

goetzpartners securities Limited - MiFID2 Investor Guidance Note

To: Equity Desk / Research Procurement Department

goetzpartners securities Limited (“goetzpartners”) provides specialised and sector-specific research and non-independent research to professional recipients relating to bio-sciences, life sciences, pharmaceuticals and medical tech services. We have a team of 2 specialist analysts with direct industry experience in the sector.

We do not conduct any execution business. We do not have any market making, sales trading, trading or share dealing activity.

Under MiFID2 (which came into effect on 3rd January 2018), recipients will need to determine whether they wish to receive our investment research. The new rules deem investment research to be an inducement which may not be provided by a third-party firm (such as goetzpartners) to such recipients unless it is paid for out of the recipient firm’s own resources (P&L, hard dollar) or via a research payment account (“RPA”) funded by specific charges to clients and controlled by the investment firm.

We believe that you may receive / continue to receive our non-independent (“issuer-commissioned / connected”) research, free of charge, on the following basis:

- our non-independent research is a **minor non-monetary benefit** as we are contractually engaged and paid by the corporate issuer, as a third party, to produce such written material on an ongoing basis (as per COBS 2.3A.19R(5)(b)). This is conditional upon us (a) clearly disclosing this relationship in the material and (b) making the material available at the same time to any firms wishing to receive it or to the general public.

- non-independent research is deemed to be a marketing communication.

- A minor non-monetary benefit may be accepted if it meets certain criteria and the recipient discloses receipt to the client. goetzpartners believes that its non-independent research meets the criteria for an **acceptable minor non-monetary benefit** as follows:

- a) It **enhances the quality of service** provided to clients who are likely to invest in healthcare sector equities or who may seek advice on such securities as our research is well balanced and written by specialised sector analysts with wide experience in technical aspects of the industry / products involved.
- b) It is of a **nature / scale** not to impair compliance with the firm’s duty to act honestly, fairly, professionally and in the client’s best interests as our non-independent research is funded by the commissioning issuer, provided free of charge and is deemed to be marketing communication.
- c) It is **reasonable and proportionate** and of a scale not to influence the receiving firm’s behaviour to the detriment of the relevant client as: goetzpartners does not provide execution services and (therefore receipt of research will not ‘influence behaviour’) and the material is of a standard size (therefore not disproportionately large / substantive).

If you would like to discuss this further, then please contact Paul W. Dunne – Compliance Officer.

goetzpartners securities Limited

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Compliance Notice - PWD – 7th January 2020