



BNP Paribas Asset Management France, Belgian Branch

RTS 28 – TOP 5 EXECUTION VENUES

Report 2022

INTRODUCTION

Directive 2014/65/EU on markets in financial instruments (“MiFID II”) requires BNP Paribas Asset Management France, Belgian Branch (“BNPP AM Belgium”), as investment firm, to provide an annual reporting on its top five of execution venues and financial intermediaries in terms of trading volume and quality of execution per class of financial instrument, on which it has executed client orders, both under discretionary portfolio management as under Reception and Transmission of Orders (“RTO”) preceded by Investment Advice.

This report presents the top 5 execution venues per class of financial instrument for the year 2022, in accordance with the technical standards RTS 28 of MiFIR (Delegated Regulation C (2016) 3337 final) and the Delegated Regulation (EU) 2017/576 of the Commission.

GENERAL INFORMATION

BNPP AM Belgium is a Management Company of UCITS and AIF and provides the MiFID services discretionary portfolio management and investment advice, including RTO following investment advice.

For its discretionary portfolio management activities, BNPP AM Belgium delegates its order execution to BNP Paribas Dealing Services¹ (“Dealing Services”), whereas for its RTO following investment advice, BNPP AM Belgium transmits the orders to BNP Paribas Fortis.

SCOPE

This report covers the order execution for discretionary portfolio management only, i.e. all transactions executed by BNPP AM Belgium, by means of Dealing Services, for all client (both professional and non-professional) orders related to discretionary portfolio management activities.

¹ BNP Paribas Dealing Services is part of the Global Trading Function and for 100% owned by BNP Paribas Asset Management.



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QUANTITATIVE REPORT

The RTS 28 requires the publication of a report per class of financial instruments containing the following information for the top 5 execution venues:

- a) venue name and identifier;
- b) volume of client orders executed on that execution venue expressed as a percentage of total executed volume;
- c) number of client orders executed on that execution venue expressed as a percentage of total executed orders;
- d) percentage of the executed orders referred to in point (c) that were passive and aggressive orders;
- e) percentage of orders referred to in point (c) that were directed orders;
- f) confirmation of whether it has executed an average of less than one trade per business day in the previous year in that class of financial instruments.

The below table shows all classes of financial instruments in which BNPP AM Belgium has handled in 2022.

Class of financial instruments		Transmission to Dealing Services
Equities — Shares & Depositary Receipts	Tick size liquidity bands 5 and 6	
	Tick size liquidity bands 3 and 4	
	Tick size liquidity band 1 and 2	
Debt instruments	Bonds	
	Money markets instruments	
Interest rates derivatives	Futures and options admitted to trading on a trading venue	
	Swaps, forwards, and other interest rates derivatives	
Credit derivatives	Futures and options admitted to trading on a trading venue	
	Other credit derivatives	
Currency derivatives	Futures and options admitted to trading on a trading venue	
	Swaps, forwards, and other currency derivatives	yes
Structured finance instruments		
Equity Derivatives	Options and Futures admitted to trading on a trading venue	
	Swaps and other equity derivatives	
Securitized Derivatives	Warrants and Certificate Derivatives	
	Other securitized derivatives	
Commodities derivatives and emission allowances Derivatives	Options and Futures admitted to trading on a trading venue	
	Other commodities derivatives and emission allowances derivatives	
Contracts for difference		
Exchange traded products	Exchange traded funds, exchange traded notes and exchange traded commodities	yes
Emission allowances		
Other instruments		yes
Securities Financing Transactions	repo/reverse repo	

NB: if a cell is greyed out it means that BNPP AM France, Belgian Branch has not traded in this class of financial instruments in 2022.

In accordance with the Directive 2014/65/EU and the tick size regimes that have been defined, the class 'Equities — Shares & Depositary Receipts' should be split in sub-classes depending on the liquidity of the traded instruments.

There are three liquidity bands:

- i. Tick size liquidity bands 5 and 6 (from 2 000 trades per day)
- ii. Tick size liquidity bands 3 and 4 (from 80 to 1 999 trades per day)
- iii. Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)

BNPP AM Belgium (by the means of Dealing Services) has not traded in such instruments. Hence, the report will not show these three sub-classes.

This report covers the discretionary portfolio management activities of BNPP AM Belgium for both its professional as well as its non-professional clients.

QUALITATIVE ANALYSIS

The Selection and Execution Policy ("Policy") of BNPP AM Belgium describes the measures implemented by BNPP AM Belgium to ensure the best selection of intermediaries and the best execution of the transactions on behalf of the portfolios and mandates it manages. All clients of BNPP AM Belgium and Dealing Services are treated equally under the BNPP AM Best Execution Policy.

In order to ensure best execution, BNPP AM Belgium takes several factors into account, which may be combined or not and which depend on the class of financial instrument. These execution factors are:

1. Price
2. Potential market impact
3. Liquidity and market conditions
4. Size and order type
5. Likelihood of execution
6. Speed of execution
7. Likelihood of settlement
8. Transaction costs (direct and indirect)
9. Specific client instructions
10. Negotiation capabilities of counterparties/brokers together with a competitive pricing and a qualitative coverage following their global performance as defined by our classification
11. Legal documents

While price, speed and size are generally the most important execution factors to be taken into account, the relative importance of each criterion depends on the financial instrument and the order type.

As mentioned in the 'General Information' section of this report, BNPP AM Belgium entirely delegates its order execution to Dealing Services. BNPP AM Belgium has implemented a control framework to monitor the performance of Dealing Services and to assure best execution of its clients' orders. The qualitative analysis presented in this report relates to the orders executed by Dealing Services on behalf of BNPP AM Belgium.

COUNTERPARTY SELECTION

The list of counterparties used by Dealing Services is coordinated by BNPP AM. Selection is broadly based on:

- Ability to provide liquidity in the financial instruments traded;
- Expertise and intelligence in specific markets and financial instruments; and
- Use of technology that can provide value to the execution process.

Dealing Services conducts a quantitative assessment of each counterparty on a quarterly basis, reviewing information such as:

- Trading Cost Analysis ("TCA");
- The quality and frequency of axes and indication of interest ("IOI"); and
- Hit ratios.

Dealing Services' dealers also provide a qualitative assessment of each counterparty on a quarterly basis, on criteria such as:

- Financial instrument and market coverage;

- Ability to deliver the best service per execution strategy; and
- Quality of daily interactions.

Detailed feedback is then provided to those counterparties with whom we have consistently traded during the period.

MONITORING

Dealing Services uses an external TCA provider to analyse trading data for equities and forex against market prices and appropriate benchmarks. Deviations from these benchmarks are monitored according to pre-determined thresholds.

A central team within BNPP AM manages the TCA process and provides a summary report, highlighting key trends, metrics and findings. The Compliance teams of both Dealing Services and BNPP AM Belgium perform independent first and second level controls on best execution.

TOP 5 VENUE AND EXECUTION REPORTS

In order to meet the requirements of MiFID II, Dealing Services, on behalf of BNPP AM Belgium, must provide two sets of Top 5 Venue tables per class of financial instrument. The first relating to transactions, Dealing Services has executed either directly with a trading venue or counterparty (known as “Execution”); and the second relating to orders placed with a counterparty, such as a broker, to execute in the market on Dealing Services’ behalf (known as RTO).

Where applicable, Dealing Services has set out both sets of Top 5 Venue tables in this report and included a description of the trading strategies employed by our dealers to ensure they deliver a consistent level of best execution.

In certain circumstances Dealing Services also uses Trading Venues (also known as electronic platforms), such as Bloomberg and FXall, to trade. These platforms facilitate access to counterparties on a request for quote (RFQ) basis, which means we can obtain prices from a number of entities for the same transaction simultaneously. Where a platform appears in our Top 5 Execution and/or RTO tables we have also provided information about the underlying counterparties we have chosen to transact with, where available. This provides additional information about the sources of liquidity we have used and our order routing practices.

PASSIVE AND AGGRESSIVE ORDERS

In the tables below, Dealing Services shows whether our executions were Passive or Aggressive. A Passive order provides liquidity to the market (i.e. sell order); whereas an Aggressive order takes liquidity from the market (i.e. buy order).

The relevant columns have been populated where we have placed a trade using a counterparties’ direct electronic access to a venue, and we have:

- Specifically directed the trade to a particular venue which has an order book; and
- Provided or taken liquidity.

CLOSE LINKS, CONFLICTS OF INTEREST OR COMMON OWNERSHIP WITH EXECUTION VENUES

BNPP AM Belgium is a fully owned subsidiary of BNP Paribas Asset Management (“BNPP AM”). Orders originating from portfolio management activities within BNPP AM Belgium are placed with trading desks of BNP Paribas Dealing Services (“Dealing Services”), subsidiary of BNPP AM. Dealing Services may execute trades with BNP Paribas Group’s affiliates. BNPP AM’s Order Execution Policy requires that trades with BNPP Group entities are executed on an arm’s length basis. Internal brokers/counterparties are subject to the same selection and evaluation processes and rules as any third party counterparty and will not receive preferential treatment. Dealing Services has no link nor conflict of interest with execution venues.

SPECIFIC ARRANGEMENTS WITH ANY EXECUTION VENUES

Dealing Services does not receive payments, discounts, rebates or non-monetary benefits in its execution arrangements. Dealing Services may receive minor material and non-monetary benefits from counterparties/brokers/venues and these are only accepted after review by Dealing Services in accordance with its obligations and its own internal procedures.

REPORT PER CLASS OF FINANCIAL INSTRUMENT

CURRENCY DERIVATIVES – OTC

BNPP AM Belgium fully delegates its order execution to Dealing Services, hence, the tables presented hereunder display the top 5 execution venues used by Dealing Services.

EXECUTION

Class of Instrument	6 - Currency derivatives - OTC				
Notification if <1 average trade per business day in the previous Year	Y				
Top 5 Execution venues ranked in terms of trading volumes (descending order)	Proportion of Volume Traded	Proportion of Orders Executed	Proportion of Passive Orders	Proportion of Aggressive Orders	Proportion of Directed Orders
CITIGROUP GLOBAL MARKETS EUROPE AG	56.05%	62.50%	0.00%	0.00%	0.00%
FXALL Multilateral Trading Facility (TRAL)	43.95%	37.50%	0.00%	0.00%	0.00%

The above list of execution venues remains identical as it was for 2021. However, the proportion of volume traded for Citigroup Global Markets Europe has sharply increased from 0.28% to 56.05% this year. On the other side, the volume on the executing platform FXALL has decreased from 99.72% to 43.95%. These variations originate from the quarterly assessment performed by Dealing Services on the execution venues and the application of the best execution principle, more in particular receipt of better prices.

Class of Instrument	6 - Currency derivatives - OTC	
Notification if <1 average trade per business day in the previous Year	Y	
Top 5 Execution venues ranked in terms of trading volumes (descending order)	Proportion of Volume Traded	Proportion Total Exec
FXALL Multilateral Trading Facility (TRAL)	43.95%	37.50%
CITIGROUP GLOBAL MARKETS EUROPE AG (6TJCK1B7E7UTXP528Y04)	100.00%	37.50%

The above list of execution venues remains unchanged compared to 2021. The variations originate from the quarterly assessment performed by Dealing Services on the execution venues and the application of the best execution principle, more in particular receipt of better prices.

EXCHANGE TRADED PRODUCTS – EXCHANGE TRADED FUNDS, EXCHANGE TRADED NOTES AND EXCHANGE TRADED COMMODITIES

Executions on Exchange Traded Products are generally driven by the price and order size, and then market liquidity and conditions, speed of execution and likelihood of settlement. A part of the ETP orders are transmitted to brokers. Depending on the parameters of the orders, traders may have to execute and in this case they perform an RFQ process to get the best possible results. This is the case, in particular, for ETF with the type of order "NAV guaranteed".

To perform its controls for ETF, Dealing Services uses a 'RFQ' report highlighting competing quotes received from counterparties (including justifications when execution prices differ from best quotes or if there have been insufficient number of quotes).

Execution quality is regularly reviewed by Dealing Services desks (first level controls), Compliance teams (second level controls) and with the client's investments strategy teams.

BNPP AM Belgium fully delegates its order execution to Dealing Services, hence, the tables presented hereunder display the top 5 execution venues used by Dealing Services.

EXECUTION

Class of Instrument	12 - Exchange traded products				
Notification if <1 average trade per business day in the previous Year	N				
Top 5 Execution venues ranked in terms of trading volumes (descending order)	Proportion of Volume Traded	Proportion of Orders Executed	Proportion of Passive Orders	Proportion of Aggressive Orders	Proportion of Directed Orders
TRADEWEB (TREU)	99.46%	98.48%	0.00%	0.00%	0.00%
JANE STREET NETHERLANDS B.V. (549300AE0DWETJDYFB29)	0.48%	1.02%	0.00%	0.00%	0.00%
BNP PARIBAS (R0MUWSFPU8MPRO8K5P83)	0.05%	0.51%	0.00%	0.00%	0.00%

The above list of execution venues has changed compared to 2021 with the introduction of Jane Street Netherlands and BNP Paribas. These variations originate from the quarterly assessment performed by Dealing Services on the execution venues and the application of the best execution principle, more in particular receipt of better prices.

Class of Instrument	12 - Exchange traded products	
Notification if <1 average trade per business day in the previous Year	N	
Top 5 Execution venues ranked in terms of trading volumes (descending order)	Proportion of Volume Traded	Proportion Total Exec
TRADEWEB (TREU)	99.46%	98.48%
JANE STREET NETHERLANDS B.V. (549300AE0DWETJDYFB29)	40.93%	38.58%
BNP PARIBAS (R0MUWSFPU8MPRO8K5P83)	23.49%	28.43%
OPTIVER V.O.F (7245009KRYSAJB2QCC29)	11.74%	11.17%
FLOW TRADERS B.V. (549300CLJ9XDH12XV51)	8.54%	8.63%
MORGAN STANLEY EUROPE SE (54930056FHWP7GIWYY08)	6.61%	1.27%

The above list of execution venues has changed compared to 2021 with the absence of BNP Paribas Arbitrage and Citigroup Global Markets Europe, the introduction of Morgan Stanley Europe and BNP Paribas in the top 5 and the increasing importance of Jane Street Netherlands. These variations originate from the quarterly assessment performed by Dealing Services on the execution venues and the application of the best execution principle, more in particular receipt of better prices.

RTO

Class of Instrument	12 - Exchange traded products					
Notification if <1 average trade per business day in the previous Year	Y					
Top 5 Execution venues ranked in terms of trading volumes (descending order)	Proportion of Volume Traded	Proportion of Orders Executed	Nbr Exec	Proportion of Passive Orders	Proportion of Aggressive Orders	Proportion of Directed Orders
CITIGROUP GLOBAL MARKETS EUROPE AG	67.92%	54.17%	26	0.00%	0.00%	0.00%
KEPLER CHEUVREUX (9695005EOZG9X8IRJD84)	16.60%	16.67%	8	100.00%	0.00%	0.00%
FLOW TRADERS B.V. (549300CLJ9XDH12XV51)	10.57%	20.83%	10	0.00%	0.00%	0.00%
EXANE (969500UP76J52A9OXU27)	4.62%	6.25%	3	0.00%	0.00%	0.00%
OPTIVER V.O.F (7245009KRYSAJB2QCC29)	0.29%	2.08%	1	0.00%	0.00%	0.00%

The above list of execution venues has significantly changed compared to 2021 with the absence of Goldman Sachs, and the introduction of Flow Traders, Exane and Optiver. These variations originate from the quarterly assessment performed by Dealing Services on the execution venues and the application of the best execution principle, more in particular receipt of better prices.

OTHER OUT OF SCOPE INSTRUMENTS

BNPP AM Belgium fully delegates its order execution to Dealing Services, hence, the tables presented hereunder display the top 5 execution venues used by Dealing Services.

EXECUTION



Class of Instrument	14 - Other Out of scope instruments				
Notification if <1 average trade per business day in the previous Year	Y				
Top 5 Execution venues ranked in terms of trading volumes (descending order)	Proportion of Volume Traded	Proportion of Orders Executed	Proportion of Passive Orders	Proportion of Aggressive Orders	Proportion of Directed Orders
CITIGROUP GLOBAL MARKETS EUROPE AG	42.22%	16.95%	0.00%	0.00%	0.00%
FXALL Multilateral Trading Facility (TRAL)	39.31%	22.03%	0.00%	0.00%	0.00%
BNP PARIBAS FORTIS SA/NV (KGCEPHLVVKVRZO1T647)	9.27%	49.15%	0.00%	0.00%	6.90%
BOFA SECURITIES EUROPE SA (549300FH0WJAPETIQ77)	6.67%	3.39%	0.00%	0.00%	0.00%
MORGAN STANLEY EUROPE SE (54930056FWHP7GIWYY08)	1.20%	1.69%	0.00%	0.00%	0.00%

The above list of execution venues has totally changed compared to 2021 with the introduction of Citigroup Global Markets Europe, BOFA and Morgan Stanley Europe. These variations originate from the quarterly assessment performed by Dealing Services on the execution venues and the application of the best execution principle, more in particular receipt of better prices.

Class of Instrument	14 - Other Out of scope instruments	
Notification if <1 average trade per business day in the previous Year	Y	
Top 5 Execution venues ranked in terms of trading volumes (descending order)	Proportion of Volume Traded	Proportion Total Exec
FXALL Multilateral Trading Facility (TRAL)	39.31%	22.03%
CITIGROUP GLOBAL MARKETS EUROPE AG (6TJCK1B7E7UTXP528Y04)	98.47%	10.17%
BNP PARIBAS FORTIS SA/NV (KGCEPHLVVKVRZO1T647)	1.53%	11.86%

The above list of execution venues has slightly changed compared to 2021 with the absence of BOFA and the increasing importance of Citigroup Global Markets Europe. These variations originate from the quarterly assessment performed by Dealing Services on the execution venues and the application of the best execution principle, more in particular receipt of better prices.

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