

MiFID II requires RLAM to publish its top 5 execution venues, including volumes by financial instrument, on our website each year (the “RTS 28 report”). This may contribute to helping our Investors understand how we achieve Best Execution and can be read in conjunction with our Order Execution Policy.

RLAM takes into account both quantitative and qualitative factors when determining best execution. We routinely consider the available execution venues as part of our order execution process, using our industry experience, expertise and judgement in light of available market information. This applies to all types of financial instruments, across all asset classes. Factors that we consider include, but are not limited to:

- the price paid for the investment
- costs incurred as a result of the transaction being placed
- the speed at which we are able to complete the transaction
- the likelihood of being able to place and settle the transaction
- the size of the transaction
- the nature of the transaction.

Generally, price and dealing costs will be the primary considerations, but the likelihood of execution, financial status and solvency of the counterparty will also be considered when selecting the appropriate venue. There may be circumstances where other considerations may dominate such as our ability to source a highly desirable asset or market news. The Dealer will determine the relative importance of the execution factors by using their commercial judgement and experience in light of market information, taking into account the characteristics of the client, the order, the instrument and execution venues to which that order can be directed. Whilst there are no consolidated tape providers in Europe for fixed Income we do make use of TRACE when transacting in the US markets when this is relevant. All clients are subject to the same Order Execution Policy. RLAM does not have retail clients.

RLAM’s Counterparty Approval Process sets out the necessary checks that must be undertaken before a counterparty can be approved. Thereafter, ongoing monitoring includes counterparty exposure and changes to counterparty credit ratings. Oversight for this sits with the RLAM Investment Committee and Group Credit, Counterparty and Liquidity Risk Committee.

During 2019,10 Counterparties were added and 3 removed from the Approved List.

RLAM is a wholly owned subsidiary of the Royal London Mutual Insurance Society. The Group does not presently own any broker dealer or have any holdings in execution venues. RLAM has an outsourcing relationship with HSBC, who undertake RLAM’s Back-Office Operations, including some FX spot and hedging services. In relation to trading equities, fixed income and derivative instruments HSBC are put in open competition with other venues / brokers. Our relationship with HSBC for back office services has no bearing upon our trading decisions.

RLAM does not receive payments, discounts, rebates or non-monetary benefits in relation to its trading arrangements. RLAM bears the cost of all research used in its investment management activities and these costs are not charged to the client. RLAM has a Research Policy which sets out the firms approach to the receipt and use of research.

RLAM has established a Best Execution Review Group (BERG) which oversees the execution of all trades within the firm. The BERG contains representation from Risk, Compliance, and each trading area of the firm to ensure appropriate challenge can be given to the firm's Dealing team. RLAM 's compliance team utilise TCA (transaction cost analysis) from independent providers to monitor the quality of execution obtained on the execution venues where we execute/place for execution client orders. The output of this review is presented to the BERG and is discussed at periodic meetings.