

## **Amber Capital UK LLP Annual Best Execution Disclosure 2019: Review period: 1 January 2019 – 31 December 2019**

Amber Capital UK LLP (“**Amber Capital**” or the “**Firm**”) is authorised and regulated by the UK Financial Conduct Authority (“**FCA**”) and subject to the UK implementation of the second European Markets in Financial Instruments Directive (“**MiFID II**”). Amber Capital’s delivery of best execution is a key element in its commitment to act in the best interests of its clients, as well as being a regulatory requirement. The Firm is required to take all sufficient steps to obtain the best possible result for its clients when it executes, places or transmits orders on their behalf.

Pursuant to the requirements of Regulatory Technical Standard 28 of MiFID II, set out below are the top five counterparties/executing brokers Amber Capital placed or transmitted orders for execution in terms of trading volumes for all executed client orders per class of financial instruments. Amber Capital’s clients are all pooled investment vehicles managed by the Firm. In addition, Amber Capital is the execution trading desk for Amber Capital Italia SGR S.p.A., an asset management firm regulated by the Bank of Italy, whose clients are also pooled investment vehicles. Amber Capital does not receive “directed orders”<sup>1</sup>. As this report is in relation to placing or transmitting orders to counterparties to execute it does not include data in relation to passive or aggressive orders.<sup>2</sup>

Portfolio transactions for clients are allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. When selecting approved brokers for inclusion in the execution policy, the Firm focuses on the potential of the brokers to enable the Firm to obtain on a consistent basis the best possible result for the execution of its client orders.

Amber Capital has adopted an order execution policy and arrangements with a view to obtaining the best possible result for its clients taking into consideration the relevant ‘execution factors’ (as such term is used in the FCA rules and, if applicable, ERISA), including price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. The primary goal when executing trades is to get best price for the largest amount of liquidity, reaching a target size at the best average price within a given time period. Price levels and time period are influenced by the volatility/ liquidity limitations of a given investment. The relative importance of the execution factors is judged on an order-by-order basis in line with the Firm’s industry experience and prevailing market conditions.

During the period under review, Amber Capital regularly reviewed the effectiveness of its best execution policy and its execution arrangements to identify and, where appropriate, incorporated any changes to enhance the quality of execution obtained. For the period under review, there was one addition to the list of counterparties/brokers listed in Amber’s order execution policy. Factors considered included: price, access to the market, counterparty risk and market liquidity and these were applied on an objective basis. In addition, common key factors for relevant asset classes have been identified below.

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<sup>1</sup> ‘directed order’ means an order where a specific execution venue was specified by the client prior to the execution of the order.

<sup>2</sup> ‘passive order’ means an order entered into the order book that provided liquidity and ‘aggressive orders’ means an order means an order entered into the order book that took liquidity.

While Amber Capital does take the characteristics of its clients and respective strategies into account when judging the relative importance of the execution factors, the Firm's clients are exclusively professional clients and so are normally treated with a consistent approach.

Amber Capital does not have any close links, conflicts of interests or common ownership with respect to the executing brokers/counterparties it uses to execute orders. There were no specific arrangements with any executing broker/counterparty of the Firm regarding payments made and received, discounts, rebates, or non-monetary benefits, regardless of class of financial instrument in scope of this report. The Firm may receive minor non-monetary benefits from its executing brokers/counterparties and these are only accepted after due and careful consideration has been made by the Firm in line with its regulatory obligations, including confirmation that such minor non-monetary benefits are deemed capable of enhancing the quality of services provided by the Firm to its clients and do not impair compliance with the firm's duty to act in the best interests of the client.

**The following Classes of Financial Instruments are not applicable:**

**Interest Rate Derivatives: Swaps, forwards and other interest rate derivatives**

**Credit Derivatives: Futures and options admitted to trading on a trading venue**

**Currency Derivatives: Futures and options admitted to trading on a trading venue**

**Structured Finance Instruments**

**Equity Derivatives: Swaps and other equity derivatives**

**Securitised Derivatives: Other Securitised Derivatives;**

**Commodities Derivatives and emission allowances derivatives: Options and futures admitted to trading on a trading venue; Other commodities derivatives and emission allowances derivatives**

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

**Emission allowances**

Class of instrument	<b>Equities: Shares and Depository Receipts - tick size liquidity bands 5 and 6 (from 2000 trades per day)</b>				
Notification if <1 average trade per business day in the previous year	<b>N</b>				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a 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 International (W22LROWP2IHZNBB6K528)	31.56%	34.67%	-	-	-
UBS (BFM8T61CT2L1QCCEMIK50)	19.04%	15.47%	-	-	-
Exane BNP Paribas (213800SH9MTNZQJKP526)	11.90%	12.03%	-	-	-
Morgan Stanley & Co (4PQUHN3JPFGFNF3BB653)	10.59%	6.69%	-	-	-
Oddo Securities (254900PB6XNTR7C0W579)	7.14%	7.64%	-	-	-

Class of instrument	<b>Equities: Shares and Depository Receipts - tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)</b>				
Notification if <1 average trade per business day in the previous year	<b>N</b>				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a 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
UBS (BFM8T61CT2L1QCCEMIK50)	24.56%	15.88%	-	-	-
Ambrosia (213800HTCKGCV7FZCG91)	19.36%	13.14%	-	-	-
Equita Sim Spa (815600E3E9BFBC8FAA85)	11.39%	14.51%	-	-	-
Fidentis Equities Sa (95980020140006002537)	7.74%	12.32%	-	-	-
Mediobanca Spa	7.62%	7.76%	-	-	-

(PSNL19R2RXX5U3QWHI44)					
Class of instrument	<b>Equities: Shares and Depository Receipts - tick size liquidity bands 1 and 2 (from 0 to 79 trades per day)</b>				
Notification if <1 average trade per business day in the previous year	<b>N</b>				
Top five execution venues ranked in terms of trading volumes (descending order)	<b>Proportion of volume traded as a percentage of total in that class</b>	<b>Proportion of orders executed as percentage of total in that class</b>	<b>Percentage of passive orders</b>	<b>Percentage of aggressive orders</b>	<b>Percentage of directed orders</b>
TORINO 1895 INVESTIMENTI (9845003884DE596DFD08)	56.39%	1.76%	-	-	-
Intermonte Sim Spa (YMUU1WGHJKORF9E36I98)	19.16%	23.53%	-	-	-
UBS (BFM8T61CT2L1QCEMIK50)	9.40%	7.65%	-	-	-
Equita Sim Spa (815600E3E9BFBC8FAA85)	7.14%	27.94%	-	-	-
Morgan Stanley & Co (4PQUHN3JPFQFNF3BB653)	2.56%	23.82%	-	-	-

Class of instrument	Equities: Shares and Depository Receipts – Non-EEA				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a 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 International (W22LROWP2IHZNBB6K528)	53.96%	26.35%	-	-	-
UBS (BFM8T61CT2L1QCCEMIK50)	13.92%	20.20%	-	-	-
Itau Securities Latam (5493008E85XK12EKYI22)	6.62%	13.55%	-	-	-
Scotia (5493009NLZXZGJDOPC94)	5.89%	5.17%	-	-	-
Renmac (5493004JBM7TRGGJL532)	4.38%	4.93%	-	-	-

For small orders over a short period of time, the key factors will generally be price, quantity based on market availability, and likelihood of execution. For larger orders executed across a longer period of time, Amber Capital will additionally seek to minimize the impact on the market and slippage historically achieved on each venue.

Generally Amber Capital considers relevant factors to be overall costs including broker fee schedules, impact and observed slippage.

The impact of implicit costs must be taken into account when considering the execution strategy of orders to ensure that they are managed and do not result in an undue impact to total costs.

As part of Amber Capital’s analysis of best execution in relation to equities, the Firm analysed the trades during the relevant period against the trading day’s variable weighted average price (“**VWAP**”). The monitoring completed confirmed that best execution was obtained consistently with the approved brokers that we trade with throughout the year.

Class of instrument	Debt Instruments: Bonds				
Notification if <1 average trade per business day in the previous year	Y				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a 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 & Co (W22LROWP2IHZNBB6K528)	77.91%	60.87%	-	-	-
Morgan Stanley & Co (4PQUHN3JPFGFNF3BB653)	13.79%	20.29%	-	-	-
JP Morgan (K6Q0W1PS1L1O4IQL9C32)	8.07%	15.94%	-	-	-
Equita Sim Spa (815600E3E9BFBC8FAA85)	0.22%	2.90%	-	-	-

Class of instrument	Debt Instruments: Money Markets Instruments				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a 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
			-	-	-

Generally Amber Capital considers relevant factors to be overall price and cost, however speed and probability of execution as well as counterparty risk assessment are also relevant factors.

As part of Amber Capital's analysis of best execution in relation to debt instruments with brokers via indirect trading, reviews of external market data and externally verifiable reference prices (where available) were undertaken when pricing or checking the price of debt instruments (including bespoke instruments). The monitoring completed confirmed that best execution was obtained consistently on the approved execution venues throughout the year.

Class of instrument	Equity Derivatives: Options and Futures admitted to trading on a trading venue				
Notification if <1 average trade per business day in the previous year	Y				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a 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 & Co (W22LROWP2IHZNBB6K528)	100.00%	100.00%	-	-	-

The key factors typically considered are price, observed volume on exchange, and overall transaction costs and additionally counterparty risk assessment. Prices are compared via a request for quote ("RFQ"), taking into account additional transaction costs that may be applicable. When transactions are time-sensitive, response time to RFQ can be a defining factor.

As part of the Firm's analysis of best execution in relation to equity derivatives, the Firm analysed the trades with brokers during the relevant period against the VWAP. The monitoring completed confirmed that best execution was obtained consistently on the approved execution venues throughout the year.

Class of instrument	Interest Rate Derivatives: Futures and options admitted to trading on a trading venue				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a 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 & Co (W22LROWP2IHZNBB6K528)	98.78%	99.30%	-	-	-
UBS (BFM8T61CT2L1QCEMIK50)	1.22%	0.70%	-	-	-

Class of instrument	Credit Derivatives: Other Credit Derivatives				
Notification if <1 average trade per business day in the previous year	Y				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a 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 International(W22LROWP2IHZNBB6K528)	100%	100%	-	-	-

Class of instrument	Currency Derivatives: Swaps, forwards and other currency derivatives				
Notification if <1 average trade per business day in the previous year	Y				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a 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 International (W22LROWP2IHZNBB6K528)	38.83%	24.65%	-	-	-
State Street (549300FDEDF5ORXCMQ56)	28.77%	6.56%	-	-	-
UBS (BFM8T61CT2L1QCCEMIK50)	26.11%	8.95%	-	-	-
Caceis (96950023SCR9X9F3L662)	6.28%	59.84%	-	-	-

For all of the above instruments, size of order, price and cost will generally be the most important factors by which Amber Capital considers how we trade in these instruments. However, other execution factors will be taken into account such as ISDA relationships and the ability of each Fund to trade the selected instrument with the relevant counterparty. Amber Capital will take into account external market data and externally verifiable reference prices (where available including Bloomberg data).

Execution speed or the lack of venues or counterparties offering the relevant instrument may mean that our investigation into price is not as varied as it might be in other circumstances.

Class of instrument	Securitised Derivatives: Warrants and Certificate Derivatives				
Notification if <1 average trade per business day in the previous year	Y				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a 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
Banco Santander (549300FT36TF8GQFTL08)	52.34%	30.00%	-	-	-
Equita Sim Spa (815600E3E9BFBC8FAA85)	40.62%	50.00%	-	-	-
UBS (BFM8T61CT2L1QCCEMIK50)	7.04%	20.00%	-	-	-

Size of order, price and cost will generally be the most important factors by which Amber Capital considers how Securitised Derivatives are traded. However, other execution factors are taken into account such as speed and the outstanding trading arrangements for each Fund. Amber Capital will take into account external market data and externally verifiable reference prices (where available including Bloomberg data).

Execution speed or the lack of venues or counterparties offering the relevant instrument may mean that our investigation into price is not as varied as it might be in other circumstances.

Class of instrument	Contracts for Difference				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a 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 International (W22LROWP2IHZNBB6K528)	66.71%	70.79%	-	-	-
UBS (BFM8T61CT2L1QCEMIK50)	33.29%	29.21%	-	-	-

Key factors typically considered for CFDs are price, observed volume on exchange, and overall transaction costs. Prices are compared via a request for quote (“RFQ”), taking into account additional transaction costs that may be applicable. When transactions are time-sensitive, response time to RFQ can be a defining factor.

As part of Amber Capital’s analysis of best execution in relation to the above instruments, the Firm analysed the trades with brokers during the relevant period against the VWAP. The monitoring completed confirmed that best execution was obtained consistently on the approved execution venues throughout the year.