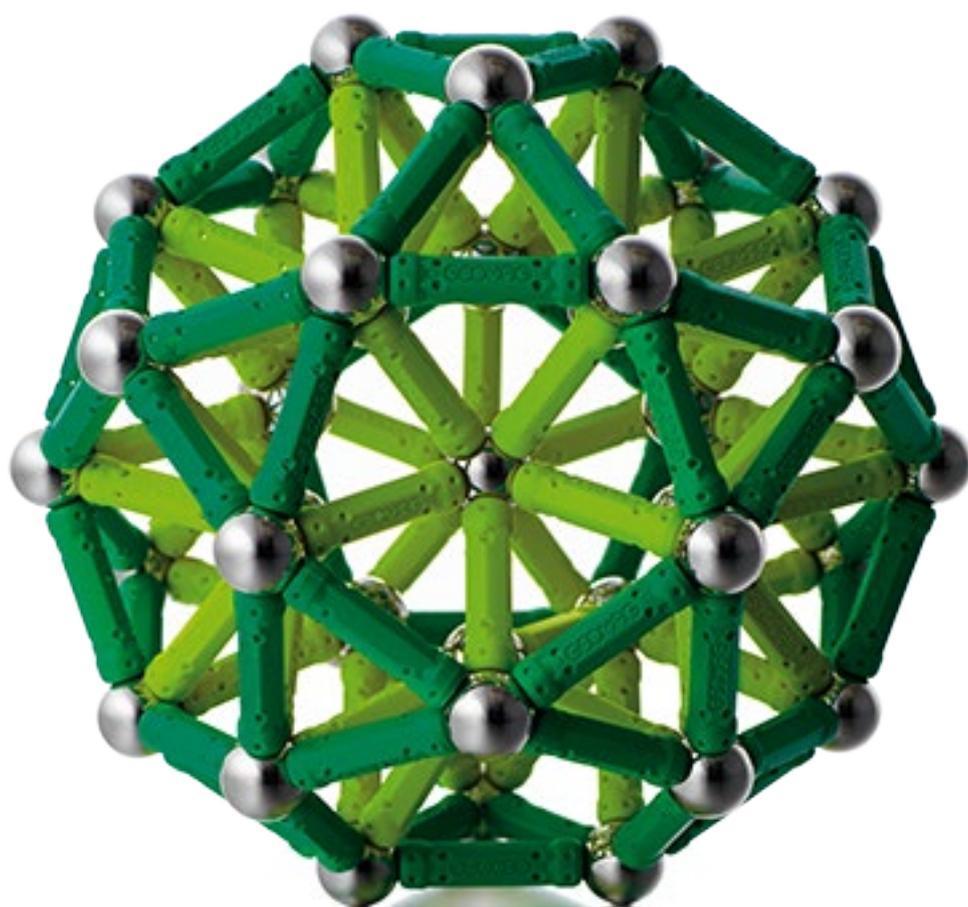

QUALITY OF EXECUTION REPORT 2018



Merian
GLOBAL INVESTORS

The art and science of investing™

INTRODUCTION

This quality of execution report covers orders placed and executed during 2018 by Merian Global Investors UK Limited (MGI).

On 29th June MGI (previously Old Mutual Global Investors) demerged from the Old Mutual Group and became an independent company. This report excludes historical order activity that is not directly related to the continuing business of MGI.

The MIFID II regulation requires MGI to produce annual reports on the quality of execution received by MGI on behalf of its clients. This must include tables showing the top 5 execution venues and counterparties for classes of financial instruments.

MGI executes Fixed Income, OTC and FX orders directly on venues or with counterparties. MGI places orders for equities and exchange traded derivatives with counterparties for onward execution. In addition MGI also executes equities directly with Systematic Internalisers (SI). The tables below indicate results for executions on venues including SI executions and counterparty placement separately.

MGI does not direct any orders to specific venues and we omit this column from the report.

In response to MIFID II MGI enhanced its processes and procedures to evaluate order execution. While this is an ongoing process, MGI is satisfied that it is achieving best execution for the orders it executes and places.

CONFLICTS OF INTERESTS, AND COMMON OWNERSHIPS WITH RESPECT TO ANY EXECUTION VENUES USED TO EXECUTE ORDERS.

MGI takes investment positions on behalf of clients in listed equities and financial instruments issued by corporate organisations which are execution venues or that supply investment services to MGI. The positions are justified entirely on investment merit and are not linked to any commercial relationship MGI has with the corporate organisations.

MGI retains Citi Depositary Services Ireland Designated Activity Company and Citibank Europe plc, UK branch as third party administrator for the funds it manages. This service includes fund pricing and custody. The relationship is priced solely on a commercial basis for the service. Citigroup undertakes share class hedging for MGI and also is responsible for executing restricted currency foreign exchange through its local agent network. MGI ensures all non-execution services supplied by counterparties are independent from order execution and priced on a stand-alone commercial basis.

MGI does not own any share of execution venues or counterparties other than the investments made on behalf of the funds it manages.

MGI has research relationships with a number of market counterparties. These are independent of execution services supplied by the counterparties and MGI pays for the research from its own resources.

Market counterparties arrange company meetings with corporate entities. This is called corporate access. MGI assesses each meeting to ensure the arranging counterparty is compensated by the corporate entity for this service and if not MGI pays for the service.

MGI demerged from the Old Mutual Group on June 29th 2018. The Old Mutual Group includes the market counterparty Nedbank Limited. During the year, MGI executed a small volume of bond order executions with Nedbank Limited. The trades were for South African bonds where Nedbank Limited is a specialist and were executed at arms-length using a competing request for quote approach.

SPECIFIC ARRANGEMENTS WITH ANY EXECUTION VENUES REGARDING PAYMENTS MADE OR RECEIVED, DISCOUNTS, REBATES OR NON-MONETARY BENEFITS RECEIVED.

MGI does not have any arrangements with execution venues other than their standard execution terms and commissions.

CLIENT CATEGORISATION

MGI's clients include funds managed by MGI and fund management mandates appointed by institutional clients. MGI does not accept new direct retail clients. All new clients are classified as professional category and all are treated equally. The fund strategy and nature of the instruments in it dictate any order execution methods and not the classification of the client.

TRADE COST ANALYSIS (TCA) AND EXECUTION MONITORING

At MGI, dealers are responsible for achieving and improving best execution. They are the execution experts and are best placed to understand the subtleties of the markets. Each dealing desk retains the services of a TCA supplier which the desk feels offers a suitable service for analysing order executions in the markets they are responsible for.

In 2017 MGI formed an Execution Working Group (EWG), which reports to the MGI Trade Management Forum (TMF), to independently review the dealing desk order execution analysis. The EWG is responsible for ratifying the analysis undertaken by the dealing desks and has co-responsibility for improving execution outcomes.

TCA analysis remains difficult to interpret. For normal size orders in liquid markets (such as large capitalisation equities and Foreign Exchange) which trade regularly, TCA analysis works well. For orders in less liquid markets TCA does not yet produce results which we can use to suggest more efficient execution methods. However the data is improving, the TCA during 2018 was superior to the previous year and continues to improve. Some markets lack the price visibility (Fixed Income) which TCA requires to quantify the execution result but we expect visibility to evolve and improve.

Using TCA analysis we quantify the cost of our executions and placements relative to an implementation benchmark. We monitor the absolute level of these costs and the way they change over time in order to understand the source and extent of price slippage in our process. Despite the technical problems with TCA we are satisfied the measured slippage indicates we are achieving a good execution outcome and we are working on improving the TCA data and the interpretation of it.

The MIFID II regulation requires venues and counterparties to produce a range of order execution metrics (RTS 27). We are researching ways to usefully integrate this information into our process.

RELATIVE IMPORTANCE OF EXECUTION FACTORS OF PRICE, COSTS, SPEED, AND LIKELIHOOD OF EXECUTION OR ANY OTHER CONSIDERATION INCLUDING QUALITATIVE FACTORS WHEN ASSESSING THE QUALITY OF EXECUTION.

Price is the primary factor for all transactions. When other factors come into the equation, the objective for dealers remains to achieve the best possible price subject to the other limiting factors.

The fund strategy is an important determination of the relative importance of the factors. For systematic Strategies, which require daily rebalancing, the likelihood of execution is important and the dealers select execution methods which achieve prompt execution at the prevailing market level.

There is more dealer discretion for Alpha fund strategy orders where no two orders have exactly the same characteristics. The order size and available market liquidity dictate the factor priorities. Generally larger order sizes relative to the market liquidity require more time and market discretion to achieve a satisfactory execution price. Dealers exercise their judgement to determine the best market approach.

Some orders give speed of execution priority. The portfolio manager may wish to enter or exit a position quickly and is willing to compromise on price to achieve a prompt execution. Dealers consult with the fund managers to validate an acceptable price.

Where an order must be executed at a specific time the dealers select a method which ensures execution occurs at the market level prevailing at the target time.

Broadly, fixed income markets breakdown into three liquidity bands; high liquidity (government bonds), medium liquidity (corporates) and low liquidity bond markets, such as high yield bonds or emerging market governments. There are exceptions to all these classes and a bond or entire market can move into lower or higher liquidity bands depending on market conditions.

The majority of high and medium liquidity bonds are traded promptly at the best available market level through an appropriate request for quote trading venues. MGI uses Bloomberg for Government bonds and Market Axess for corporate bonds. Lower liquidity bonds require research to find counterparty interest or appetite to quote a competitive market level for the bond.

Certain instruments such as exchange traded derivative and foreign exchange have highly visible and liquid markets. Orders for these markets are executed promptly at the market level using suitable dealing platforms or execution brokers.

Dealers sit in close proximity to the portfolio managers and this facilitates free communication. Dealers refer to the portfolio managers for ratification of an order execution which would not meet the portfolio manager expectation or instruction.

MGI's Operations team monitor the settlement of all order executions. They collate a set of efficiency metrics which are reported to the MGI Trade Management Forum (TMF). In the event a counterparty falls below acceptable settlement standards the TMF takes action to determine and correct the cause and may in extreme circumstances suspend the counterparty from dealing lists. This control means dealers are free to select counterparties on their lists without having to consider settlement factors.

MGI negotiates uniform equity commission levels across all counterparties. This means dealers are free to select the counterparties on their lists without having to consider cost factors. However, some execution methods, described in the markets as "low touch" attract lower commission levels. Dealers will prioritise low touch methods where suitable.

EQUITY EXECUTION AND PLACEMENT – SHARES AND DEPOSITARY RECEIPTS

MGI transmits equity orders to market counterparties for execution, this is called placement. MGI also executes equity transactions directly with Systematic Internalisers.

MGI manages a number of systematic daily rebalancing funds which require prompt execution at the prevailing market level. These strategies generate high order volumes for the more liquid equities and this turnover dominates the top five tables. For these orders the dealers use a program trading approach with counterparties competing to price the trade baskets relative to the prevailing market level. Larger and global market counterparties are best placed to price this business most competitively. Dealers manage the program trading counterparty list to maintain pricing competition.

For less liquid equities the top five venue report includes more specialist counterparties. MGI has a strong presence in the UK Small and Mid-Cap sectors which generates orders in the less liquid equity class. The counterparties with access to liquidity, and therefore the best pricing in this sector, tend to be the UK equity market makers and other UK equity execution channels. Orders for these stocks may take several days or even longer to complete. Therefore it is important to work with a competent counterparty which is in touch with the stock in question in order to have the best opportunity to transact at the best price and in the volumes required.

Class of Instrument	Equity placements – liquidity bands 5 and 6		
Low Volume	No		
Counterparty	LEI	Value %	Number %
Citigroup Global Markets Ltd	XKZZ2JZF41MRHTR1V493	31%	35%
UBS AG	BFM8T61CT2L1QCCEMIK50	20%	20%
Deutsche Bank Aktiengesellschaft	7LTFWZYICNSX8D621K86	12%	16%
Liquidnet Europe Limited	213800ZIRB79BE5XQM68	5%	3%
Investment Technology Group Limited	213800EEC95PRUCEUP63	4%	2%

Class of Instrument	Equity Executions – Liquidity bands 5 and 6				
Low volume	No				
Counterparty	LEI	Value%	Volume%	Pass.	Agg.
Goldman Sachs International	W22LROWP2IHZNBB6K528	67%	61%	0%	100%
Morgan Stanley & Co. International PLC	4PQUHN3JPF GFNF3BB653	11%	2%	0%	100%
Societe Generale International Limited	0IKLU6X1B10WK7X42C15	7%	6%	0%	100%
UBS AG	BFM8T61CT2L1QCEMIK50	4%	9%	0%	100%
HSBC Bank PLC	MP6I5ZYZBEU3UXPYFY54	4%	3%	0%	100%

Class of Instrument	Equity placements – liquidity bands 3 and 4			
Low Volume	No			
Counterparty	LEI	Value %	Number %	
Citigroup Global Markets Ltd	XKZZ2JZF41MRHTR1V493	21%	36%	
UBS AG	BFM8T61CT2L1QCEMIK50	13%	18%	
Deutsche Bank Aktiengesellschaft	7LTFWZYICNSX8D621K86	12%	10%	
J.P. Morgan Securities PLC	K6Q0W1PS1L1O4IQL9C32	10%	3%	
Liquidnet Europe Limited	213800ZIRB79BE5XQM68	8%	4%	

Class of Instrument	Equity Executions – Liquidity bands 3 and 4				
Low volume	No				
Counterparty	LEI	Value%	Volume%	Pass.	Agg.
Goldman Sachs International	W22LROWP2IHZNBB6K528	60%	64%	0%	100%
Investec Bank Plc	84S0VF8TSMH0T6D4K848	9%	1%	0%	100%
Morgan Stanley & Co. International PLC	4PQUHN3JPF GFNF3BB653	8%	10%	0%	100%
Societe Generale International Limited	0IKLU6X1B10WK7X42C15	7%	7%	0%	100%
HSBC Bank PLC	MP6I5ZYZBEU3UXPYFY54	4%	4%	0%	100%

Class of Instrument	Equity placements – liquidity bands 1 and 2			
Low Volume	No			
Counterparty	LEI	Value %	Number %	
J.P. Morgan Securities PLC	K6Q0W1PS1L1O4IQL9C32	33%	25%	
Deutsche Bank Aktiengesellschaft	7LTFWZYICNSX8D621K86	18%	18%	
Citigroup Global Markets Ltd	XKZZ2JZF41MRHTR1V493	15%	22%	
UBS AG	BFM8T61CT2L1QCEMIK50	10%	9%	
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	7%	7%	

Class of Instrument	Equity Executions – Liquidity bands 1 and 2				
Low volume	No				
Counterparty	LEI	Value%	Volume%	Pass.	Agg.
Goldman Sachs International	W22LROWP2IHZNBB6K528	38%	54%	0%	100%
Investec Bank Plc	84S0VF8TSMH0T6D4K848	28%	7%	0%	100%
Joh. Berenberg, Gossler & Co. KG	529900UC2OD7I124Z667	19%	9%	0%	100%
Morgan Stanley & Co. International PLC	4PQUHN3JPF GFNF3BB653	4%	8%	0%	100%
UBS AG	BFM8T61CT2L1QCEMIK50	3%	7%	0%	100%

CONTRACTS FOR DIFFERENCE PLACEMENT (CFDs) – SHARES AND DEPOSITARY RECEIPTS

CFDs are typically equity derivatives and the dealers use equity dealing methods to approach the market.

MGI appoint swap counterparties to administer the CFDs. In most markets counterparty selection for executing the equity transaction underlying the CFDs is not restricted. The underlying equity position is executed and then given up to the swap counterparty in exchange for the CFD.

For some markets, in particular the US, it is not possible to give up underlying equity transactions in exchange for CFDs. For these markets the equity execution is restricted to the swap providers appointed by MGI in that market.

Class of Instrument	Equity placements – Contracts for difference		
Low Volume	No		
Counterparty	LEI	Value %	Number %
Citigroup Global Markets Ltd	XKZZ2JZF41MRHTR1V493	38%	29%
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	33%	29%
UBS AG	BFM8T61CT2L1QCEMIK50	8%	10%
Deutsche Bank Aktiengesellschaft	7LTFWZYICNSX8D621K86	8%	10%
J.P. Morgan Securities PLC	K6Q0W1PS1L1O4IQL9C32	3%	6%

Class of Instrument	Equity Executions – Contracts for difference				
Low volume	No				
Counterparty	LEI	Value%	Volume%	Pass.	Agg.
Goldman Sachs International	W22LROWP2IHZNBB6K528	65%	54%	0%	100%
Societe Generale International Limited	0IKLU6X1B10WK7X42C15	15%	21%	0%	100%
Morgan Stanley & Co. International PLC	4PQUHN3JPFQFNF3BB653	9%	9%	0%	100%
HSBC Bank PLC	MP6I5ZYBEU3UXPYFY54	7%	10%	0%	100%
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	3%	4%	0%	100%

DEBT INSTRUMENTS

The fixed income market is dominated by the large and global capital market counterparties. MGI maintains dealing relationships with all the major counterparties. Execution is through multi-lateral trading facilities (MTF) or by direct request for quote (RFQ) to the counterparties.

The MTFs for bond execution facilitate fast price discovery and execution with all of the major bond market participants. It is the typical execution method for orders of regular size in liquid bonds. Bloomberg Trading Facility is the primary route for orders in the Government and Supra-national bond markets. Market Axess Europe Limited is the primary route for order in the Corporate Bond markets. Where electronic execution is not available or where an order factor such as order size, market volatility or scarce liquidity requires a discrete or patient market approach, the dealer contacts counterparties directly. Market conditions and factor priorities can change but generally for orders in liquid bonds of normal size the non-price order factors are not limiting and price remains the dominant factor. We direct requests for quotes to counterparties which stream the best prices, publish relevant axes or which previously demonstrated efficient execution for the bond. The dealer takes the best price when the dealer judges that the best price available will not be improved by asking for further price quotes which risk price leakage and slippage.

For less liquid bonds and large order sizes where the dealer must source liquidity through a discrete or patient market approach the likelihood of execution and order size factors become equally important as price considerations for counterparty selection.

Counterparty selection is based on the dealer researching pricing indications and relevant axes. The dealer takes into account previous history trading the bond and counterparty specialism in certain markets or sectors.

The tables show the top 5 execution venue and counterparties, the top 5 counterparties on each MTF venue and the top 5 counterparties with MTF executions resolved to the underlying counterparty.

EXECUTED DEBT INSTRUMENTS – VENUES AND COUNTERPARTIES

Class of Instrument	Debt Instrument execution – Execution Venues				
Low volume	No				
Venue / Counterparty	MIC / LEI	Value%	Volume%	Pass.	Agg.
Bloomberg Trading Facility	BMTF	38.8%	22.7%	0%	100%
Market Axess Europe Limited	MAEL	29.6%	48.1%	0%	100%

EXECUTED DEBT INSTRUMENTS – VENUE BMTF

Class of Instrument	Debt Instrument execution – Executed on BMTF				
Low volume	No				
Counterparty	LEI	Value%	Volume%	Pass.	Agg.
HSBC Bank PLC	MP615ZYZBEU3UXPYFY54	19.5%	18.9%	0%	100%
Nomura International PLC	DGQCSV2PHVF7I2743539	9.8%	7.7%	0%	100%
The Toronto Dominion Bank	PT3QB789TSUIDF371261	8.8%	6.1%	0%	100%
Deutsche Bank Aktiengesellschaft	7LTFWZYICNSX8D621K86	6.9%	9.7%	0%	100%
Natwest Markets	RR3QWICWWIPCS8A4S074	6.2%	4.6%	0%	100%

EXECUTED DEBT INSTRUMENTS – VENUE MAEL

Class of Instrument	Debt Instrument execution – Executed on MAEL				
Low volume	No				
Counterparty	LEI	Value%	Volume%	Pass.	Agg.
HSBC Bank PLC	MP615ZYZBEU3UXPYFY54	11.1%	7.0%	0%	100%
Citigroup Global Markets Ltd	XKZZ2JZF41MRHTR1V493	9.5%	8.6%	0%	100%
J.P. Morgan Securities PLC	K6Q0W1PS1L1O4IQL9C32	7.1%	6.4%	0%	100%
Market Axess Capital Ltd	529900CTXON8S5AOCB70	6.5%	20.0%	0%	100%
Nedbank Limited	213800ZBWY3BU3UUMA42	6.0%	3.2%	0%	100%

Volume attributed to Market Axess Capital represents MGI crossing activity, selling from one MGI fund to another but executed and pricing ratified by Market Axess. Or it is activity where MGI does not have a relationship with a counterparty and Market Axess Capital acts as principal to both sides.

EXECUTED DEBT INSTRUMENTS – ALL COUNTERPARTY ACTIVITY

Class of Instrument	Debt Instrument execution – All Counterparty Activity				
Low volume	No				
Counterparty	LEI	Value%	Volume%	Pass.	Agg.
HSBC Bank PLC	MP615ZYZBEU3UXPYFY54	11.3%	8.1%	0%	100%
Citigroup Global Markets Ltd	XKZZ2JZF41MRHTR1V493	8.6%	10.4%	0%	100%
J.P. Morgan Securities PLC	K6Q0W1PS1L1O4IQL9C32	8.1%	9.2%	0%	100%
Barclays Bank PLC	G5GSEF7VJP5I7OUK5573	6.6%	6.5%	0%	100%
Morgan Stanley & Co. International PLC	4PQUHN3JPFQFNF3BB653	6.4%	5.1%	0%	100%

MONEY MARKET INSTRUMENTS

At MGI money market instruments are predominantly restricted to treasury bills. The majority of money market transactions are in very liquid US treasury bills with high price visibility. They are executed on the Bloomberg Trading Facility venue.

Treasury bills in other currencies are less liquid and require dealer research to locate market pricing appetite. MGI participates in the primary market Treasury Bills auctions.

Class of Instrument	Money Market Instrument execution – Execution Venues				
Low volume	No				
Venue / Counterparty	MIC / LEI	Value%	Volume%	Pass.	Agg.
Bloomberg Trading Facility	BMTF	96.2%	80%	0%	100%

Class of Instrument	Money Market Instruments executions – all counterparty activity			
Low Volume	No			
Counterparty	LEI	Value %	Number %	
The Toronto Dominion Bank	PT3QB789TSUIDF371261	22.8%	18.6%	
Wells Fargo Securities International Limited	BWS7DNS2Z4NPKPNYKL75	15.3%	9.6%	
Morgan Stanley & Co. International PLC	4PQUHN3JPFQFNF3BB653	10.9%	9.8%	
Citigroup Global Markets Ltd	XKZZ2JZF41MRHTR1V493	10.1%	14.5%	
Nomura International PLC	DGQCSV2PHVF7I2743539	9.4%	12.1%	

OTC DERIVATIVE EXECUTIONS

It is MGI policy to use central clearing for all OTC derivatives where possible.

When executing cleared OTC derivatives it is in theory possible to execute with any market counterparty with the relevant Cleared Derivative Execution Agreement (CDEA) in place. In practice we find a CDEA is not sufficient for many of the banking counterparties which still require an ISDA. New entrant counterparties are willing to execute without an ISDA.

When clearing becomes mandatory for all market participants we expect the ISDA requirement to fall away and at that point we expect to expand our OTC derivative counterparty list. Until then we are restricted to dealing with the main market participants with the appropriate ISDA agreements in place.

INTEREST RATE DERIVATIVES

In 2018 MGI closed funds which were heavy users of interest rate swaps. Interest rate swaps is now a low volume instrument class within MGI.

Executions are by voice with dealers conducting a manual RFQ process. Counterparty selection is restricted by the requirement to have an ISDA in place with each counterparty.

Class of Instrument		Interest rate derivative executions – Swaps, forwards and other interest rate derivatives				
Low volume		Yes				
Venue		LEI	Value	Number	Passive	Aggressive
J.P. Morgan Securities PLC		K6Q0W1PS1L1O4IQL9C32	47.2%	13.5%	0%	100%
HSBC Bank PLC		MP6I5ZYZBEU3UXPYFY54	37.7%	37.8%	0%	100%
Morgan Stanley & Co. International PLC		4PQUHN3JPFGFNF3BB653	10.5%	32.4%	0%	100%
Barclays Bank PLC		G5GSEF7VJP5I7OUK5573	3.2%	8.1%	0%	100%
Citigroup Global Markets Limited		XKZZ2JZF41MRHTR1V493	1.1%	2.7%	0%	100%

CREDIT DERIVATIVES

The dealers execute Index Credit default Swaps using the Bloomberg Trading Facility, an RFQ MTF platform. The dealers execute a small number of single name CDS directly with the counterparties using a manual RFQ process.

Positions are administered under bi-lateral ISDAs and liquidity is limited to those counterparties with the correct legal documentation. We aim to move to cleared CDS in the first half of 2019.

Class of Instrument		Credit Derivative executions – Venues				
Low volume		Yes				
Venue		MIC	Value	Number	Passive	Aggressive
Bloomberg Trading Facility		BMTF	97.3%	87.5%	0%	100%

Class of Instrument		Credit Derivative executions – All Counterparty Activity				
Low volume		Yes				
Venue		LEI	Value	Number	Passive	Aggressive
Citigroup Global Markets Limited		XKZZ2JZF41MRHTR1V493	52.7%	33.3%	0%	100%
J.P. Morgan Securities PLC		K6Q0W1PS1L1O4IQL9C32	30.4%	28.5%	0%	100%
Barclays Bank PLC		G5GSEF7VJP5I7OUK5573	8.4%	16.7%	0%	100%
HSBC BANK PLC		MP6I5ZYZBEU3UXPYFY54	4.7%	12.5%	0%	100%
Goldman Sachs International		W22LROWP2IHZNBB6K528	3.7%	7.6%	0%	100%

SWAPS AND OTHER EQUITY DERIVATIVES

MGI executes a number of factor strategies using excess return swaps. These derivatives transfer the factor management to the counterparty and the counterparty pays the factor return to the MGI fund. MGI negotiates these arrangements at the inception of the arrangement.

Order activity in an excess return swap represents a change in the allocation of risk to the relevant factor and is executed with the counterparty on the negotiated terms. As such these orders are captive to the counterparty supplying the factor.

MGI reviews these arrangements to ensure they remain competitive.

Class of Instrument	Equity derivatives executions – Swaps and other equity derivatives				
Low volume	Yes				
Venue	LEI	Value	Number	Passive	Aggressive
Goldman Sachs International	W22LROWP2IHZNBB6K528	50%	46.1%	N/A	N/A
Morgan Stanley & Co. International PLC	4PQUHN3JPFGFNF3BB653	43.1%	47.3%	N/A	N/A
Deutsche Bank Aktiengesellschaft	7LTFWZYICNSX8D621K86	6.9%	6.6%	N/A	N/A

FOREIGN EXCHANGE DERIVATIVES

Foreign Exchange - Swaps, forwards and other currency derivatives

This covers forward FX and non-deliverable forward FX. There were no OTC currency options in the period. The table excludes spot FX and FX settling before sort.

The FX counterparty list includes the main FX execution banks plus a few smaller banks which offer competitive pricing for smaller currency markets. We use continuous linked settlement to ensure payment verses payments which eliminates daylight settlement risk.

The majority of FX transactions are in liquid currencies and or of a size that the FX market can absorb normally. This means for the most part the execution factors are not limiting. We execute these trades promptly at the best available market level.

Where a factor becomes limiting the dealer adjusts the dealing method to take account of the factor. Generally this means allowing more execution time and a discrete market approach in order to achieve a better execution outcome over time. This occurs for large size trades to give the market time to absorb the order size, frontier currency markets to give time to find suitable liquidity and periods of high volatility when bid to offer spreads widen.

Class of Instrument	FX Executions - Swaps, forwards and other currency derivatives				
Low volume	No				
Venue	MIC	Value	Number	Passive	Aggressive
Refinitiv Transactions Services Limited	TRAL	100%	100%	0%	100%

We execute the majority of FX on FXAll (Refinitiv Transaction Services Limited) which is an RFQ MTF. Table FX 2 shows the top 5 execution counterparties on FX ALL. Such venues allow fast and efficient price discovery across a number of counterparties simultaneously.

Table Currency 2 -FX Transactions executed on FXall (Refinitiv Transaction Services Limited)

Venue TRAL			
Counterparty	LEI	Value %	Number %
J.P. Morgan Securities PLC	K6Q0W1PS1L1O4IQL9C32	20.93%	12.96%
The Toronto-Dominion Bank	PT3QB789TSUIDF371261	15.21%	14.69%
Natwest Markets PLC	RR3QWICWWIPCS8A4S074	14.70%	8.81%
HSBC BANK PLC	MP6I5ZYZBEU3UXPYFY54	11.22%	11.79%
Citigroup Global Markets Limited	XKZZ2JZF41MRHTR1V493	7.25%	9.44%

We execute a small number of trades in a restricted currency (PEN – Peruvian Sol) with specialist local market counterparties. Our custodian executes other restricted currencies with their local agents in these markets. In addition the custodian also manages and executes share class hedging.

EXCHANGE TRADED FUTURES AND OPTIONS

Exchange traded derivatives are liquid instruments used for fast access to liquid instruments. The orders we transmit are all within the contract daily volume and absorbable by the exchange liquidity in a short period of time.

Each future contract is listed on a primary exchange. We access that exchange by transmitting futures orders to the clients clearing broker for execution. This is because of reduced commission fees for execution and

clearing with single counterparty. Systematic executions are driven by the counterparty owned participation algorithm.

Execution quality is monitored against TCA from the clearing broker to ensure the algorithm is accessing the exchange liquidity efficiently. We also monitor combined TCA for the aggregation of ETD transactions. ETD Bond and Interest Rate - Futures and Options admitted to a trading venue

Class of Instrument		Bond and Interest rate futures and options placements	
Low volume	No		
Counterparty	LEI	Value	Number
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	70.0%	43.3%
Goldman Sachs International	W22LROWP2IHZNBB6K528	30.0%	56.6%

ETD EQUITY INDEX- FUTURES AND OPTIONS ADMITTED TO A TRADING VENUE

Class of Instrument		Equity index futures and option placements	
Low volume	No		
Counterparty	LEI	Value	Number
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	96.3%	50.3%
Goldman Sachs International	W22LROWP2IHZNBB6K528	3.7%	49.7%

ETD CURRENCY - FUTURES AND OPTIONS ADMITTED TO A TRADING VENUE

Class of Instrument		Currency futures and option placements	
Low volume	No		
Counterparty	LEI	Value	Number
Morgan Stanley & Co. International PLC	4PQUHN3JPFQFN3BB653	65.4%	65.8%
Goldman Sachs International	W22LROWP2IHZNBB6K528	34.6%	34.2%

During the year we moved our primary currency future execution counterparty from Goldman Sachs to Morgan Stanley. Execution quality was maintained. This was done to introduce a second clearing relationship which could serve as a back-up alternative if there was an execution problem with our other relationships. ETD Commodities – Future and Options admitted to a trading venue

Class of Instrument		Commodity futures and options placements	
Low volume	No		
Counterparty	LEI	Value	Number
Goldman Sachs International	W22LROWP2IHZNBB6K528	80.9%	85.1%
Societe Generale International Limited	0IKLU6X1B10WK7X42C15	15.7%	13.8%
Morgan Stanley & Co. International PLC	4PQUHN3JPFQFN3BB653	0.7%	1.1%

Goldman Sachs is the primary execution counterparty for commodity futures. Societe Generale specialises in metal contracts and Morgan Stanley offers access to the Canadian Canola contract.

Other Instruments

Other instruments are equities which are not trading on a Trading venue (TOTV) and therefore do not have MIFID liquidity bands. These orders are placed with counterparties.

Class of Instrument		Other Instruments	
Low Volume	No		
Counterparty	LEI	Value %	Number %
UBS AG	BFM8T61CT2L1QCEMIK50	26%	21%
Citigroup Global Markets Limited	XKZZ2JZF41MRHTR1V493	22%	23%
J.P. Morgan Securities PLC	K6Q0W1PS1L1O4IQL9C32	17%	21%
Merrill Lynch International	GGDZP1UYGU9STUHRDP48	14%	19%
Deutsche Bank Aktiengesellschaft	7LTFWZYICNSX8D621K86	4%	4%

GLOSSARY

CFD – Contract for difference. An OTC derivative which facilitates synthetic long or short exposure to an instrument, typically an equity.

Implementation Benchmark – the reference price selected for comparison with an execution price for the measurement of execution costs.

ISDA Master Agreement – A legal agreement written to the International Swaps and Derivatives Association standard between two parties which outlines the standard terms and conditions under which individual orders are executed.

Low volume – less than one trade per business day in the year.

MTF – Multi lateral trading facility, a trading venue which facilitates executions between multiple parties.

OTC – Over the counter. Industry terminology for order execution which is negotiated and transacted directly between the parties without going through an exchange.

RFQ – Request for Quote, a method of trading where the order is revealed simultaneously to counterparties who quote a price for the order in competition with the other counterparties.

Systematic Internaliser – A regulatory term for dealing orders with a counterparty against their book of business.

TCA – Trade Cost Analysis. The analysis of order data in order to assess the efficiency of execution.

TOTV – Trading On Trading Venue – under MiFIR instruments which are admitted to trading on a Regulated Market (RM), Multilateral Trading Facility (MTF), Organised Trading Facility (OTF), or Systematic Internaliser (SI).

VWAP – Volume Weighted Average Price. A measure of the average price of an instrument over a trading day or specified interval. It is used as a price target or guaranteed requirement for some equity market order executions.

IMPORTANT INFORMATION

Past performance is not a guide to future performance and may not be repeated. Investment involves risk. The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested. Because of this, an investor is not certain to make a profit on an investment and may lose money. Exchange rate changes may cause the value of overseas investments to rise or fall.

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