



MiFID II Best Execution RTS28 Disclosures

For the period 1/1/2019 to 31/12/2019

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1. Context



This document has been issued by M&G Investment Management Limited ('MAGIM', 'the Firm'). MAGIM is authorised and regulated by the Financial Conduct Authority ('FCA') as a MiFID Investment Firm; the main regulated activity it performs is portfolio management for clients that meet the FCA handbook definition of 'professional client'. As a portfolio manager, we both directly execute orders ('direct execution') with counterparties and also place orders ('placement') with counterparties for onward execution, on behalf of our clients.

As part of Markets in Financial Instruments Directive ("MIFID II"), all Investment Firms are required to publish, on an annual basis, information on the top 5 execution venues used and information on the quality of execution obtained. MIFID II requires this disclosure to be split between two reports; **Regulatory Technical Standard 28 ("RTS 28") and Delegated Regulation Article 65(6)**. Where an Investment Firm has executed an order on an execution venue, the order is captured under RTS 28. Where the Investment Firm has placed an order with a broker then it is captured in Article 65(6). For the sake of clarity:

- **'Direct Execution'** occurs where the Investment Firm executes its own decisions to deal based on a request-for-quote from a trading counterparty or executes an order directly against an execution venue: e.g. a regulated market, Multilateral Trading facility (MTF), Organised Trading Facility (OTF), Systematic Internaliser, a market maker or other liquidity provider.
- **'Placement'** is where the Investment Firm places an order with another entity, such as a broker, for it to execute i.e. 'to work and execute in the market'. This is the mode of execution primarily used for Equities and Equity Derivatives and indicated in the report separately.

This document summarises and discloses the top five execution venues in terms of trading volumes where we have executed decisions to deal in the preceding year and associated information on the quality of execution for each class of financial instrument and should be read in conjunction with MAGIM's Execution Policy for Professional Clients (available on our website), which outlines how orders are executed and includes the list of updated counterparties and venues.

Where a trade is executed via a Request-For-Quote (RFQ) System of a Trading Venue that allows firms to identify different liquidity providers that the firm may wish to deal with in the transaction, the Trading Venue itself is identified for the purpose of the top 5 tables rather than the underlying counterparty with whom the transaction was agreed. To provide further transparency and to accurately reflect our venue selection process and order execution policy and behaviour, in accordance with ESMA's guidance set out in the MiFID and MiFIR Investor Protection Q&A, in such cases we also disclose the identity of the five counterparties we have most commonly executed against, on these trading venues, in our qualitative disclosures.

2. Overview



MAGIM operates centralised dealing teams, who are responsible for dealing in MiFID financial instruments. The dealing teams conclude transactions with external counterparties in relation to the discretionary investment decisions made by M&G's portfolio management teams. During 2019, MAGIM's dealing teams undertook dealing in the following financial instruments for clients:

- Bonds
- Convertible bonds
- Credit Derivatives – over the counter
- Currency derivatives
- Depositary receipts
- Equities
- Equity swaps and other derivatives
- Exchange traded equity derivatives – futures and options
- Exchange traded funds
- Interest rate derivatives – exchange traded and over the counter
- Money market instruments
- Structured finance e.g. asset backed securities
- Warrants

In addition, MAGIM dealing teams also concluded transactions in Securities Financing Transactions (SFT's) for Bonds and Equities.

KEY TERMS

The following are the key terms included in this report along with their definitions as per MiFID II:

- “Execution venues” include regulated markets, multilateral trading facilities, organised trading facilities, systematic internalisers, market makers and other liquidity providers;
- “Passive” is defined as an order entered into the order book that provided liquidity to the market;
- “Aggressive” is defined as an order entered into the order book that took liquidity from the market; and
- “Directed” refers to circumstances when a client specifies the execution venue or trading counterparty prior to the execution of the order.

MAGIM's quantitative reports do not contain information on passive / aggressive orders because, in accordance with ESMA's guidance set out in the MiFID and MiFIR Investor Protection Q&A, the notion of passive / aggressive only applies where a firm directly executes on execution venues that operate transparent order books i.e. “orders entered into an order book”. This does not apply to MAGIM.

3. General Disclosures



RTS28 requires investment firms to publish for each class of financial instrument, a summary of the analysis and conclusions from their detailed monitoring of the quality of execution obtained where they executed all client orders in the previous year. The below are general disclosures in relation to non-instrument specific areas:

A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders

MAGIM does not have any close links or common ownerships with respect to any execution venues or trading counterparties used by MAGIM's dealing teams for execution. MAGIM's execution policy requires that execution venues and trading counterparties can only be used where they have been approved by our venue / counterparty approval process.

A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or other non-monetary benefits received

There are no specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received. Additionally, as per our Execution Policy, any remunerations, discounts or non-monetary benefit from routing client orders to a particular execution venue or counterparty are not allowed under our existing Conflicts of Interest, Inducements and Gifts and Hospitality policies.

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

MAGIM only performs regulated activities for professional clients; it does not deal directly with retail clients. However all clients are treated in exactly the same way by MAGIM's independent Dealing Desks in accordance with our Execution Policy.

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.

MAGIM only performs regulated activities for professional clients; it does not deal directly with retail clients.

An explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU

MAGIM did not use the output of a consolidated tape provider as this information is not currently available.

MONITORING & OVERSIGHT

An ongoing process of monitoring is in place to enable MAGIM to demonstrate that best execution and appropriate client outcomes are achieved with participation by Front Office Dealing teams, the Controls and Assurance function and the Compliance Monitoring team. Output from this monitoring activity is reported to appropriate Oversight Committees. Further information is provided in our Execution Policy.

4. Equities — Shares & Depositary Receipts [Placement Article 65(6)]

Equity orders have been grouped according to tick size liquidity bands which are in turn based on the average daily number of transactions executed. Non-EEA equities with no tick size data have been included in 'Other Instruments.'

Class of Financial Instrument	Equity Cash				
Notification if <1 average trade per business day in the previous year	N				
Top five 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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
Tick size Liquidity band 5 and 6 (from 2000 trades per day)					
LIQUIDNET EUROPE LIMITED 213800ZIRB79BE5XQM68	12.31%	14.03%	N/A	N/A	N/A
HSBC BANK PLC MP6I5ZYBUEU3UXPYFY54	10.64%	26.53%	N/A	N/A	N/A
JP MORGAN SECURITIES PLC K6Q0W1PS1L1O4IQL9C32	8.27%	5.48%	N/A	N/A	N/A
CITIGROUP GLOBAL MARKETS LIMITED XKZZ2JZF41MRHTR1V493	8.11%	16.38%	N/A	N/A	N/A
REDBURN (EUROPE) LIMITED 213800PKEJQZQXQCOJ04	7.79%	4.06%	N/A	N/A	N/A
Tick size liquidity band 3 and 4 (from 80 to 1999 trades per day)					
CITIGROUP GLOBAL MARKETS LIMITED XKZZ2JZF41MRHTR1V493	14.05%	14.76%	N/A	N/A	N/A
ATLANTIC EQUITIES LLP 213800327M9B4D9S1553	9.66%	3.44%	N/A	N/A	N/A
LIQUIDNET EUROPE LIMITED 213800ZIRB79BE5XQM68	6.06%	11.87%	N/A	N/A	N/A
COWEN & COMPANY LLC 549300WR155U7DVMIW58	5.78%	2.98%	N/A	N/A	N/A
JP MORGAN SECURITIES PLC K6Q0W1PS1L1O4IQL9C32	4.64%	4.01%	N/A	N/A	N/A
Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)					
CITIGROUP GLOBAL MARKETS LIMITED XKZZ2JZF41MRHTR1V493	14.03%	22.69%	N/A	N/A	N/A
CLSA ASIA PACIFIC MARKETS 213800VZMAGVIU2IJA72	5.64%	3.39%	N/A	N/A	N/A
ATLANTIC EQUITIES LLP 213800327M9B4D9S1553	4.80%	2.56%	N/A	N/A	N/A
DAIWA CAPITAL MARKETS EUROPE LTD MIM2K09LFYD4IB163W58	4.74%	3.60%	N/A	N/A	N/A
MORGAN STANLEY & CO INTERNATIONAL P 4PQUHN3JPFQFNF3BB653	4.67%	2.40%	N/A	N/A	N/A

Execution Quality Report



The top five counterparties during 2019 contain executions from a mix of execution methods, including cash, algorithmic and programme trading which is reflective of the difference in execution strategies employed by the Dealing Desk. The year-on-year changes reflect the relative change weightings for these respective methods, the geographic mix of markets and the availability of counterparties. As an example, Cowen was added as a new EMEA trading counterparty and Redburn as a new algorithmic counterparty whilst Deutsche Bank and Macquarie who we relied on the previous year exited EMEA cash equities as an asset class. It is worth highlighting that in addition to the counterparties listed above, the Dealing Desk relies on many more counterparties representing more than half of these tick bands turnover to achieve best execution.

On receipt of an order the dealer will determine the objectives of the fund manager for the order. The size of the order and current market liquidity and conditions will be assessed and a strategy will be decided upon. The main execution factors of price, costs, speed, likelihood of execution will be taken into account and the dealer will decide how to execute, which could include crossing networks, brokers algorithmic tools 'low touch', 'high touch' to source a brokers liquidity and market knowledge or added to a list of other orders to trade as a basket to reduce execution costs.

The dealing desk uses an external Transaction Cost Analysis (TCA) provider to provide data to analyse equity trading. This data is used on a daily, weekly and monthly basis to review performance. The Transaction Equity Review Forum meets monthly to measure the implicit and explicit costs, performance of the dealers, brokers, algorithmic strategies and market venues used by the brokers. Trends in performance will be monitored and any outliers will be investigated further. Findings and recommendations are then presented to the Dealing Management Committee for review of all dealing activity.

The list of counterparties is monitored continuously to ensure that the firm has the necessary coverage and choice to ensure best execution in developed and emerging markets whether trading in small, mid or large cap companies. The algorithmic brokers are chosen for their capability and venue connection by region and are monitored for usage and performance. Meetings are held with the algorithmic brokers at least annually to provide training, discuss market structure and any relevant changes to algorithmic strategies or the smart order router. Brokers may be removed due to a decline in service and or performance.

5. Debt Instruments

Class of Financial Instrument	Debt Instruments: Bonds				
Notification if <1 average trade per business day in the previous year	N				
Top five 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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
TRADEWEB TREU	55.62%	37.68%	N/A	N/A	N/A
TSOX BMTF	33.36%	39.65%	N/A	N/A	N/A
MARKETAXESS MAEL	6.74%	18.90%	N/A	N/A	N/A
MORGAN STANLEY & CO INTL 4PQUHN3JPFQFNF3BB653	1.49%	1.28%	N/A	N/A	N/A
CITIGROUP GLOBAL MARKETS LIMITED XKZZ2JZF41MRHTR1V493	0.90%	0.25%	N/A	N/A	N/A

Additional Counterparty Disclosures



As per ESMA's updated MiFID and MiFIR Investor Protection Q&A, where we have used the Request For Quote systems of trading venues, we provide additional information in relation to the identity of the Top five counterparties with whom we have executed trades:

Orders executed on TRADEWEB	Bonds
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class
MORGAN STANLEY & CO INTERNATIONAL P 4PQUHN3JPFQFNF3BB653	15.68%
CITIGROUP GLOBAL MARKETS XKZZ2JZF41MRHTR1V493	10.69%
NOMURA INTERNATIONAL PLC DGQCSV2PHVF712743539	10.14%
NATWEST MARKETS PLC RR3QWICWWIPCS8A4S074	7.66%
GOLDMAN SACHS INTL W22LROWP2IHZNBB6K528	7.45%

Orders executed on TSOX	Bonds
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class
CITIGROUP GLOBAL MARKETS LIMITED XKZZ2JZF41MRHTR1V493	16.09%
BARCLAYS BANK PLC G5GSEF7VJP5I7OUK5573	14.68%
MORGAN STANLEY & CO INTERNATIONAL P 4PQUHN3JPFQFNF3BB653	10.40%
JP MORGAN SECURITIES PLC K6Q0W1PS1L1O4IQL9C32	9.21%
GOLDMAN SACHS INTL W22LROWP2IHZNBB6K528	9.19%

Orders executed on MARKETAXESS	Bonds
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class
MARKETAXESS CAPITAL LIMITED 529900CTXON8S5AOCB70	50.44%
MERRILL LYNCH INTERNATIONAL GGDZP1UYGU9STUHRDP48	5.02%
MORGAN STANLEY & CO INTERNATIONAL P 4PQUHN3JPFGFNF3BB653	3.94%
BARCLAYS BANK PLC G5GSEF7VJP5I7OUK5573	3.70%
HSBC BANK PLC MP6I5ZYBEU3UXPYFY54	3.70%

Class of Financial Instrument	Debt Instruments: Money Market Instruments				
Notification if <1 average trade per business day in the previous year	N				
Top five 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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
TRADEWEB TREU	58.87%	48.16%	N/A	N/A	N/A
TSOX BMTF	40.76%	50.29%	N/A	N/A	N/A
TORONTO DOMINION BANK PT3QB789TSUIDF371261	0.22%	0.19%	N/A	N/A	N/A
ICBC STANDARD BANK PLC F01VVKN4DRF2NWKGQ283	0.12%	0.97%	N/A	N/A	N/A
JP MORGAN SECURITIES PLC K6Q0W1PS1L1O4IQL9C32	0.03%	0.39%	N/A	N/A	N/A

Additional Counterparty Disclosures



As per ESMA's updated MiFID and MiFIR Investor Protection Q&A, where we have used the Request For Quote systems of trading venues, we provide additional information in relation to the identity of the Top five counterparties with whom we have executed trades:

Orders executed on TRADEWEB	Money Market Instruments
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class
SOCIETE GENERALE SA O2RNE8IBXP4R0TD8PU41	18.44%
TORONTO DOMINION BANK PT3QB789TSUIDF371261	12.45%
CREDIT AGRICOLE CORPORATE 1VUV7VQFKUOQSJ21A208	10.88%
GOLDMAN SACHS INTERNATIONAL W22LROWP2IHZNBB6K528	10.39%
NATWEST MARKETS PLC RR3QWICWWIPCS8A4S074	10.12%

Orders executed on TSOX	Money Market Instruments
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class
BARCLAYS BANK PLC G5GSEF7VJP5I7OUK5573	36.58%
CITIGROUP GLOBAL MARKETS XKZZ2JZF41MRHTR1V493	25.26%
SOCIETE GENERALE SA O2RNE8IBXP4R0TD8PU41	11.01%
TORONTO DOMINION BANK PT3QB789TSUIDF371261	6.92%
HSBC BANK PLC MP6I5ZYBEU3UXPYFY54	5.32%

Execution Quality Report



The vast majority of bond executions are executed with counterparties via MTF venues, to access broad range of liquidity providers and for assistance with transaction reporting being a benefit. Tradeweb remains the venue with the largest liquidity in the rates market and government bond volumes continue to account for a significant percentage of our turnover. MarketAxess provides the best liquidity in USD Investment Grade, High Yield and Global Emerging Markets. MarketAxess volumes have vastly increased due to the new protocols of interfund transfer execution and open trading which enable us to access a deeper liquidity pool previously unavailable.

When reviewing the quality of execution, the desk will consider a number of factors to assess trends and relative performance. Typically, price, size and costs including explicit and implicit. In general, the price will be the most important execution factor when sourcing liquidity and considering best execution, but there are a number of other internal and external considerations made when deciding where and how to approach each order to achieve the best execution. Where size, likelihood of execution, strategy or market specific considerations are more sensitive to achieving the best execution, then dealers will consider executing off trading venue's and negotiating directly with counterparties, relying on expertise in the market, axe information and minimising the information leakage which may affect achieving the best price. These executions are often process traded through a venue for reporting and confirming the specific details of the trade. Bloomberg TSOX captures the majority of the process trading volume and is an efficient venue across all asset classes.

Money Markets are visibly liquid assets; therefore price is usually the most important execution factor. The majority of these products are executed via Tradeweb and TSOX for speed and depth of liquidity, with other axed counterparties facilitating executions outside of the main G10 currencies.

MAGIM reviews its list of execution venues at least annually to ensure it is able, on a consistent basis, to obtain the best possible results when executing orders on behalf of clients. All additions to execution venues and counterparties are approved via our Counterparty Approval processes as outlined in our Execution Policy. Performance of counterparties is continually monitored and more formally in our quarterly Trading and Execution Review Forum. Hit ratios, volumes across all markets, venues and response rates are assessed across all counterparties and tracked on a rolling quarterly basis. Transaction cost analysis is also monitored regularly using a third-party tool, and reported to our Dealing Management Committee. Appropriate action such as removing or reducing use of venues and counterparties for reasons such as under-performance may be taken from ongoing reviews. This continual analysis and monitoring undertaken ensures we are achieving the best possible outcome for the client and are comfortable with the venues and brokers that we are using to achieve best execution. Our updated Execution policy for Bonds and Money Market Instruments includes venues used such as Tradeweb Europe Limited, Bloomberg TSOX etc. There were no other notable changes during 2019.

MAGIM continues to look at data issued by execution venues under RTS27 to look for opportunities to improve transparency around quality of execution, but does not consider the data to provide any additional meaningful information at present.

6. Interest Rate Derivatives

Class of Financial Instrument	Interest Rate Derivatives - Futures & Options				
Notification if <1 average trade per business day in the previous year	N				
Top five 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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
UBS AG LONDON BRANCH BFM8T61CT2L1QCCEMIK50	31.88%	31.12%	N/A	N/A	N/A
CITIGROUP GLOBAL MARKETS LIMITED XKZZ2JZF41MRHTR1V493	31.62%	26.47%	N/A	N/A	N/A
MORGAN STANLEY INTERNATIONAL 4PQUHN3JPFQFN3BB653	20.38%	22.92%	N/A	N/A	N/A
NOMURA INTERNATIONAL PLC DGQCSV2PHVF7I2743539	15.48%	17.34%	N/A	N/A	N/A
BARCLAYS BANK PLC G5GSEF7VJP5I7OUK5573	0.38%	1.55%	N/A	N/A	N/A

Class of Financial Instrument	Interest Rate Derivatives - Swaps & Other Derivatives				
Notification if <1 average trade per business day in the previous year	N				
Top five 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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
TRADEWEB TREU	41.53%	13.75%	N/A	N/A	N/A
UBS AG LONDON BRANCH BFM8T61CT2L1QCCEMIK50	17.45%	23.90%	N/A	N/A	N/A
CITIGROUP GLOBAL MARKETS LIMITED XKZZ2JZF41MRHTR1V493	12.84%	15.94%	N/A	N/A	N/A
JP MORGAN SECURITIES PLC K6Q0W1PS1L1O4IQL9C32	11.00%	12.15%	N/A	N/A	N/A
HSBC BANK PLC MP6I5ZYZBEU3UXPYFY54	3.76%	10.16%	N/A	N/A	N/A

Additional Counterparty Disclosures



As per ESMA's updated MiFID and MiFIR Investor Protection Q&A, where we have used the **Request For Quote systems** of trading venues, we provide additional information in relation to the identity of the Top five counterparties with whom we have executed trades:

Orders executed on TRADEWEB	Swaps & Other Derivatives
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class
CITIGROUP GLOBAL MARKETS LIMITED XKZZ2JZF41MRHTR1V493	63.83%
UBS AG LONDON BRANCH BFM8T61CT2L1QCEMIK50	31.51%
HSBC BANK PLC MP6I5ZYBUE3UXPYFY54	1.58%
BNP PARIBAS ROMUWSFPU8MPRO8K5P83	1.14%
BARCLAYS BANK PLC G5GSEF7VJP5I7OUK5573	1.04%

Execution Quality Report



MAGIM execute a significant percentage of Interest Rate Derivative orders electronically via the multibank execution venue, Tradeweb Multilateral Trading Facility (Tradeweb MTF). Tradeweb provides two alternative methods of concluding transactions for its users. The first method facilitates an efficient means of execution by allowing firms to source real time, competitive liquidity via what is commonly referred to as a Request for Streaming (RFS) or a Request for Quote (RFQ) process. Both RFS and RFQ allow firms to identify and select the different liquidity providers they may wish to deal with in the transaction and therefore source direct pricing. The second method where users negotiate and pre-agree a price for a transaction outside of the system (e.g. on the telephone) and subsequently confirm, process and conclude the details on Tradeweb MTF. In this method the transaction is carried out under the rules of the trading venue and therefore considered to be executed on the trading venue.

MAGIM also executes Interest Rate Swaps directly with Banks, known as bilateral execution. Bilateral execution compliments the Tradeweb MTF method of order execution and remains a crucial part of ensuring all sufficient steps are taken to ensure the best possible results for clients when executing orders. Due to the nature of arrangements involved in IRS it is important both sides of transactions have a clear understanding on their legal status and obligations at all times. The International Swaps and Derivatives Association Master Agreement (ISDA) is the standard industry legal agreements for parties entering IRS and MAGIM require this to be in place with a counterparty prior to concluding any IRS.

Under normal market conditions and when financial markets are considered to be liquid MAGIM determines price to be the most important execution factor. Therefore, under all methods of execution we will source multiple prices from different counterparties to ensure orders are transacted at the most competitive levels. Dealers ensure the full range of counterparties is used over the course of business and as highlighted below; the list of available counterparties is regularly reviewed. Typically, price will be followed by order size and the nature of order respectively in terms of the most important execution factors. However, many considerations such as time of day, event risk, currency, market volatility, and transaction type to name a few may individually or

collectively influence market liquidity at any time and therefore Dealer judgement will be required to determine if the order of execution factors remain appropriate. For example for certain derivative transactions, it may be preferable although not essential, to unwind trades with the existing counterparty who should in theory provide operational efficiency as well as competitive pricing to do so, which has been the case in respect of trades with Citigroup and UBS concluded on TradeWeb during 2019. Occasionally, Dealers may consider some orders to be too large for the liquidity in the market and if not executed appropriately could create adverse market movements which in turn may negatively impact the customer. In such circumstance the order size would be our first execution factor consideration.

Futures remain consistent with use of execution brokers that have access to deep liquidity. Other than liquidity access and depth of market knowledge, clearing broker setup remains a factor with order routing and execution.

A regular, formal Transaction Execution Review Forum (TERF) is in place to review order execution outcomes, review methodology and benchmarks and look for ways to continuously improve execution arrangements. The output from the TERF is used to help review the list of execution venues to ensure MAGIM is able, on a consistent basis, to obtain the best possible results when executing orders on behalf of clients.

Any new additions to the list of execution venues and counterparties are approved via the counterparty approval process as outlined in the MAGIM Execution Policy. During the calendar year 2019 there were no notable changes to the panel of execution venues available for transactions in Interest rate derivatives.

MAGIM continue to examine data published by execution venues under RTS27 to look for opportunities to further improve transparency around quality of execution with respect to Interest Rate Derivatives. In the absence of consolidated common provider it is not felt the data currently provides an efficient and meaningful method of analysis to complement our existing detailed execution monitoring and analysis.

7. Credit Derivatives

Class Of Financial Instrument	Credit Derivatives: Other credit derivatives				
Notification if <1 average trade per business day in the previous year	N				
Top five 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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
TRADEWEB TREU	48.08%	63.48%	N/A	N/A	N/A
BARCLAYS BANK PLC G5GSEF7VJP5I7OUK5573	27.32%	12.09%	N/A	N/A	N/A
JP MORGAN SECURITIES PLC K6Q0W1PS1L1O4IQL9C32	15.77%	12.17%	N/A	N/A	N/A
GOLDMAN SACHS INTERNATIONAL W22LROWP2IHZNBB6K528	2.31%	2.54%	N/A	N/A	N/A
CITIGROUP GLOBAL MARKETS LIMITED XKZZ2JZF41MRHTR1V493	2.20%	5.58%	N/A	N/A	N/A

Additional Counterparty Disclosures



As per ESMA's updated MiFID and MiFIR Investor Protection Q&A, where we have used the **Request For Quote systems** of trading venues, we provide additional information in relation to the identity of the Top five counterparties with whom we have executed trades :

Orders executed on TRADEWEB	Other credit derivatives
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class
JP MORGAN SECURITIES PLC K6Q0W1PS1L1O4IQL9C32	47.56%
CITIGROUP GLOBAL MARKETS LIMITED XKZZ2JZF41MRHTR1V493	16.41%
GOLDMAN SACHS INTERNATIONAL W22LROWP2IHZNBB6K528	12.69%
BNP PARIBAS ROMUWSFPU8MPRO8K5P83	12.31%
BARCLAYS BANK PLC G5GSEF7VJP5I7OUK5573	8.18%

Execution Quality Report



The Credit Derivatives market is typically liquid in nature. MAGIM make a distinction between Single Name and Credit Indices (E.G iTraxx and CDX) when making assessments of the quality of execution. In normal market conditions for Single Name Credit Derivatives, price will be the most important execution factor typically followed by order size and execution/settlement respectively due to non-mandatory clearing for the asset type.

For Credit indices, execution/settlement will be the most important execution factor due to clearing capabilities and mandatory clearing rules. This is typically followed by price and order size as the clearing factor may impact the price and liquidity is stronger in Index, therefore is a first consideration. Other Execution Factors including cost and speed of execution may also be considered on a case by case basis but in normal market conditions are unlikely to be prioritised over the above execution factors.

When trading Credit Indices, MAGIM execute a significant amount of orders electronically via the multibank price platform, Tradeweb Multilateral Trading Facility (Tradeweb MTF). Tradeweb MTF facilitates an efficient method of execution by sourcing real time, competitive liquidity. For larger orders or those where liquidity may be limited it may not always be practical to execute via Tradeweb MTF. On such occasions the size and nature of the order may take priority, this may be to avoid any potential adverse market impact that may negatively impact the customer, for example, splitting large order tickets and leaving orders with reputable brokers to work for the best price over a longer period of time.

MAGIM reviews its list of execution venues at least annually to ensure it is able, on a consistent basis, to obtain the best possible results when executing orders on behalf of clients. All additions to execution venues and counterparties are approved via our Counterparty Approval processes as outlined in our Execution Policy. Performance of counterparties for credit derivatives is continually monitored and more formally in our quarterly Trading and Execution Review Forum. Hit ratios, volumes and trade sizes are assessed across all counterparties and tracked on a rolling quarterly basis. ISDA and CSA agreements for particular funds, will also govern prices obtained and counterparty usage and are reviewed periodically. Transaction cost analysis is not used for Credit Derivatives, instead the dealers will use the volumes information and tracked competitive pricing data, with identified contract type expertise for OTC credit swaps when requesting quotes, and will route all cleared swaps through Tradeweb executing on a best price basis. This continual analysis and monitoring undertaken ensures we are achieving the best possible outcome for the client and are comfortable with the venues and brokers that we are using to achieve best execution.

There were no other notable changes to counterparties during 2019.

8. Currency Derivatives

Class Of Financial Instrument	Currency Derivatives : Swaps, forwards, and other currency derivatives				
Notification if <1 average trade per business day in the previous year	N				
Top five 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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
FX CONNECT MTF MFXR	99.96%	99.98%	N/A	N/A	5.41%
HSBC BANK PLC MP6I5ZYZBEU3UXPYFY54	0.04%	0.02%	N/A	N/A	N/A

Additional Counterparty Disclosures



As per ESMA's updated MiFID and MiFIR Investor Protection Q&A, where we have used the **Request For Quote systems** of trading venues, we provide additional information in relation to the identity of the Top five counterparties with whom we have executed trades :

Orders executed on FX CONNECT MTF	Swaps, forwards, and other currency derivatives
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class
STATE STREET BANK & TRUST CO. 571474TGEMMWANRLN572	50.44%
HSBC BANK PLC MP6I5ZYZBEU3UXPYFY54	13.45%
UBS AG BFM8T61CT2L1QCEMIK50	8.80%
JP MORGAN SECURITIES PLC K6Q0W1PS1L1O4IQL9C32	6.32%
BARCLAYS BANK PLC G5GSEF7VJP517OUK5573	4.16%

Execution Quality Report



MAGIM execute the vast majority of currency derivative orders electronically via, FX Connect Multilateral Trading Facility (FXC MTF). FXC MTF is operated by State Street Global Markets International Limited and provides two alternative methods of concluding transactions for its members. The first method facilitates an efficient means of execution by allowing firms to source real time, competitive liquidity via what is commonly referred to as a Request for Streaming (RFS) or a Request for Quote (RFQ) process. Both RFS and RFQ allow firms to identify and select the different liquidity providers they may wish to deal with in the transaction and therefore source direct bespoke pricing. The second method, known as Allocation, is where members negotiate and pre-agree a price for a transaction outside of the system (e.g. on the telephone) and subsequently confirm, process and conclude the details on FXC MTF. In the case of the latter method the transaction is carried out under the rules of the trading venue and therefore considered to be executed 'on' the trading venue.

MAGIM takes all sufficient steps to obtain the best possible results for its clients when executing client orders. Consequently, under normal market conditions and when currency derivative markets are considered to be liquid, MAGIM determines price to be the most important execution factor. Therefore, under all methods of execution (RFS, RFQ & Allocation) we will source multiple prices from different execution venues and/or counterparties to ensure orders are transacted at the best price. Dealers ensure the full range of execution venues/counterparties are used over the course of business and as highlighted below, the list of available venues/counterparties is regularly reviewed. Typically, price will be followed by order size and the nature of order respectively in terms of the most important execution factors. However, many considerations such as time of day, event risk, currency pair, restrictive currency regimes may individually or collectively influence market liquidity at any time and therefore Dealer judgement will be required to determine if the order of execution factors remain appropriate. Occasionally, market orders may be considered too large for the available liquidity and if not executed appropriately could create adverse market movement that may negatively impact the customer. In such circumstances the order size would become our first execution factor consideration. Our Execution policy provides further information on our approach to the importance of the execution factors.

As indicated in the quantitative table above 5.41% of orders are “Directed Orders”. This means an order where a specific execution venue was specified by the client prior to its execution. On occasions, the nature of the trading arrangements with a customer may require execution with a specific venue.

A quarterly Transaction Execution Review Forum (TERF) is in place to review order execution outcomes, review methodology and benchmarks and look for ways to continuously improve execution arrangements. The output from the TERF is used to help review the list of execution venues to ensure MAGIM is able, on a consistent basis, to obtain the best possible results when executing orders on behalf of clients. Any new additions to the list of execution venues and counterparties are approved via the counterparty approval process as outlined in the MAGIM Execution Policy. During the calendar year 2019 there were no notable additions or removals for the panel of execution venues available for transactions in currency derivatives. Transactional Cost Analysis (TCA) is used to provide data analysis for both pre and post trade scenarios. The TCA is an independent analysis that helps to determine if trades have been executed at favourable prices by facilitating detailed review on many aspects of client orders by isolating data such as order size, currency pairs and trade date and comparing to benchmarks.

MAGIM is fully committed and signed up to the FX Global code and is listed on the Global Index of Public Registers. The code sets out globally recognised principles of good practice in the wholesale foreign exchange market. It is designed to promote a robust, fair, liquid, open and appropriately transparent market, to help build and maintain market confidence, and in turn, to improve market functioning.

9. Structured Finance Instruments

Class Of Financial Instrument	Structured Finance				
Notification if <1 average trade per business day in the previous year	N				
Top five 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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
HSBC BANK PLC MP6I5ZYZBEU3UXPYFY54	10.66%	10.58%	N/A	N/A	N/A
BNP PARIBAS ROMUWSFPU8MPRO8K5P83	8.96%	6.88%	N/A	N/A	N/A
MORGAN STANLEY INTL 4PQUHN3JPFQFNF3BB653	8.63%	10.27%	N/A	N/A	N/A
WELLS FARGO SECURITIES INTL BWS7DNS2Z4NPKPNYKL75	8.39%	7.29%	N/A	N/A	N/A
CITIGROUP GLOBAL MARKETS XKZZ2JZF41MRHTR1V493	8.04%	6.82%	N/A	N/A	N/A

Execution Quality Report



When reviewing the quality of execution, the desk will consider a number of factors to assess trends and relative performance. Typically, price, size and costs including explicit and implicit. For structured products, liquidity is generally more difficult to source and pricing transparency less available. This is why all Structured Products are traded off a multilateral trading facility and quotes are sourced on an RFQ basis with brokers who display an axe for our orders, or who specialise in specific types of Asset Backed Securities. Using historic volumes data, reviewing the hit ratios of brokers in the trading execution review forum and assessing broker expertise in structured deals, particularly for primary market transactions, dealers will direct their RFQ's to appropriate counterparties to avoid information leakage, increase the likelihood of execution and achieve the best possible outcome for the client. Regular engagement with a variety of counterparties help the dealers understand where to look for liquidity, for what types of deals and at what time, to achieve the best price.

MAGIM reviews its list of counterparties at least annually to ensure it is able, on a consistent basis, to obtain the best possible results when executing orders on behalf of clients. All additions to execution venues and counterparties are approved via our Counterparty Approval processes as outlined in our Execution Policy. Performance of counterparties are continually monitored and assessed on a periodic basis and some of them may be removed for reasons such as under-performance. There were no notable changes during 2019.

10. Equity Derivatives [Placement Article 65(6)]

Class Of Financial Instrument	Equity Derivatives : Options and Futures admitted to trading on a trading venue				
Notification if <1 average trade per business day in the previous year	N				
Top five 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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
GOLDMAN SACHS INTERNATIONAL W22LROWP2IHZNBB6K528	41.83%	45.15%	N/A	N/A	N/A
UBS AG LONDON BRANCH BFM8T61CT2L1QCCEMIK50	41.07%	44.32%	N/A	N/A	N/A
MERRILL LYNCH INTERNATIONAL GGDZP1UYGU9STUHRDP48	8.91%	5.08%	N/A	N/A	N/A
NATWEST MARKETS PLC RR3QWICWWIPCS8A4S074	8.19%	5.46%	N/A	N/A	N/A

Class Of Financial Instrument	Equity Derivatives - Swaps & Other Derivatives				
Notification if <1 average trade per business day in the previous year	Y				
Top five 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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
DEUTSCHE BANK AG 7LTFWZYICNSX8D621K86	100%	100%	N/A	N/A	N/A

Execution Quality Report



The vast majority of executions are in listed index futures rather than options and given the characteristics of the market including single venue execution venues leads to a concentrated list. This is also subject to influence from the requirement to trade certain contracts with the funds clearer. Turnover in equities swaps for 2018 and 2019 remained low and whilst best execution was achieved and various counterparties were interacted with as part of the price discovery process Deutsche Bank remained the sole counterparty which was the closing of a position. Normally, on receipt of an order the dealer will determine the objectives of the fund manager for the order. The size of the order and current market liquidity and condition will be assessed and a strategy will be decided upon. The main execution factors of price, speed and likelihood of execution will be taken into account.

The dealing desk uses an external TCA provider to provide data to analyse Index Future trading. This data is used on a monthly basis to review performance. The Transaction Equity Review Forum meets monthly to measure the implicit and explicit costs, performance of the dealers and brokers. Trends in performance will be monitored and any outliers will be investigated further. This is then fed into the Dealing Management Committee for review of all dealing activity.

The list of brokers is monitored continuously to ensure that the firm has the necessary coverage and choice to ensure best execution. There were no notable changes to the list of brokers in 2019.

11. Securitized Derivatives

Class Of Financial Instrument	Securitized Derivatives : Warrants				
Notification if <1 average trade per business day in the previous year	Y				
Top five 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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
CITIGROUP GLOBAL MARKETS LIMITED XKZZ2JZF41MRHTR1V493	100%	100%	N/A	N/A	N/A

Execution Quality Report



MAGIM traded only one warrant in 2019 and the turnover remained low in line with 2018. When reviewing the quality of execution for Warrants, the Equities Dealing team take into account a number of factors to assess trends and relative performance. The most relevant factors are price, size, speed and costs including explicit and implicit transaction costs. These factors are consistent with MAGIM's Order Execution Policy and may vary in priority depending on the instrument and its liquidity. For example in the case of illiquid assets, the ability to fulfil the order size might take precedence over the price offered.

MAGIM reviews its list of execution venues at least annually to ensure it is able, on a consistent basis, to obtain the best possible results when executing orders on behalf of clients. All additions to execution venues and counterparties are approved via our Counterparty Approval processes as outlined in our Execution Policy. Performance of counterparties are continually monitored and assessed on a periodic basis and some of them may be removed for reasons such as under-performance. There were no notable changes during 2019.

MAGIM continues to look at data issued by execution venues under RTS27 to look for opportunities to improve transparency around quality of execution.

12. Exchange Traded Products

Class Of Financial Instrument	Exchange Traded Products (ETFs)				
Notification if <1 average trade per business day in the previous year	N				
Top five 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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
JANE STREET FINANCIAL LIMITED 549300ZHEHX8M31RP142	53.80%	38.54%	N/A	N/A	N/A
BARCLAYS CAPITAL SECURITIES K9WDOH4D2PYBSLSOB484	21.47%	3.53%	N/A	N/A	N/A
FLOW TRADERS B.V. 549300CLJI9XDH12XV51	11.64%	22.92%	N/A	N/A	N/A
GOLDMAN SACHS INTERNATIONAL W22LROWP2IHZNBB6K528	6.75%	7.30%	N/A	N/A	N/A
SOCIETE GENERALE SA O2RNE8IBXP4R0TD8PU41	2.87%	13.10%	N/A	N/A	N/A

Execution Quality Report



On receipt of an order the dealer will determine the objectives of the fund manager for the order. The size of the order and current market liquidity and condition will be assessed and a strategy will be decided upon. The main execution factors of price, speed and likelihood of execution will be taken into account.

ETF trading is mostly conducted through a request for quote process which allows trades to be executed directly with chosen counterparties. The rankings for ETF's reflect concentration of large executions which materially impact the weightings of the rankings particularly in the case of Barclays Capital and Jane Street being added as new counterparties during 2019.

The list of brokers is monitored continuously to ensure that the firm has the necessary coverage and choice to ensure best execution. The dealing desk uses an external TCA provider to provide data to analyse ETF trading. This data is used on a daily, weekly and monthly basis to review performance. The Transaction Equity Review Forum meets monthly to measure the implicit and explicit costs, performance of the dealers, brokers and market venues used by the brokers. Trends in performance will be monitored and any outliers will be investigated further. This is then fed into the Dealing Management Committee for review of all dealing activity. Brokers may be removed due to a decline in service and or performance. There were no notable changes during 2019 to the list of counterparties used.

13. Other Instruments

Class Of Financial Instrument	Other Instruments : Convertible Bonds				
Notification if <1 average trade per business day in the previous year	N				
Top five 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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
JEFFERIES INTERNATIONAL LTD S5THZMDUJCTQZBTRVI98	20.81%	20.75%	N/A	N/A	N/A
JP MORGAN SECURITIES PLC K6Q0W1PS1L1O4IQL9C32	13.55%	12.96%	N/A	N/A	N/A
TSOX BMTF	12.35%	14.31%	N/A	N/A	N/A
CITIGROUP GLOBAL MARKETS LIMITED XKZZ2JZF41MRHTR1V493	11.09%	7.79%	N/A	N/A	N/A
BARCLAYS CAPITAL SECURITIES K9WDOH4D2PYBSLSOB484	10.81%	12.96%	N/A	N/A	N/A

Additional Counterparty Disclosures



As per ESMA's updated MiFID and MiFIR Investor Protection Q&A, where we have used the **Request For Quote systems** of trading venues, we provide additional information in relation to the identity of the Top five counterparties with whom we have executed trades :

Orders executed on TSOX BMTF	Other Instruments : Convertible Bonds
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class
JEFFERIES INTERNATIONAL LTD S5THZMDUJCTQZBTRVI98	50.44%
BARCLAYS CAPITAL SECURITIES LIMITED K9WDOH4D2PYBSLSOB484	13.45%
BNP PARIBAS ROMUWSFPU8MPRO8K5P83	8.80%
JP MORGAN SECURITIES PLC K6Q0W1PS1L1O4IQL9C32	6.32%
GOLDMAN SACHS INTERNATIONAL W22LROWP2IHZNBB6K528	4.16%

Placement Article 65(6)

Class Of Financial Instrument	Other Instruments : Non-EEA Equities with no tick size data				
Notification if <1 average trade per business day in the previous year	N				
Top five 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 a percentage of total in that class	Percentage of Passive Orders	Percentage of Aggressive Orders	Percentage of Directed Orders
CITIGROUP GLOBAL MARKETS XKZZ2JZF41MRHTR1V493	24.84%	34.33%	N/A	N/A	N/A
MORGAN STANLEY INTL 4PQUHN3JPFGFNF3BB653	20.32%	12.31%	N/A	N/A	N/A
CLSA ASIA PACIFIC MARKETS 213800VZMAGVIU2IJA72	11.62%	8.75%	N/A	N/A	N/A
MERRILL LYNCH INTERNATIONAL GGDZP1UYGU9STUHRDP48	7.45%	8.54%	N/A	N/A	N/A
MACQUARIE CAPITAL (EUROPE) LIMITED 549300AFVM7BT4L47C96	5.77%	2.72%	N/A	N/A	N/A

Execution Quality Report



On receipt of an order the dealer will determine the objectives of the fund manager for the order. The size of the order and current market liquidity and condition will be assessed and a strategy will be decided upon. The main execution factors of price, speed and likelihood of execution will be taken into account.

In the case of Convertible bonds, most trading is conducted on a request for quote basis (RFQ). The dealing desk uses an external TCA provider to provide data to analyse Convertible Bond trading. This data is used on a monthly basis to review performance. The Transaction Equity Review Forum meets monthly to measure the performance of the Convertible Bond brokers. Trends in performance will be monitored and any outliers will be investigated further. Finding and recommendations are presented to the Dealing Management Committee for review of all dealing activity.

The list of brokers is monitored continuously to ensure that the firm has the necessary coverage and choice to ensure best execution. Whilst the top five venues represent more than 70% of the value traded the remaining 25% include counterparties important for achieving best execution including primary and secondary markets. There were no other notable changes during 2019 to the list of counterparties.

14. Securities Financing Transactions

Class Of Financial Instrument	Securities Financing Transactions - Equities	
	Tick size liquidity band 5 and 6 (from 2000 trades per day)	
Notification if <1 average trade per business day in the previous year	N	
Top five 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 a percentage of total in that class
EQUILEND EUROPE LIMITED EQLD	77.30%	81.25%
MERRILL LYNCH INTERNATIONAL GGDZP1UYGU9STUHRDP48	3.64%	1.20%
GOLDMAN SACHS INTERNATIONAL W22LROWP2IHZNBB6K528	2.84%	0.67%
BARCLAYS CAPITAL SECURITIES LIMITED K9WDOH4D2PYBSLSOB484	2.48%	0.75%
DEUTSCHE BANK AG 7LTWFZYICNSX8D621K86	2.29%	0.53%

Class Of Financial Instrument	Securities Financing Transactions - Equities	
	Tick size liquidity band 3 and 4 (from 80 to 1999 trades per day)	
Notification if <1 average trade per business day in the previous year	N	
Top five 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 a percentage of total in that class
EQUILEND EUROPE LIMITED EQLD	40.81%	73.06%
BNP PARIBAS SECURITIES SERVICES 549300WCGB70D06XZS54	30.29%	9.48%
BARCLAYS CAPITAL SECURITIES LIMITED K9WDOH4D2PYBSLSOB484	10.95%	1.53%
EQUILEND LIMITED EQIE	5.71%	1.49%
BNP PARIBAS ARBITRAGE 6EWKU0FGVX5QQJHFGT48	3.29%	0.55%

Class Of Financial Instrument	Securities Financing Transactions - Equities Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)	
Notification if <1 average trade per business day in the previous year	N	
Top five 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 a percentage of total in that class
BNP PARIBAS SECURITIES SERVICES 549300WCGB70D06XZS54	43.00%	31.49%
EQUILEND LIMITED EQIE	19.90%	39.80%
EQUILEND EUROPE LIMITED EQLD	16.74%	12.17%
BARCLAYS CAPITAL SECURITIES LIMITED K9WDOH4D2PYBSLSOB484	11.17%	3.72%
UBS AG BFM8T61CT2L1QCEMIK50	5.25%	1.68%

Class Of Financial Instrument	Securities Financing Transactions - Bonds	
Notification if <1 average trade per business day in the previous year	N	
Top five 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 a percentage of total in that class
DEUTSCHE BANK AG 7LTFZYICNSX8D621K86	18.87%	8.20%
BNP PARIBAS ROMUWSFPU8MPRO8K5P83	13.60%	5.42%
ROYAL BANK OF CANADA ES7IP3U3RHIGC71XBU11	9.93%	3.64%
CREDIT AGRICOLE SA 969500TJ5KRTCJQWXH05	9.62%	6.53%
NATIONAL AUSTRALIA BANK LIMITED F8SB4JFBSYQFRQEH3Z21	7.43%	4.92%

Additional Counterparty Disclosures



As per ESMA's updated MiFID and MiFIR Investor Protection Q&A, where we have used trading venues, we provide additional information in relation to the identity of the Top five counterparties with whom we have executed trades :

Orders executed on EQUILEND EUROPE LIMITED - EQLD		Equities – Tick size liquidity band 5 and 6
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	
BARCLAYS CAPITAL SECURITIES LIMITED K9WDOH4D2PYBSLSOB484	30.91%	
GOLDMAN SACHS INTERNATIONAL W22LROWP2IHZNBB6K528	14.17%	
CREDIT SUISSE SECURITIES (EUROPE) LIMITED DL6FFRRLF74S01HE2M14	11.46%	
UBS AG BFM8T61CT2L1QCCEMIK50	10.24%	
JP MORGAN SECURITIES PLC K6Q0W1PS1L1O4IQL9C32	8.63%	

Orders executed on EQUILEND EUROPE LIMITED - EQLD		Equities – Tick size liquidity band 3 and 4
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	
UBS AG BFM8T61CT2L1QCCEMIK50	21.32%	
GOLDMAN SACHS INTERNATIONAL W22LROWP2IHZNBB6K528	20.15%	
BARCLAYS CAPITAL SECURITIES LIMITED K9WDOH4D2PYBSLSOB484	13.25%	
JP MORGAN SECURITIES PLC K6Q0W1PS1L1O4IQL9C32	11.65%	
NOMURA INTERNATIONAL PLC DGQCSV2PHVF7I2743539	8.12%	

Orders executed on EQUILEND LIMITED – EQIE	Equities – Tick size liquidity band 3 and 4
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class
BNP PARIBAS SECURITIES SERVICES 549300WCGB70D06XZS54	86.22%
UNICREDIT BANK AG 27CNRR8UK83OBTEK2170	11.45%
NORDEA BANK AB 213800HW2E5VN9FK1Y53	1.87%
ING BANK N.V. 3TK20IVIUIJ8J3ZU0QE75	0.30%
SOCIETE GENERALE SA O2RNE8IBXP4R0TD8PU41	0.16%

Orders executed on EQUILEND LIMITED – EQIE	Equities – Tick size liquidity band 1 and 2
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class
BNP PARIBAS SECURITIES SERVICES 549300WCGB70D06XZS54	98.93%
ING BANK N.V. 3TK20IVIUIJ8J3ZU0QE75	0.66%
UNICREDIT BANK AG 27CNRR8UK83OBTEK2170	0.35%
SOCIETE GENERALE SA O2RNE8IBXP4R0TD8PU41	0.07%

Orders executed on EQUILEND EUROPE LIMITED - EQLD	Equities – Tick size liquidity band 1 and 2
Top five venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class
BARCLAYS CAPITAL SECURITIES LIMITED K9WDOH4D2PYBSLSOB484	58.35%
DEUTSCHE BANK AG 7LTFWZYICNSX8D621K86	12.13%
JP MORGAN SECURITIES PLC K6Q0W1PS1L1O4IQL9C32	7.42%
UBS AG BFM8T61CT2L1QCCEMIK50	5.22%
CREDIT SUISSE SECURITIES (EUROPE) LIMITED DL6FFRRLF74S01HE2M14	4.68%

Execution Quality Report



Securities Financing Transactions (SFT) consist of Repurchase Agreements (Repo), Reverse Repurchase Agreements (Reverse Repo) and securities Lending. The underlying class of asset will be equity or bonds. Depending on the type of SFT, MAGIM execute orders in one of two ways. Electronically via the multi-asset class global trading platform Equilend or directly with Banks, known as bilateral execution. Equilend offers an effective method of execution by automating the trade process with different counterparties. Bilateral execution compliments the Equilend method of order execution and remains a crucial part of ensuring all sufficient steps are taken to ensure the best possible results for clients when executing orders. In Sept 2019, as part of their BREXIT preparations, Equilend established a second MTF, Equilend Limited domiciled in Ireland. Equilend Limited and the UK domiciled entity, Equilend Europe Limited are both used by MAGIM and reflected in the top 5 tables accordingly. Where possible and appropriate dealers source multiple prices from different counterparties to make sure orders are transacted at the most competitive levels. The full range of approved counterparties is used over the course of business and as highlighted below; the performance of available counterparties is regularly reviewed. Due to the nature of arrangements involved in SFT's it is important both sides of transactions have a clear understanding on their legal status and obligations at all times. The Global Master Repurchase Agreement (GMRA) and the Global Master Securities Lending Agreement (GMSLA) are the industry accepted legal agreements for parties entering SFT's and MAGIM will require at least one of the agreements to be in place with a counterparty prior to concluding any SFT's.

In case of Reverse Repo for cash management, Repo (for cash raising purposes) and Securities Lending Reverse Repo, MAGIM will typically determine price to be the most important execution factor when making assessments of the quality of execution. Speed and likelihood of execution will be considered but are unlikely to be placed above price. For these transactions size of the order and nature of the order will be considered immediately after the execution factor of price.

For securities lending and repo (for securities lending purposes) MAGIM will typically determine the nature of the order to be the most important execution factor when making assessments of the quality of execution. Speed and likelihood of execution will be considered but are unlikely to be placed above nature of the order. For these transactions price and size of the order will be considered immediately after the execution factor of nature of the order. However, many considerations such as time of day, event risk and market volatility to name a few may individually or collectively influence market liquidity at any time. Therefore Dealer judgement is required to determine if the order of execution factors remain appropriate.

Occasionally, market orders may be considered too large for the available liquidity and if not executed appropriately could create adverse market movement that may negatively impact the customer. In such circumstances the order size may be the first execution factor considered. The MAGIM Execution Policy provides further information on the approach to the importance of the execution factors.

A quarterly Transaction Execution Review Forum (TERF) is in place to review order execution outcomes (split by platform and bank outcomes), review methodology and benchmarks and look for ways to continuously improve execution arrangements. The output from the TERF is used to help review the list of execution venues to ensure MAGIM is able, on a consistent basis, to obtain

the best possible results when executing orders on behalf of clients. Any new additions to the list of execution venues and counterparties are approved via the counterparty approval process as outlined in the MAGIM Execution Policy. During the calendar year 2019 there were no notable additions or removals for the panel of execution venues available for SFT's. Additionally, an ongoing process of order execution monitoring including benchmarking and timely execution is in place to help ensure Dealing teams consistently obtain the best possible results and always act honestly, fairly and professionally in accordance with the best interest of the client.

The 2019 top 5 SFT tables demonstrate a few positive changes as compared to 2018. With respect to Bonds, the orders have successfully been spread over a wider number of counterparties meaning the top 5 shows less reliance on any one individual source of liquidity. For all liquidity bands in Equities, Equilend consistently features. As previously mentioned this demonstrates an effective method of order execution by providing automated order execution. The further breakdown of counterparties with whom we have executed trades via Equilend illustrates banks we consider to be of the most competitive.

MAGIM is fully committed and signed up to the UK Money Markets Code which covers Repo and Securities Lending when transacted in the UK. The code sets out expectations of best practice and is intended to promote a fair, effective and transparent market.

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