



Trinity Delta and MiFID II

The implementation of MiFID II will have significant consequences in the provision and receipt of research for a number of industry players. However, as providers of “issuer pays” research we believe that we are unaffected and that our research notes will remain freely available to all classes of investors.

Broadly speaking, based on the MiFID II rules, research content and services received by asset managers can be categorised into three groupings:

1. **Substantive research** Research that provides a substantive opinion as to the present or future value of a financial instrument can currently only be received by an asset manager if paid for either from its own P&L or through a research payment account.
2. **Minor non-monetary benefit** The MiFID II rules make provisions for certain content and services to be received without the need to pay for them under the inducement rules. The list includes:
 - a. Written research that is paid for by the issuer either to promote a new issue, or where there is a contractual engagement to produce this written content on an ongoing basis where the relationship between the issuer and the research provider is clearly disclosed and is made widely available to the general public.
 - b. Brief, unsubstantiated summaries on company results and upcoming releases and events.
 - c. Macroeconomic and fixed income research that is freely disseminated with information that is generic in nature.
3. **Substantive content and services that involve the allocation of valuable resources but do not meet the definition of research.** These need to be assessed and paid for separately by the asset manager.

Trinity Delta has reviewed its content and services, and would highlight the following to the recipients of its research:

1. **We do not conduct any execution business** We do not have any market making, sales trading, trading or share dealing activity.
2. **Our content is disseminated widely and made available to the public through a range of different channels** Our research is made freely

available through our own website. We do not have any permissioning requirements on research aggregation platforms such as Bloomberg, Thomson Reuters and S&P Capital IQ and also make our research freely available on platforms such as ResearchTree and ResearchPool. Our content can be made available, where regulation permits, on our clients' own websites and through a range of partner websites.

3. **We do not seek any payment from our readers for our research** We make it clear to institutional investors that we do not want payments from them for our freely available content.
4. **All of our content falls into the minor non-monetary benefit category and can continue to be received by asset managers** Our research content falls into three groups:
 - **Regular research coverage, paid for by corporate issuers through a contractual engagement that is disclosed on the front page of our research.**
 - **Non-funded Quickviews**, which are one-page notes that use consensus estimates, with no formal valuation models, and are produced on company results where our analysts attend results presentations for non-client companies that are in our sector area of expertise. These are non-substantive and are also distributed to the general public.
 - **Economic and industry commentary**, which is disseminated widely and generic in nature.

5. Trinity Delta will continue to contribute to consensus earnings platforms.

Trinity Delta is a specialist equity research house focused on the healthcare, life sciences and related industries. We are experienced healthcare and life sciences analysts providing the highest quality service to companies in these sectors and to investors. We have expertise in the fields of the biotech, medtech, specialty pharma and consumer health sectors. We pride ourselves for our integrity and professionalism, where our word is our bond. This applies to our research, and all interactions with companies, the buy-side and other partners. We also firmly believe that by putting our clients first, we create long term value for all stakeholders.

Trinity Delta is regulated by the Financial Conduct Authority (Reference number: 725161)

More detail can be found at trinitydelta.org.