



RTS 28 Annual Execution Quality Report 2018

April 2019

Under MiFID II, investment firms that execute client orders must summarize on an annual basis, for each class of financial instruments, the top 5 execution venues and brokers used during the preceding year, and provide information on the quality of its execution.

The following summarizes the information required for Loomis Sayles Investments Limited (“Loomis UK”) during the reporting period of January 1, 2018 to December 31, 2018. It is inclusive only of those classes of financial instruments in which we transacted.

I. Top 5 Execution Venues

Class of Instrument	(b) Debt Instruments					
Notification if < 1 average trade per business day in the previous year	N					
Top five execution venues ranked in terms of trading volumes (descending order)		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
Bloomberg Trading Facility Limited	BMTF	44.402%	48.335%	N/A	N/A	N/A
MARKET AXESS	MAEL	29.058%	35.148%	N/A	N/A	N/A
BNP Paribas Securities Corp.	RCNB6OTYUAMMP879YW96	2.867%	1.434%	N/A	N/A	N/A
Deutsche Bank Securities Inc.	9J6MBOOO7BECTDTUZW19	2.859%	1.412%	N/A	N/A	N/A
JPMorgan Chase Bank, National Association	7H6GLXDRUGQFU57RNE97	2.511%	1.173%	N/A	N/A	N/A

Class of Instrument	(d) Credit Deriv					
Notification if < 1 average trade per business day in the previous year	Y					
Top five execution venues ranked in terms of trading volumes (descending order)		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
Bloomberg SEF Llc	BBSF	98.365%	90.303%	N/A	N/A	N/A
Merrill Lynch, Pierce, Fenner & Smith Incorporated	8NAV47T0Y26Q87Y0QP81	0.711%	1.212%			
Barclays Bank PLC	G5GSEF7VJPSI7OUK5573	0.643%	4.242%	N/A	N/A	N/A
JPMorgan Chase Bank, National Association	7H6GLXDRUGQFU57RNE97	0.274%	3.636%	N/A	N/A	N/A
GOLDMAN SACHS & CO. LLC	FOR8UP27PHTHYVLBNG30	0.006%	0.606%	N/A	N/A	N/A

Class of Instrument	(f) Structured					
Notification if < 1 average trade per business day in the previous year		Y				
Top five execution venues ranked in terms of trading volumes (descending order)		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
COMMERZBANK Aktiengesellschaft	851WYGNLUQLFZBSYGB56	95.071%	87.342%	N/A	N/A	N/A
BNP Paribas Securities Corp.	RCNB6OTYUAMMP879YW96	1.586%	2.532%	N/A	N/A	N/A
Bloomberg MTF	BMTF	1.470%	3.797%	N/A	N/A	N/A
Deutsche Bank Securities Inc.	9J6MBOOO7BECTDTUZW19	1.025%	2.532%	N/A	N/A	N/A
Crédit Agricole Corporate and Investment Bank	1VUV7VQFKUOQSJ21A208	0.575%	2.532%	N/A	N/A	N/A

II. Top 5 Execution Brokers

Class of Instrument	(b) Debt Instruments					
Notification if < 1 average trade per business day in the previous year		N				
Top five execution brokers 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
Royal Bank of Canada	ES7IP3U3RHIGC71XBU11	14.389%	15.322%	N/A	N/A	N/A
Citigroup Global Markets Limited	XKZZ2JZF41MRHTR1V493	10.754%	13.541%	N/A	N/A	N/A
HSBC SECURITIES (USA) INC.	CYYGQCGNHMHPSMRL3R97	8.509%	7.842%	N/A	N/A	N/A
Barclays Bank PLC	G5GSEF7VJP5I7OUK5573	7.663%	8.566%	N/A	N/A	N/A
Deutsche Bank Securities Inc.	9J6MBOOO7BECTDTUZW19	7.166%	6.372%	N/A	N/A	N/A

Class of Instrument		(d) Credit Deriv				
Notification if < 1 average trade per business day in the previous year		Y				
Top five execution brokers 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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Merrill Lynch, Pierce, Fenner & Smith Incorporated	8NAV47T0Y26Q87Y0QP81	40.320%	18.182%	N/A	N/A	N/A
BARCLAYS	G5GSEF7VJP517OUK5573	22.301%	21.212%			
JPMorgan Chase Bank, National Association	7H6GLXDRUGQFU57RNE97	10.365%	15.152%	N/A	N/A	N/A
Citigroup Global Markets Limited	XKZZ2JZF41MRHTR1V493	10.146%	9.091%	N/A	N/A	N/A
Credit Suisse Securities (Europe) Limited	DL6FFRRLF74S01HE2M14	10.100%	22.424%	N/A	N/A	N/A

Class of Instrument		(f) Structured				
Notification if < 1 average trade per business day in the previous year		Y				
Top five execution brokers 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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
COMMERZBANK Aktiengesellschaft	851WYGNLUQLFZBSYGB56	95.071%	87.342%	N/A	N/A	N/A
BNP Paribas Securities Corp.	RCNB6OTYUAMMP879YW96	1.586%	2.532%	N/A	N/A	N/A
Deutsche Bank Securities Inc.	9J6MBOOO7BECTDTUZW19	1.025%	2.532%	N/A	N/A	N/A
Merrill Lynch, Pierce, Fenner & Smith Incorporated	8NAV47T0Y26Q87Y0QP81	0.967%	1.266%	N/A	N/A	N/A
Crédit Agricole Corporate and Investment Bank	1VUV7VQFKUOQSJ21A208	0.575%	2.532%	N/A	N/A	N/A

III. Quality of Execution

- (a) Provide 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; the quantity and quality of the research provided by the broker-dealer; the broker-dealer's market making activities; the broker-dealer's willingness to enter into difficult transactions and commit their own capital; and the trading networks provided by the broker-dealer.

The Loomis UK Trading Desk takes all of these factors into consideration when selecting broker-dealers to execute aggregated orders, in pursuit of the overall goal of best execution.

- (b) Describe any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.

Loomis UK is prohibited from trading with any affiliated broker-dealer / venues.

- (c) Describe any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

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

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

Loomis UK maintains a list of authorized broker-dealers and the list is established and maintained in accordance with Loomis UK's Brokerage Allocation Policies and Procedures. There were no new venues added during the period covered by this report though, occasionally, new approved brokers are added to electronic trading platforms that serve as venues if it is believed they can provide new sources of liquidity for certain instruments.

- (e) Explain 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 UK only manages Professional Clients, and all its clients are treated the same.

- (f) Explain 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.

Not Applicable. Loomis UK does not have any retail clients.

- (g) Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27.

Loomis UK's parent, Loomis Sayles & Company, L.P. ("Loomis US") has engaged Global Trading Analytics, LLC ("GTA") to perform trading cost analysis of Loomis UK's 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 analyzing 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.

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

Not Applicable. There were no consolidated tape providers in Europe for fixed income securities during the reporting period.

This report should be read in conjunction with Loomis UK's Brokerage Allocation Policies and Procedures.