



## Impax Asset Management Group plc Annual Best Execution Disclosure 2017

April 2018

On an annual basis, in accordance with the requirements of Regulatory Technical Standard 28 of Markets in Financial Instruments Directive (“MiFID II”), Impax Asset Management Group plc (“Impax”) is required to provide additional disclosures around the execution venues utilised for each asset class and certain information on the quality of execution.

When determining the strategy for placing orders for execution in the market, Impax will take into consideration a number of execution factors dependent on the characteristics of the order and the prevailing market conditions. In determining the relative importance of the execution factors, Impax will consider each client’s objectives, the specific financial instruments to which the order relates, the execution venues or counterparties available for such order and the prevailing market conditions. Whilst they may differ dependent on the characteristic of each order, it has described the typical relative importance of the execution factors in the analysis that follows.

Impax places orders to be executed with approved brokers. The list of approved brokers is reviewed regularly and changes over time. A list of liquidity providers, in which Impax places significant reliance, is included in the Best Execution Policy. Amendments to the approved brokers list will be made considering a number of factors including the credit worthiness of the broker and the execution performance of the broker. Impax does not receive payments, discounts, rebates or non-monetary benefits in its trading arrangements. Impax does not trade with its affiliates.

All Impax clients are treated the same with the exception of instances whereby execution venues are dictated by the client.

Orders raised by Impax Portfolio Managers are processed by Impax’s centralised dealing desk. Portfolio Managers are not able to influence which trading venue is used in a transaction.

A governance oversight meeting (The Best Execution Committee) is held on a quarterly basis in order to review adherence to the Best Execution Policy. It is attended by senior investment, compliance and risk staff who review the management information available for all traded instrument types and discuss any concerns or issues.

For the year ending 2017 Impax can confirm that it considers it has met its obligation to achieve the best possible result for its clients on a consistent basis.

## Information on the Top Five Execution Venues

### Equities – Shares and Depository Receipts

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
UBS Limited	64.34%	65.81%	N/A	N/A	0.00%
Merrill Lynch International	14.38%	14.33%	N/A	N/A	0.00%
Morgan Stanley & Co. International plc.	8.97%	8.14%	N/A	N/A	0.00%
Liquidnet Europe Limited	5.24%	4.36%	N/A	N/A	0.00%
Investment Technology Group Inc.	2.88%	2.76%	N/A	N/A	0.00%

A Transaction Cost Analysis (“TCA”) is regularly carried out for Equities and enables Impax to measure implicit costs, such as market impact, timing and opportunity cost, and highlights how efficient the transaction process is at capturing the implicit value identified by the Portfolio Manager. TCA reports are produced on a regular basis and discussed with Head of Trading, COO Listed Equities, Head of Listed Equities and Head Compliance and Risk. Independent testing is also undertaken by Impax’s Compliance Team.

## Qualitative Data for the Purpose of RTS 28/Art 65(6) Reports

Article 3(3): Investment firms shall publish for each class of financial instruments, a summary of the analysis and conclusions they draw from their detailed monitoring of the quality of execution obtained on the execution venues where they executed all client orders in the previous year. The information shall include:

Requirement	Conclusions
<p>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;</p>	<p>The relative importance of each of these factors within Impax's dealing process will vary depending upon a number of criteria:</p> <ul style="list-style-type: none"> <li>• The investment intent of the investment manager who created the order;</li> <li>• The characteristics of financial instruments that are the subject of that order; and</li> <li>• The characteristics of the execution venues to which that order can be directed.</li> </ul> <p>Each client order that is transacted is inherently unique in its characteristics and market conditions are never constant. The relative importance of the execution factors is therefore variable. Over this review period, liquidity was generally considered to be the most important factor when seeking to achieve the best possible outcome for clients. In addition, the particular combination of total consideration (price of the instrument and costs of execution, both implicit and explicit) and size are generally the most considered factors when determining an execution strategy. Where an instrument is less liquid, then likelihood of execution becomes a more important consideration.</p>
<p>A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;</p>	<p>Impax has no close links, conflicts of interest, or common ownerships with respect to any execution venues used to execute orders. Impax does not trade with its affiliates.</p>
<p>A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;</p>	<p>Impax does not receive payments, discounts, rebates or non-monetary benefits in its trading arrangements.</p>
<p>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;</p>	<p>Brokerage firms remain on Impax's list of execution venues subject to an authorisation and ongoing monitoring process, which includes, but is not limited to, the broker's credit worthiness and financial stability, a review of the performance of execution services provided by the broker, and the broker's ability to trade effectively on our clients' behalf. No brokers were removed during the period.</p>

Requirement	Conclusions
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;	Impax provides investment services to Professional Clients only. All clients are treated the same.
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;	Impax does not provide investment services to Retail Clients.
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];	Trading outcomes are monitored and measured using pre-trade cost models and details post trade TCA. Impax uses both quantitative and qualitative measures to select appropriate brokers for its liquidity needs.
Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider	This is not applicable.