

Annual Order Execution Quality Report 2018

Date: 30th April 2019

INTRODUCTION

The European Markets in Financial Instruments Directive II (MiFID II) requires BNP Paribas Asset Management UK Limited (BNPP AM UK) to provide annual reporting on the Top 5 Venues on which it executed transactions; and on the quality of that execution.

SCOPE

BNP Paribas Dealing Services UK Branch was integrated into BNPP AM UK as part of the Global Trading Function (GTF) on 1st December 2017. GTF UK provides dealing services for the following entities:

- BNPP AM UK
- BNP Paribas Dealing Services¹

The Top 5 Venue tables provided by this report also include executions made by GTF in other locations on behalf of UK based portfolio managers.

DISCLOSURES

MiFID II requires BNPP AM UK to provide the following additional information in relation to its trading activities:

- BNPP AM UK is a fully owned subsidiary of BNP Paribas Asset Management (BNPP AM). BNPP AM UK may use the BNP Paribas group's affiliated brokers, who are subject to the same selection and evaluation processes and rules as any third party counterparty;
- We do not have any specific arrangements with any execution venues regarding payments (made or received), discounts, rebates or non-monetary benefits;
- We provide services to professional clients only;
- We haven't used a Consolidated Tape Provider as this type of firm has not yet materialised in the market; and
- As the MiFID II RTS 27 Reports provided by Trading Venues on the quality of execution of transactions, are not yet consistent in terms of data or availability, we haven't yet incorporated this information into our monitoring processes.

COUNTERPARTY SELECTION

The list of counterparties used by GTF UK is co-ordinated by BNP Paribas Asset Management (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.

BNPP AM 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.

Our 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.

¹ There is a delegation agreement in place between BNPP AM UK and BNP Paribas Dealing Services (BNPP DS) which allows BNPP DS to route transactions from other BNPP AM entities for execution by BNPP AM UK.

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

During 2018 we shortened our list of counterparties in relation to OTC derivatives, to concentrate on those providing the best access to liquidity and the most efficient process regarding legal documentation.

MONITORING

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

In relation to fixed income, we use the TCA service provided by a trading platform that provides benchmarks against which our data is compared.

A central team within BNPP AM manages the TCA process and provides a summary report, highlighting key trends, metrics and findings. GTF UK and BNPP AM UK Compliance also perform independent first and second level best execution controls.

TOP 5 VENUE AND EXECUTION REPORTS

In order to meet the requirements of MiFID II, BNPP AM UK must provide two sets of Top 5 Venue tables per class of financial instrument. The first in relation to transactions we have 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 BNPP AM UK's behalf (known as Reception and Transmission of Orders or RTO).

Where applicable, we have 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 we also use 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 we are required to indicate 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:

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

EQUITIES

SHARES AND DEPOSITARY RECEIPTS

Equities are classified according to their liquidity, there are three categories known as “bands”. As we have traded using both the Execution and RTO methods described above, we are publishing six separate Top 5 Venue tables for these types of equity.

Table 1 Execution: Equities – Shares and depositary receipts (Tick Size Liquidity Band 1 and 2)

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)	Rank	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
INVESTMENT TECHNOLOGY GROUP LIMITED - 213800EEC95PRUCEUP63	1	50.19%	4.29%	0.00%	0.00%	0.00%
LIQUIDNET SYSTEMS(LIQU)	2	28.95%	5.41%	17.24%	82.76%	0.00%
LIQUIDNET, INC. H2O ATS(LIUH)	3	10.51%	1.49%	0.00%	100.00%	0.00%
LIQUIDNET, INC.(LIUS)	4	7.29%	4.48%	37.50%	29.17%	0.00%
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	5	3.06%	84.33%	0.00%	0.00%	0.00%

Table 2 RTO: Equities – Shares and depositary receipts (Tick Size Liquidity Band 1 and 2)

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)	Rank	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
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	1	23.71%	23.51%	2.94%	0.38%	0.00%
J.P. MORGAN SECURITIES PLC - K6Q0W1PS1L104IQL9C32	2	23.42%	20.84%	0.18%	0.13%	0.00%
Merrill Lynch International - GGDZP1UYGU9STUHRDP48	3	17.43%	24.54%	6.34%	4.77%	0.00%
Credit Suisse International - E58DKGMJYYYJLN8C3868	4	11.84%	10.47%	0.00%	0.00%	0.00%
MORGAN STANLEY & CO. INTERNATIONAL PLC - 4PQUHN3JPFGFNF3BB653	5	8.39%	6.76%	0.00%	0.00%	0.00%

Table 3 Execution: Equities – Shares and depositary receipts (Tick Size Liquidity Band 3 and 4)

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)	Rank	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
LIQUIDNET, INC.(LIUS)	1	41.69%	32.56%	7.14%	92.86%	0.00%
LIQUIDNET, INC. H2O ATS(LIUH)	2	41.55%	4.65%	0.00%	100.00%	0.00%
INVESTMENT TECHNOLOGY GROUP LIMITED - 213800EEC95PRUCEUP63	3	9.43%	2.33%	100.00%	0.00%	0.00%
ABN AMRO Bank N.V. - BFXS5XCH7N0Y05NIXW11	4	4.79%	2.33%	0.00%	0.00%	0.00%
MORGAN STANLEY & CO. INTERNATIONAL PLC - 4PQUHN3JPFGFNF3BB653	5	2.54%	58.14%	20.00%	60.00%	0.00%

Table 4 RTO: Equities – Shares and depositary receipts (Tick Size Liquidity Band 3 and 4)

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)	Rank	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
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	1	45.98%	31.04%	28.97%	6.20%	0.00%
Merrill Lynch International - GGDZP1UYGU9STUHRDP48	2	17.02%	22.42%	13.72%	6.01%	0.00%
Credit Suisse International - E58DKGMJYYYJLN8C3868	3	11.38%	9.18%	0.00%	0.00%	0.00%
J.P. MORGAN SECURITIES PLC - K6Q0W1PS1L104IQL9C32	4	7.83%	13.12%	1.51%	3.78%	0.00%
MORGAN STANLEY & CO. INTERNATIONAL PLC - 4PQUHN3JPF GFNF3BB653	5	7.57%	8.37%	35.19%	21.53%	0.00%

Table 5 Execution: Equities – Shares and depositary receipts (Tick Size Liquidity Band 5 and 6)

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)	Rank	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
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	1	35.62%	48.02%	64.11%	8.14%	0.00%
MORGAN STANLEY & CO. INTERNATIONAL PLC - 4PQUHN3JPF GFNF3BB653	2	18.17%	18.97%	81.24%	16.25%	0.00%
Merrill Lynch International - GGDZP1UYGU9STUHRDP48	3	17.70%	4.43%	44.39%	40.65%	0.00%
J.P. MORGAN SECURITIES PLC - K6Q0W1PS1L104IQL9C32	4	9.60%	13.10%	56.40%	25.59%	0.00%
INVESTMENT TECHNOLOGY GROUP LIMITED - 213800EEC95PRUCEUP63	5	6.97%	0.04%	100.00%	0.00%	0.00%

Table 6 RTO: Equities – Shares and depositary receipts (Tick Size Liquidity Band 5 and 6)

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)	Rank	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
MORGAN STANLEY & CO. INTERNATIONAL PLC - 4PQUHN3JPF GFNF3BB653	1	23.31%	3.81%	45.56%	24.43%	0.00%
Merrill Lynch International - GGDZP1UYGU9STUHRDP48	2	22.82%	18.44%	46.43%	30.79%	0.00%
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	3	15.28%	62.20%	80.45%	9.88%	0.00%
Credit Suisse International - E58DKGMJYYYJLN8C3868	4	11.23%	1.40%	11.22%	1.39%	0.00%
INVESTMENT TECHNOLOGY GROUP LIMITED - 213800EEC95PRUCEUP63	5	8.65%	1.69%	61.66%	12.85%	0.00%

Each order is assessed by the Dealers who determine which execution factors are most important and therefore the strategy to employ in order to obtain the best possible result.

Price (including implicit cost) is usually the execution factor we consider to be most important when dealing in equities.

Liquidity is an important factor and counterparties are incorporated into trades on the basis of the relevant IOI they present to our dealers.

We use electronic platforms to access counterparty algorithm offerings. Where we employ algorithms to achieve the best result, counterparties are chosen given their liquidity offering and we will then select the most suitable algorithm strategy to achieve the best possible price.

We also use broker algorithms that allow us to direct orders to particular trading venues when liquidity is high; and in the case of less liquid securities we request quotes from brokers in order to determine the best price and cost for the order.

SECURITIZED DERIVATIVES – WARRANTS AND CERTIFICATE DERIVATIVES AND OTHER SECURITIED DERIVATIVES

Table 7 RTO: Securitized 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)	Rank	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
MORGAN STANLEY & CO. INTERNATIONAL PLC - 4PQUHN3JPF GFNF3BB653	1	98.46%	14.29%	0.00%	0.00%	0.00%
Merrill Lynch International - GGDZP1UYGU9STUHRDP48	2	1.54%	85.71%	0.00%	0.00%	0.00%

We have only traded securitized derivatives using the RTO method.

Securitized derivatives are tied to an underlying security (commonly to an equity); as such there are a limited number of counterparties who are able to offer liquidity in the market.

In comparison with the available liquidity, our trading activity is low. Our dealers will approach relevant counterparties with whom we have a relationship, to obtain prices on which they are prepared to execute. Once we have received this information we will also factor in the commission charged by each counterparty, before making a decision.

CONTRACTS FOR DIFFERENCE

Table 8 Execution: CFD's

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)	Rank	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
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	1	71.53%	77.61%	8.70%	1.27%	0.00%
MORGAN STANLEY & CO. INTERNATIONAL PLC - 4PQUHN3JPF GFNF3BB653	2	28.47%	22.39%	43.01%	36.03%	0.00%

Table 9 RTO: CFD's

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)	Rank	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
MORGAN STANLEY & CO. INTERNATIONAL PLC - 4PQUHN3JPFQFN3BB653	1	62.60%	54.91%	10.60%	4.75%	0.00%
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	2	32.46%	42.62%	29.85%	4.52%	0.00%
J.P. MORGAN SECURITIES PLC - K6Q0W1PS1L104IQL9C32	3	4.58%	2.46%	53.55%	42.71%	0.00%
BNP PARIBAS - R0MUWSFPU8MPRO8K5P83	4	0.36%	0.01%	0.00%	0.00%	0.00%

Depending on the type of trade (buy, sale, short or cover) we may be restricted in terms of the prime broker we can arrange the trade through. However, our dealers are still most concerned with obtaining the best price and lowest cost for the transaction.

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

Table 10 Execution: Exchange Traded Products

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)	Rank	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
BNP PARIBAS ARBITRAGE - 6EWKU0FGVX5QQJHFGT48	1	29.84%	14.55%	0.00%	0.00%	0.00%
Flow Traders B.V. - 549300CLJI9XDH12XV51	2	13.45%	20.45%	0.00%	0.00%	0.00%
JANE STREET FINANCIAL LIMITED - 549300ZHEHX8M31RP142	3	10.39%	7.27%	0.00%	0.00%	0.00%
Deutsche Bank Aktiengesellschaft - 7LTFWZYICNSX8D621K86	4	8.42%	8.64%	0.00%	10.53%	0.00%
SOCIETE GENERALE - O2RNE8IBXP4R0TD8PU41	5	8.32%	4.55%	0.00%	0.00%	0.00%

Table 11 RTO: Exchange Traded Products

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)	Rank	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
Flow Traders B.V. - 549300CLJI9XDH12XV51	1	31.67%	25.98%	0.00%	0.00%	0.00%
BNP PARIBAS ARBITRAGE - 6EWKU0FGVX5QQJHFGT48	2	14.52%	8.39%	0.00%	0.00%	0.00%
Susquehanna International Securities Limited - 635400IAV22ZOU1NFS89	3	11.15%	2.93%	0.00%	0.00%	0.00%
NATIXIS - KX1WK48MPD4Y2NCUIZ63	4	8.04%	2.69%	0.00%	3.03%	0.00%
BNP PARIBAS - R0MUWSFPU8MPRO8K5P83	5	6.68%	1.06%	0.00%	0.00%	0.00%

Our execution is limited to Exchange Traded Funds (ETF's), which are traded on a Request for Quote (RFQ) basis. Once RFQ's have been received, our dealers will select the best price before proceeding to trade.

LISTED DERIVATIVES

EQUITY DERIVATIVES – OPTIONS AND FUTURES ADMITTED TO TRADING ON A TRADING VENUE

Table 12 Execution: Equity 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)	Rank	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
Deutsche Bank Aktiengesellschaft - 7LTFWZYICNSX8D621K86	1	26.32%	31.51%	0.00%	0.00%	0.00%
Aurel BGC SAS - 5RJTDGZG4559ESIYLD31	2	19.17%	12.79%	0.00%	0.00%	0.00%
K6Q0W1PS1L1O4IQL9C32	3	18.65%	10.50%	0.00%	0.00%	0.00%
BNP PARIBAS - R0MUWSFPU8MPRO8K5P83	4	14.40%	20.09%	0.00%	0.00%	0.00%
TRADITION SECURITIES AND FUTURES - 969500ULC0Y1IG0A4O72	5	11.82%	12.33%	0.00%	0.00%	0.00%

Table 13 RTO: Equity Derivatives

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)	Rank	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
BNP PARIBAS - R0MUWSFPU8MPRO8K5P83	1	36.12%	33.72%	0.00%	0.00%	0.00%
Deutsche Bank Aktiengesellschaft - 7LTFWZYICNSX8D621K86	2	31.14%	47.58%	0.00%	0.00%	0.00%
TRADITION SECURITIES AND FUTURES - 969500ULC0Y1IG0A4O72	3	8.02%	0.95%	0.00%	0.00%	0.00%
J.P. MORGAN SECURITIES PLC - K6Q0W1PS1L1O4IQL9C32	4	6.66%	11.58%	0.00%	0.00%	0.00%
Aurel BGC SAS - 5RJTDGZG4559ESIYLD31	5	6.36%	0.75%	0.00%	0.00%	0.00%

Speed and price are the most important factors when selecting which counterparty to use to place orders into the listed order book of a trading venue.

Where we trade away from the listed order book for block trades or options, liquidity is an additional factor. Our dealers will execute with the counterparty which has shown the best price from their selection of market makers.

INTEREST RATE DERIVATIVES – FUTURES AND OPTIONS ADMITTED TO TRADING ON A TRADING VENUE

Table 14 Execution: Interest Rate Derivatives

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)	Rank	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
BNP PARIBAS - R0MUWSFPU8MPRO8K5P83	1	57.20%	94.81%	0.00%	0.00%	0.00%
7LTFWZYICNSX8D621K86	2	20.21%	3.61%	0.00%	0.00%	0.00%
J.P. MORGAN SECURITIES PLC - K6Q0W1PS1L104IQL9C32	3	12.06%	0.96%	0.00%	0.00%	0.00%
TRADITION SECURITIES AND FUTURES -	4	3.11%	0.15%	0.00%	0.00%	0.00%
UBS Limited - REYPIEJN7XZHSUI0N355	5	2.97%	0.19%	0.00%	0.00%	0.00%

Table 15 RTO: Interest Rate Derivatives

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)	Rank	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
BNP PARIBAS - R0MUWSFPU8MPRO8K5P83	1	56.39%	62.07%	0.00%	0.00%	0.00%
Deutsche Bank Aktiengesellschaft - 7LTFWZYICNSX8D621K86	2	25.15%	31.01%	0.00%	0.00%	0.00%
J.P. MORGAN SECURITIES PLC - K6Q0W1PS1L104IQL9C32	3	10.50%	2.36%	0.00%	0.00%	0.00%
GOLDMAN SACHS INTERNATIONAL - W22LROWP2IHZNBB6K528	4	2.36%	0.20%	0.00%	0.00%	0.00%
TRADITION SECURITIES AND FUTURES - 969500ULC0Y1IG0A4072	5	2.27%	1.33%	0.00%	0.00%	0.00%

Speed and price are the most important factors when selecting which counterparty to use to place orders into the listed order book of a trading venue.

Where we trade away from the listed order book for block trades or options, liquidity is an additional factor. Our dealers will execute with the counterparty which has shown the best price from their selection of market makers.

CURRENCY DERIVATIVES – FUTURES AND OPTIONS ADMITTED TO TRADING ON A TRADING VENUE

Table 16 Execution: Currency Derivatives

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)	Rank	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
BNP PARIBAS - R0MUWSFPU8MPRO8K5P83	1	43.16%	32.82%	0.00%	0.00%	0.00%
SOCIETE GENERALE - O2RNE8IBXP4R0TD8PU41	2	28.77%	54.50%	0.00%	0.00%	0.00%
J.P. MORGAN SECURITIES PLC - K6Q0W1PS1L1O4IQL9C32	3	25.17%	10.47%	0.00%	0.00%	0.00%
TULLETT PREBON (SECURITIES) LIMITED -	4	2.04%	0.24%	0.00%	0.00%	0.00%
Deutsche Bank Aktiengesellschaft - 7LTFWZYICNSX8D621K86	5	0.86%	1.96%	0.00%	0.00%	0.00%

Table 17 RTO: Currency Derivatives

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)	Rank	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
BNP PARIBAS - R0MUWSFPU8MPRO8K5P83	1	48.12%	57.78%	0.00%	0.00%	0.00%
SOCIETE GENERALE - O2RNE8IBXP4R0TD8PU41	2	23.98%	34.29%	0.00%	0.00%	0.00%
J.P. MORGAN SECURITIES PLC - K6Q0W1PS1L1O4IQL9C32	3	18.20%	2.98%	0.00%	0.00%	0.00%
UBS Limited - REYPIEJN7XZHSUI0N355	4	4.71%	1.13%	0.00%	0.00%	0.00%
Deutsche Bank Aktiengesellschaft - 7LTFWZYICNSX8D621K86	5	2.51%	3.69%	0.00%	0.00%	0.00%

We did not require liquidity beyond that provided by trading venues, which meant we could execute using counterparties to place orders on the order books of trading venues as described above.

OVER THE COUNTER DERIVATIVES (OTC)

INTEREST RATE DERIVATIVES – SWAPS, FORWARDS, AND OTHER INTEREST RATES DERIVATIVES

Table 18 Execution: Interest Rate Derivatives

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)	Rank	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
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	1	37.17%	32.87%	0.00%	0.00%	0.00%
J.P. MORGAN SECURITIES PLC - GOLDMAN SACHS INTERNATIONAL - W22LROWP2IHZNBB6K528	2	32.46%	30.12%	0.00%	0.00%	0.00%
Merrill Lynch International -	3	17.51%	15.52%	0.00%	0.00%	0.00%
	4	5.30%	4.32%	0.00%	0.00%	0.00%
BNP PARIBAS - R0MUWSFPU8MPRO8K5P83	5	3.40%	7.81%	0.00%	0.00%	0.00%

We traded swaps and swaptions in this category of financial instrument, which is generally a much less liquid market.

Our dealers focus mainly on price, and request RFQ's from different counterparties depending on where they expect liquidity to be available. In order to complete orders, liquidity can be a factor in relation to less liquid swaps or large in size orders. Cost is also an important factor as fees need to be incorporated into the overall execution result.

CREDIT DERIVATIVES – OTHER CREDIT DERIVATIVES

Table 19 Execution: Credit Derivatives

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)	Rank	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
BNP PARIBAS - R0MUWSFPU8MPRO8K5P83	1	27.22%	16.40%	0.00%	0.00%	0.00%
GOLDMAN SACHS INTERNATIONAL -	2	17.06%	17.98%	0.00%	0.00%	0.00%
MORGAN STANLEY & CO. INTERNATIONAL PLC - 4PQUHN3JPFQFNF3BB653	3	15.27%	17.29%	0.00%	0.00%	0.00%
SOCIETE GENERALE - O2RNE8IBXP4R0TD8PU41	4	13.72%	7.41%	0.00%	0.00%	0.00%
J.P. MORGAN SECURITIES PLC - K6Q0W1PS1L1O4IQL9C32	5	13.52%	20.16%	0.00%	0.00%	0.00%

Price is the most important execution factor we consider in relation to trading in credit derivatives. In order to complete orders, liquidity can be a factor in relation to less liquid swaps or large in size orders.

EQUITY DERIVATIVES – SWAPS AND OTHER EQUITY DERIVATIVES

Table 20 Execution: Equity 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)	Rank	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
BNP PARIBAS - R0MUWSFPU8MPRO8K5P83	1	40.59%	23.53%	0.00%	0.00%	0.00%
SOCIETE GENERALE - O2RNE8IBXP4R0TD8PU41	2	25.14%	11.76%	0.00%	0.00%	0.00%
J.P. MORGAN SECURITIES PLC -	3	15.93%	23.53%	0.00%	0.00%	0.00%
GOLDMAN SACHS INTERNATIONAL - W22LROWP2IHZNBB6K528	4	14.15%	23.53%	0.00%	0.00%	0.00%
Citigroup Global Markets Limited -	5	3.59%	5.88%	0.00%	0.00%	0.00%

We mainly trade in equity indices and options, where price is again the key driver. Our dealers aim to identify liquidity pools with a view to approaching at least three counterparties (usually banks) to enter an RFQ process. Counterparties are chosen on the basis of previous performance and market liquidity.

Occasionally, if a portfolio manager has requested a particularly illiquid instrument, our dealers will suggest an alternative where the underlying is a close substitute in a more liquid market.

FOREIGN EXCHANGE

CURRENCY DERIVATIVES – SWAPS, FORWARDS, AND OTHER CURRENCY DERIVATIVES

Table 21 Execution: Currency Derivatives

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)	Rank	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
FXALL Multilateral Trading Facility (TRAL)	1	36.48%	51.93%	0.00%	0.00%	0.00%
Citigroup Global Markets Limited -	2	17.57%	9.44%	0.00%	0.00%	0.12%
UBS Limited - REYPIEJN7XZHSUI0N355	3	8.21%	4.43%	0.00%	0.00%	0.00%
SOCIETE GENERALE - O2RNE8IBXP4R0TD8PU41	4	6.88%	6.14%	0.00%	0.00%	0.00%
4PQUHN3JPFGNF3BB653	5	6.83%	3.91%	0.00%	0.00%	0.00%

Table 22 Trading Venue FXall: Currency Derivatives

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)	Rank	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	1	8.61%	8.20%
BNP PARIBAS - R0MUWSFPU8MPRO8K5P83	2	7.27%	10.18%
SOCIETE GENERALE - O2RNE8IBXP4R0TD8PU41	3	5.37%	6.52%
J.P. MORGAN SECURITIES PLC - K6Q0W1PS1L1O4IQL9C32	4	3.65%	3.69%
UBS Limited - REYPIEJN7XZHSUI0N355	5	2.59%	3.55%

We predominantly execute transactions in foreign exchange forwards, swaps, non-deliverable forwards and OTC currency options using an RFQ process. Price is usually the most important factor when we select which counterparty to trade with. For Fixing orders each counterparty has to offer the same price, hence cost is the most important factor.

In order to complete orders, liquidity can be a factor for less liquid currency pairs or where market conditions are challenging. Having pre-arranged credit lines or limits in place can also be a factor in precluding some client orders from trading at the best price provided by the RFQ process.

Where we employ algorithms to achieve the best result, counterparties are chosen given the strategy and suitability of the algorithm.

DEBT INSTRUMENTS

Table 23 Execution: Bonds

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)	Rank	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
Bloomberg Multilateral Trading Facility (BMTF)	1	28.71%	31.23%	0.00%	0.00%	0.00%
J.P. MORGAN SECURITIES PLC - K6Q0W1PS1L1O4IQL9C32	2	9.32%	7.38%	0.00%	0.00%	0.10%
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	3	8.34%	7.72%	0.00%	0.00%	0.00%
BARCLAYS BANK PLC - G5GSEF7VJP5I7OUK5573	4	5.43%	6.45%	0.00%	0.00%	0.00%
HSBC BANK PLC - MP6I5ZYZBEU3UXPYFY54	5	5.42%	6.19%	0.00%	0.00%	0.00%

Table 24 Trading Venue: Bloomberg Multilateral Trading Facility: Bonds

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)	Rank	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class
J.P. MORGAN SECURITIES PLC - K6Q0W1PS1L1O4IQL9C32	1	2.74%	2.93%
GOLDMAN SACHS INTERNATIONAL - W22LROWP2IHZNBB6K528	2	2.63%	2.03%
Citigroup Global Markets Limited - XKZZ2JZF41MRHTR1V493	3	1.92%	2.60%
SOCIETE GENERALE - O2RNE8IBXP4R0TD8PU41	4	1.91%	1.34%
BARCLAYS BANK PLC - G5GSEF7VJP5I7OUK5573	5	1.89%	1.88%

Trading is conducted following the RFQ process. Price is the most important factor when we select a counterparty.

In order to complete orders, liquidity may become the most important factor. This is relevant where the order is of a large size for the market or for the security with limited availability.

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