank Securities Inc. (LEI: 9J6MB0007BECTDTUZW19)	13.10%	10.00%	n/a	n/a	0.00%
BNP Paribas Securities Corp. (LEI: 2J5703FH5U5M97R1I237)	11.40%	7.50%	n/a	n/a	0.00%

Equity Derivatives

Included in this summary under equity derivatives are total return equity swaps.

Due to the high availability of liquidity across a number of different venues and the availability of in depth price discovery, we place the highest importance on price and then costs associated with execution. As we transact in less liquid instruments, speed, confidentiality and likelihood of execution increase in priority, but would be very unlikely to replace price or cost as the most important factors.

1. Price
2. Costs
3. Speed
4. Confidentiality
5. Likelihood of Execution

6. Counterparty Risk

With most venues we will set a commission rate based on the price of the instruments security being traded. For lower priced securities the commission will be greater than for higher priced securities.

Note: During calendar year 2020 we executed equity derivative trades with two execution venues.

Class of Instrument: Equity Derivatives					
Notification if <1 average trade per business day in the previous year		No			
Execution venues ranked in terms of trading volumes (descending order)	Proportion of volume executed as percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Numis Securities Inc. (LEI: 213800GW3YZJDBPALN37)	83.1%	66.7%	n/a	n/a	0.00%
Peel Hunt LLP (LEI: 5493007DWN0R4YBM4C84)	16.9%	33.3%	n/a	n/a	0.00%

Currency Derivatives

Included under currency derivatives are forward currency contracts.

Due to the high availability of liquidity across a number of different venues and the availability of in depth price discovery, we place the highest importance on price and then costs associated with execution.

1. Price
2. Costs
3. Confidentiality
4. Speed
5. Likelihood of Execution
6. Counterparty Risk

Generally, currency derivatives are used as a hedge and the spreads are small. Since there is a high level of price discovery, trades are executed with the firm that holds the position to be hedged, which we believe reduces the overall cost to the client.

Class of Instrument: Currency Derivatives	
Notification if <1 average trade per business day in the previous year	No

Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume executed as percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
JP Morgan Chase Bank, National Association (LEI: 7H6GLXDRUGQFU57RNE97)	35.1%	32.4%	n/a	n/a	0.00%
Goldman Sachs and Co. LLC (LEI: FOR8UP27PHTHYVLBNG30)	33.6%	28.0%	n/a	n/a	0.00%
Citigroup Global Markets Inc. (LEI: MBNUM2BPBDO7JBLYG310)	27.6%	25.3%	n/a	n/a	0.00%
Investec Bank PLC (LEI: 9695008A3Z2PHG0FHY69)	2.5%	10.0%	n/a	n/a	0.00%
Macquarie Bank Limited (LEI: 4ZHCHI4KYZG2WVRT8631)	1.2%	4.1%	n/a	n/a	0.00%