



Loomis Sayles Investments Ltd

Annual Trade Execution Report - RTS 28

MiFID II - Top 5 Broker and Venue Reports

Reporting period - 1 January 2020 to 31 December 2020

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1. Introduction

On an annual basis, investment firms subject to MiFID II reporting obligations are required to publish quantitative and qualitative details of their top 5 brokers and execution venues. The contents of this report are published to meet the prescribed standards of the RTS 28 Disclosures ('RTS 28') under MiFID/R.

The obligations under RTS 28 Disclosures is formulated with investor protection being at the centre of the objectives in maintaining fair and transparent markets, as well as the inherent need for investors to have access to more information prior to making investment decisions.

A full summary of the RTS 28 reporting requirements can be found in this document- https://ec.europa.eu/finance/securities/docs/isd/mifid/rts/160608-rts-28_en.pdf

2. Report Contents

The RTS 28 Disclosures in this report requires firms to report both quantitative and qualitative data on all sub-classes of MiFID financial instruments, including, but not limited to;

- An explanation of the relative importance that the investment firm gave when considering the quality of execution; i.e. price, cost, speed, likelihood of execution, likelihood of settlement, amongst other factors.

- A description of any close links with execution venues and the conflicts of interest arising.

- A description of specific arrangements with execution venues with regards to payments or discounts made or received, or any other monetary benefits.

- An explanation of factors that led to a change in the list of execution venues listed in the firms order execution policy.

- An explanation of how the investment firm has used any data or tools relating to the quality of execution.

- The reporting also requires firms to disclose whether executions were passive, aggressive or directed.

3. Trading Data

In respect of quantitative and qualitative data element disclosures, firms must gather their trading volumes with different counterparties and on different venues.

A venue for this purpose includes exchanges, multilateral trading facilities (MTFs), organised trading facilities (OTFs), systematic internalisers, market makers, and other liquidity providers with whom the firm has traded directly.

The volume of execution and number of executed trades should be expressed as a percentage of the firms total execution volume and as a percentage of the number of executed orders in that sub-class of financial instrument.

Quantitative Disclosure

Direct execution disclosure means to express the firm's top 5 execution venues in terms of trading volumes for transactions the firm has executed during this reporting period. This includes orders executed directly on a trading venue, or on an OTC ('over the counter') basis with a counterparty.

Indirect execution disclosure means to express the firms top 5 execution brokers in terms of trading volumes for all transactions during the reporting period resulting in placing orders with, or transmitting orders to, another entity, i.e. broker, for that other entity to execute on the firms behalf, and its top 5 execution venues in terms of trading volumes for all executed financial instrument orders.

Qualitative Disclosure

Qualitative disclosure means to require firms to produce a summary of the conclusions drawn from data gathered on the execution policy obtained from the venues and brokers.

Firms are required to provide an explanation, based on the data, of quality of execution obtained, that justifies why the relevant brokers and venues constitute the top 5.

4. General Disclosures

As LSIL does not trade on exchanges directly, we do not believe our executed orders meet the definitions of passive, aggressive or directed, and therefore our report in regards to those types of trades is a nil report.

This report should be read in conjunction with LSILs Brokerage Allocation Policy and Procedures, a copy of which can be found in the same section of our website that contains this report. You may also access it via:

<http://lsintranet/legal/ComplianceManual/docs/BrokerageAllocationPoliciesProcedures.pdf>

5. Execution Reports

The data contained in the tables are expressed in percentage terms, representing the percentage of the total volume traded in that instrument, as well as the percentage of the total number of trades, that was traded with the execution venues or brokers. The tables contain the only two sub-classes of financial instruments that were transacted by LSIL during this reporting period - Fixed Income and Credit Derivatives. Please note that, because LSIL does not trade on exchanges directly, we do not believe our executed orders meet the definitions of passive, aggressive or directed. As a result, the tables below do not include those columns.

5.1 - Broker Report

5.1.1 - Fixed Income and related securities

Notification if <1 average trade per business day in previous year	No	
Top 5 Execution Brokers ranked in terms of trading volumes	Proportion of Volume Traded as a % of total in that class	Proportion of Orders Traded as a % of total in that class
Citigroup Global Markets Ltd LEI XKZZ2JZF41MRHTR1V493	18.631	18.640
Royal Bank of Canada LEI ES7IP3U3RHIGC71XBU11	10.907	11.644
Barclays Bank LEI G5GSEF7VJP517OUK5573	10.522	10.573
Credit Suisse Securities (USA) LLC LEI 1V8Y6QCX6YMJ2OELI46	8.481	11.315
Deutsche Bank LEI 9J6MBOOO7BECTDTUZW19	7.570	7.556

5.1.2- Credit Derivatives and Related Securities

Notification if <1 average trade per business day in previous year	Yes	
Top 5 Execution Brokers ranked in terms of trading volumes	Proportion of Volume Traded as a % of total in that class	Proportion of Orders Traded as a % of total in that class
Citigroup Global Markets Ltd LEI XKZZ2JZF41MRHTR1V493	40.570	30.000
Royal Bank of Canada LEI ES7IP3U3RHIGC71XBU11	28.175	12.000
Credit Suisse Securities (USA) LLC LEI 1V8Y6QCX6YMJ2OELI46	21.549	22.000
Barclays Bank LEI G5GSEF7VJP517OUK5573	4.647	26.000
HSBC LEI MP6I5ZYZBEU3UXPYFY54	4.285	8.000

5.2 Venue Report

5.2.1 - Fixed Income and Related Securities

Notification if <1 average trade per business day in previous year	No	
Top 5 Execution Venues ranked in terms of trading volumes	Proportion of Volume Traded as a % of total in that class	Proportion of Orders Traded as a % of total in that class
Bloomberg Trading Facility Ltd LEI 549300ROEJDDAXM6LU05	55.832	62.574
Deutsche Bank LEI 9J6MBOOO7BECTDTUZW19	5.350	2.691
Royal Bank of Canada LEI ES7IP3U3RHIGC71XBU11	3.980	4.246
Barclays Bank LEI G5GSEF7VJP517OUK5573	3.833	4.286
HSBC LEI MP6I5ZYZBEU3UXPYFY54	3.720	2.524

5.2.2 - Credit Derivatives

Notification if <1 average trade per business day in previous year	Yes	
Top 5 Execution Venues ranked in terms of trading volumes	Proportion of Volume Traded as a % of total in that class	Proportion of Orders Traded as a % of total in that class
Bloomberg SEF Llc 5493003IUYOH3554SNS58 LEI	95.353	74.000
MERRILL LYNCH (BOA) LEI 549300HN4UKV1E2R3U73	4.647	26.000

6. Commentary

Investment firms are obliged to publish for each class of financial instruments, a summary of the analysis and conclusions they draw from their detailed monitoring of the quality of execution obtained on the execution venues where they executed all client orders in the previous year. The information required together with their respective answers are shown below.

(a) an explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;

Best execution includes, among other things, the price at which the security is purchased or sold, the execution capability of the broker-dealer (including its overall competitiveness, financial soundness and reputation), the order size and depth of the market in that security, the broker dealer's willingness to enter into difficult transactions and commit their own capital, and the trading networks provided by the broker dealer. LSIL also considers the quality and quantity of research provided by the broker dealer when it is a part of trade and relative value recommendations.

LSIL's trading desk takes into consideration all of these factors when selecting the broker-dealer with whom they will execute aggregated orders, in pursuit of the overall goal of best execution.

(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;

LSIL does not have any close links, conflicts of interest, and/or common ownerships with respect to execution venues used to execute orders and we are prohibited from trading with affiliated broker-dealers or venues.

(c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;

LSIL does not have any arrangements with executing venues regarding payments made or received, discounts, rebates or non-monetary benefits received

(d) an explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred;

LSIL maintains a list of authorised broker-dealers and the list is established and maintained in accordance with LSILs Brokerage Allocation Policies and Procedures. In addition, LSIL has established contractual agreements with certain electronic trading platform vendors, or venues, in order to help with the execution of trades and to facilitate compliance with MiFID II mandated reporting requirements. There was one new venue added during the period covered by this report, but it was at the very end of the reporting period so there was no impact to trading in such a short period. Over the course of the period covered by the report, some new approved broker-dealers were added to the platforms, when it was determined they might be able to provide new sources of liquidity for certain instruments.

(e) 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;

Loomis Sayles Investments Ltd ('LSIL') only manages Professional clients, and all its clients are treated the same.

(f) 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;

This is not applicable. LSIL does not have any retail clients.

(g) an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Commission Delegated Regulation (EU) 2017/575;

LSIL's parent, Loomis, Sayles & Company, L.P. ("Loomis US") has engaged Global Trading Analytics, LLC ("GTA") to perform trading cost analysis of LSILs trading in certain fixed income securities for representative fixed income client accounts (i.e. typically, commingled vehicles or other accounts whose trading is representative of the trading for a specific fixed income product). GTA's trading cost analysis includes key measurement points for analysing fixed income trading. These measurement points are displayed on an overall basis for all of the trades included in the analysis, on a fund-by-fund basis, by market sector and by dealer. The Head of Trading of Loomis US reviews the GTA reports with the firm's Trading Oversight Committee on a quarterly basis.

Traders use multiple data sources for price discovery prior to execution and all investment teams receive daily trade activity reports, including execution prices, which are reviewed. Additionally, as part of our overnight cycle, tolerance checks for executed levels vs closing prices are monitored, and flagged for review, when necessary.

(h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

This is not applicable, as there are currently no consolidated tape providers in Europe for the instruments traded by LSIL.