

Annual Order Execution Report 2020

April 2021

Introduction

- **References to “First Sentier Investors” in this report refer to “First Sentier Investors International Limited” (“FSII”) and “First Sentier Investors Management (UK) IM Limited” (“FSIM”), both of which are authorised and regulated by the UK Financial Conduct Authority and subject to MiFID II. Both firms also provide portfolio management services.**
- **This is the annual report summarising the top 5 execution venues and brokers used by First Sentier Investors during the calendar year ending 31 December 2020 together with information about the quality of execution obtained in line with Regulatory Technical Standard 28 and applicable rules and regulations.**
- **All volumes are calculated in line with UK industry guidance, and any that require currency conversions will have their trade converted from the trade currency back to GBP using the WM Reuters London 4pm closing rate on the day of the trade.**
- **The information provided in the tables below, along with the qualitative information relate to FSIM. FSIM also executes and/or receives and transmits orders on behalf of FSII. Accordingly, FSII does not execute directly on any venues and its sole broker is FSIM for the purposes of this report. The above reflects in practice that our EMEA dealing desk transacts or deals through FSIM rather than both FSIM and FSII**

a) Equity Shares and Depositary Receipts – Broker Report

(i) Tick size liquidity bands 5 and 6 (from 2000 trades per day)

Notification if <1 average trade per business day in the previous year: N

Top five brokers ranked in descending order of trading volumes		Proportion of volume traded as a % of total in asset class	Proportion of orders executed as a % of total in asset class	% of Passive Orders	% of Aggressive Orders	% of Directed Orders
XKZZ2JZF41MRHTR1V493	CITIGROUP GLOBAL MARKETS LTD	18.99%	51.79%	N/A	N/A	0%
213800LBM6PT85IGM996	SANFORD C. BERNSTEIN LTD	14.03%	5.31%	N/A	N/A	0%
213800MXAKR2LA1VBM44	INSTINET EUROPE LTD	11.19%	1.10%	N/A	N/A	0%
S5THZMDUJCTQZBTRVI98	JEFFERIES INTERNATIONAL LTD	8.95%	4.07%	N/A	N/A	0%
K6Q0W1PS1L1O4IQL9C32	JP MORGAN SECURITIES PLC	7.35%	1.17%	N/A	N/A	0%

(ii) Tick size liquidity bands 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 brokers ranked in descending order of trading volumes		Proportion of volume traded as a % of total in asset class	Proportion of orders executed as a % of total in asset class	% of Passive Orders	% of Aggressive Orders	% of Directed Orders
XKZZ2JZF41MRHTR1V493	CITIGROUP GLOBAL MARKETS LTD	19.68%	57.11%	N/A	N/A	0%
213800LBM6PT85IGM996	SANFORD C. BERNSTEIN LTD	14.96%	3.47%	N/A	N/A	0%
5299007QVIQ7IO64NX37	UBS LTD	8.51%	28.20%	N/A	N/A	0%
549300GX4FPMFF91RJ37	MACQUARIE CAPITAL EUROPE LTD	7.48%	0.32%	N/A	N/A	0%
S5THZMDUJCTQZBTRVI98	JEFFERIES INTERNATIONAL LTD	5.42%	3.00%	N/A	N/A	0%

a) Equity Shares and Depositary Receipts – Broker Report

(iii) Tick size liquidity bands 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 brokers ranked in descending order of trading volumes		Proportion of volume traded as a % of total in asset class	Proportion of orders executed as a % of total in asset class	% of Passive Orders	% of Aggressive Orders	% of Directed Orders
213800LBM6PT85IGM996	SANFORD C. BERNSTEIN LTD	14.02%	5.67%	N/A	N/A	0%
XKZZ2JZF41MRHTR1V493	CITIGROUP GLOBAL MARKETS LTD	10.68%	40.37%	N/A	N/A	0%
S5THZMDUJCTQZBTRVI98	JEFFERIES INTERNATIONAL LTD	8.53%	6.38%	N/A	N/A	0%
549300GX4FPMFF91RJ37	MACQUARIE CAPITAL EUROPE LTD	7.02%	1.15%	N/A	N/A	0%
W22LROWP2IHZNBB6K528	GOLDMAN SACHS INTERNATIONAL	6.84%	1.47%	N/A	N/A	0%

a) Equity Shares and Depositary Receipts – Venue Report

(i) Tick size liquidity bands 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 descending order of trading volumes	Proportion of volume traded as a % of total in asset class	Proportion of orders executed as a % of total in asset class	% of Passive Orders	% of Aggressive Orders	% of Directed Orders
BIDS TRADING LP	7.73%	1.75%	N/A	N/A	0%
LIQUIDNET EUROPE LTD	5.04%	0.87%	N/A	N/A	0%

(ii) Tick size liquidity bands 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 descending order of trading volumes	Proportion of volume traded as a % of total in asset class	Proportion of orders executed as a % of total in asset class	% of Passive Orders	% of Aggressive Orders	% of Directed Orders
LIQUIDNET EUROPE LTD	2.39%	0.58%	N/A	N/A	0%
BIDS TRADING LP	2.37%	0.48%	N/A	N/A	0%
LUMINEX TRADING & ANALYTICS LLC	0.56%	0.11%	N/A	N/A	0%

(iii) Tick size liquidity bands 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 descending order of trading volumes	Proportion of volume traded as a % of total in asset class	Proportion of orders executed as a % of total in asset class	% of Passive Orders	% of Aggressive Orders	% of Directed Orders
BIDS TRADING LP	2.46%	0.87%	N/A	N/A	0%
LIQUIDNET EUROPE LTD	2.18%	0.98%	N/A	N/A	0%
LUMINEX TRADING & ANALYTICS LLC	0.64%	0.18%	N/A	N/A	0%
VIRTU ITG HONG KONG LTD	0.01%	0.01%	N/A	N/A	0%

b) Debt Instruments – Broker Report

Bonds

Notification if <1 average trade per business day in the previous year: N

Top five brokers ranked in descending order of trading volumes		Proportion of volume traded as a % of total in asset class	Proportion of orders executed as a % of total in asset class	% of Passive Orders	% of Aggressive Orders	% of Directed Orders
549300TTHIODYMGND828	MARKETAXESS EUROPE LTD	11.00%	8.36%	N/A	N/A	0%
549300ZHEHX8M31RP142	JANE STREET FINANCIAL LTD	7.25%	5.92%	N/A	N/A	0%
ROMUWSFPU8MPRO8K5P83	BNP PARIBAS	6.91%	6.03%	N/A	N/A	0%
XKZZ2JZF41MRHTR1V493	CITIGROUP GLOBAL MARKETS LTD	6.19%	6.66%	N/A	N/A	0%
W22LROWP2IHZNBB6K528	GOLDMAN SACHS INTERNATIONAL	6.13%	5.86%	N/A	N/A	0%

Money Market Instruments

Notification if <1 average trade per business day in the previous year: Y

Top five brokers ranked in descending order of trading volumes		Proportion of volume traded as a % of total in asset class	Proportion of orders executed as a % of total in asset class	% of Passive Orders	% of Aggressive Orders	% of Directed Orders
XKZZ2JZF41MRHTR1V493	CITIGROUP GLOBAL MARKETS LTD	70.17%	31.25%	N/A	N/A	0%
MP6I5ZYZBEU3UXPYFY54	HSBC BANK PLC	2.79%	18.75%	N/A	N/A	0%
PT3QB789TSUIDF371261	THE TORONTO DOMINION BANK	2.73%	31.25%	N/A	N/A	0%
ZBUT11V806EZRVWT807	JP MORGAN SECURITIES LLC	2.53%	3.13%	N/A	N/A	0%
F01VVK4DRF2NWKGGQ283	ICBC STANDARD BANK PLC	0.70%	3.13%	N/A	N/A	0%

c) Interest Rate Derivatives – Broker Report

Futures and Options

Notification if <1 average trade per business day in the previous year: N

Top five brokers ranked in descending order of trading volumes		Proportion of volume traded as a % of total in asset class	Proportion of orders executed as a % of total in asset class	% of Passive Orders	% of Aggressive Orders	% of Directed Orders
BFM8T61CT2L1QCEMIK50	UBS AG	58.60%	39.65%	N/A	N/A	0%
D5FWQUJWZY07LV3DO749	CITIGROUP GLOBAL MARKETS AU LTD	37.97%	46.02%	N/A	N/A	0%
549300Z0AVQF0QSFQV15	JP MORGAN SECURITIES AU LTD	3.33%	8.50%	N/A	N/A	0%
K6Q0W1PS1L1O4IQL9C32	JP MORGAN SECURITIES PLC	0.10%	5.83%	N/A	N/A	0%

Swaps and other interest rate derivatives

Notification if <1 average trade per business day in the previous year: Y

Top five brokers ranked in descending order of trading volumes		Proportion of volume traded as a % of total in asset class	Proportion of orders executed as a % of total in asset class	% of Passive Orders	% of Aggressive Orders	% of Directed Orders
K6Q0W1PS1L1O4IQL9C32	JP MORGAN SECURITIES PLC	34.99%	42.65%	N/A	N/A	0%
ZBUT11V806EZRVTWT807	JP MORGAN SECURITIES LLC	31.48%	2.45%	N/A	N/A	0%
R0MUWSFPU8MPRO8K5P83	BNP PARIBAS	15.95%	25.98%	N/A	N/A	0%
XKZZ2JZF41MRHTR1V493	CITIGROUP GLOBAL MARKETS LTD	6.20%	12.75%	N/A	N/A	0%
7H6GLXDRUGQFU57RNE97	JP MORGAN CHASE BANK, NA	5.28%	6.37%	N/A	N/A	0%

d) Credit Derivatives – Broker Report

Credit Derivatives

Notification if <1 average trade per business day in the previous year: Y

Top five brokers ranked in descending order of trading volumes		Proportion of volume traded as a % of total in asset class	Proportion of orders executed as a % of total in asset class	% of Passive Orders	% of Aggressive Orders	% of Directed Orders
ZBUT11V806EZRVWT807	JP MORGAN SECURITIES LLC	85.10%	68.89%	N/A	N/A	0%
9R7GPTSO7KV3UQJZQ078	MORGAN STANLEY & CO LLC	14.90%	31.11%	N/A	N/A	0%

e) Currency Derivatives – Venue Report

Swaps, Forwards and other currency derivatives

Notification if <1 average trade per business day in the previous year: N

Top five venues ranked in descending order of trading volumes	Proportion of volume traded as a % of total in asset class	Proportion of orders executed as a % of total in asset class	% of Passive Orders	% of Aggressive Orders	% of Directed Orders	
549300SDDJE84DDJNB30	REFINITIV TRANSACTION SERVICES LTD	100.00%	100.00%	N/A	N/A	0%

f) Equity Derivatives – Broker Report

Futures and Options

Notification if <1 average trade per business day in the previous year: N

Top five brokers ranked in descending order of trading volumes		Proportion of volume traded as a % of total in asset class	Proportion of orders executed as a % of total in asset class	% of Passive Orders	% of Aggressive Orders	% of Directed Orders
K6Q0W1PS1L1O4IQL9C32	JP MORGAN SECURITIES PLC	74.90%	89.17%	N/A	N/A	0%
XKZZ2JZF41MRHTR1V493	CITIGROUP GLOBAL MARKETS LTD	23.27%	8.93%	N/A	N/A	0%
549300Z0AVQF0QSFQV15	JP MORGAN SECURITIES AU LTD	1.72%	1.81%	N/A	N/A	0%
D5FWQUJWZY07LV3DO749	CITIGROUP GLOBAL MARKETS AU LTD	0.10%	0.09%	N/A	N/A	0%

g) Exchange-Traded Products – Broker Report

Exchange traded funds, exchange traded notes and exchange traded commodities

Notification if <1 average trade per business day in the previous year: Y

Top five brokers ranked in descending order of trading volumes		Proportion of volume traded as a % of total in asset class	Proportion of orders executed as a % of total in asset class	% of Passive Orders	% of Aggressive Orders	% of Directed Orders
QFC8ZCW3Q5PRXU1XTM60	STANDARD BANK OF SOUTH AFRICA	92.67%	30.00%	N/A	N/A	0%
XKZZ2JZF41MRHTR1V493	CITIGROUP GLOBAL MARKETS LTD	3.20%	61.67%	N/A	N/A	0%
549300Z0AVQF0QSFQV15	JP MORGAN SECURITIES AU LTD	2.98%	3.33%	N/A	N/A	0%
K6Q0W1PS1L1O4IQL9C32	JP MORGAN SECURITIES PLC	0.81%	3.33%	N/A	N/A	0%
213800LBM6PT85IGM996	SANFORD C BERNSTEIN LTD	0.34%	1.67%	N/A	N/A	0%

h) Other Instruments – Broker & Venue Report

Any instruments not reported previously and non-EU equities - Brokers

Notification if <1 average trade per business day in the previous year: N

Top five brokers ranked in descending order of trading volumes		Proportion of volume traded as a % of total in asset class	Proportion of orders executed as a % of total in asset class	% of Passive Orders	% of Aggressive Orders	% of Directed Orders
S5THZMDUJCTQZBTRVI98	JEFFERIES INTERNATIONAL LTD	15.19%	17.44%	N/A	N/A	0%
549300GX4FPMFF91RJ37	MACQUARIE CAPITAL EUROPE LTD	13.26%	3.64%	N/A	N/A	0%
2549005ASA9TUACEW325	MOTILAL OSWAL FINANCIAL SERVICES LTD	10.84%	3.57%	N/A	N/A	0%
213800VZMAGVIU2IJA72	CLSA (UK)	10.27%	4.34%	N/A	N/A	0%
335800UUZDPJ7XGOFU74	KOTAK SECURITIES LTD	8.35%	4.84%	N/A	N/A	0%

Any instruments not reported previously and non-EU equities - Venues

Notification if <1 average trade per business day in the previous year: N

Top five venues ranked in descending order of trading volumes	Proportion of volume traded as a % of total in asset class	Proportion of orders executed as a % of total in asset class	% of Passive Orders	% of Aggressive Orders	% of Directed Orders
BIDS TRADING LP	0.48%	0.25%	N/A	N/A	0%
LIQUIDNET EUROPE LTD	0.38%	0.38%	N/A	N/A	0%
LUMINEX TRADING & ANALYTICS	0.03%	0.05%	N/A	N/A	0%
VIRTU ITG HONG KONG LTD	0.01%	0.03%	N/A	N/A	0%

Qualitative Notes

Qualitative notes to the report (1)

- When executing orders the main factors we took into consideration were price, costs, speed of execution, likelihood of execution and settlement, the size of the order, the nature of the order, prevention of information leakage and any other considerations relevant to the execution of the order.
- The relative importance of the execution factors varied depending upon a number of criteria, including:
 - the characteristics and nature of the order
 - the characteristics of the financial instruments that are the subject of the order
 - the characteristics of the execution venues to which the order can be directed
- A close link exists between First Sentier Investors and Morgan Stanley because of MUTB's significant shareholding in both firms. Any orders passed to Morgan Stanley for execution were dealt on an arms-length basis on commercial terms. There were no other close links or conflicts of interest with any venue or broker listed in this report and we did not receive any form of remuneration or discount other than minor, non-monetary benefits for directing orders to a particular venue or broker for execution.
- In order to minimise the risk of potential conflicts of interest when selecting brokers with whom to place orders for execution, the commission rates paid are set so as to not discriminate between different brokers. First Sentier Investors also did not take part in any form of directed brokerage or commission recapture arrangement.
- We continually evaluate venue and broker quality making changes to our approved lists where we feel appropriate. The list of approved counterparties and venues is included in our Order Execution Policy.

Qualitative notes to the report (2)

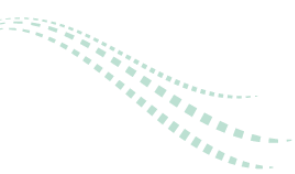
- **Our Order Execution Policy does not treat different categories of clients differently. Whilst retail clients may invest in our funds, we do not execute retail client orders directly.**

- **For the period of the report we used various internal tools and third party analysis to assist with our monitoring and execution. Our Equity and Fixed Income teams used an external transaction cost analysis provider who provided periodic reporting for review by the Heads of the Dealing teams and our internal Execution Oversight Groups.**

- **With regards to Passive and Aggressive orders, all venues in this report operate as bi-lateral Reference Price crossing mechanisms, where the majority of transactions are executed at mid spread and both parties simultaneously provide and remove liquidity at the reference price.**

Qualitative notes to the report (3)

Financial Asset Class	Notes
<ul style="list-style-type: none"> • Equities Shares and Depositary Receipts – All liquidity bands • Exchange Traded Products (exchange traded funds, exchanged traded notes and exchange traded commodities) • Equity Derivatives – Futures and Options admitted to trading on a trading venue 	<p><i>Equity related orders were predominantly executed via third party investment firms. While price was generally the most important factor, for less liquid securities (e.g. less developed markets) and those where our position represents a high proportion of issued equity (particularly in some Asian and Emerging markets), execution certainty, market impact reduction and speed of execution factored more significantly.</i></p> <p><i>When selecting brokers, we first sought those advertising opposing order flow. In the absence of such a natural counterparty, we used market information and our trading experience to select a broker to execute for us on an agency basis.</i></p>



Qualitative notes to the report (3)

Financial Asset Class	Notes
<ul style="list-style-type: none"> • Debt instruments 	<p><i>Order sizes and liquidity have allowed most bond trading to be conducted via electronic trading platforms such as Marketaxess and Bloomberg. Exchange traded funds have also become a large source of two way liquidity, providing price transparency on these platforms over the course of the year. Open source trading capabilities (including buy side and sell side opportunities) have also been a large source of liquidity for the firm this year. Bonds were traded competitively with price being the major consideration when executing. Hit ratios of counterparties were also assessed to assist in more targeted counterparty selection across sectors when needed.</i></p>
<ul style="list-style-type: none"> • Debt instruments – Money Market 	<p><i>Money markets have remained liquid over the course of the year which has allowed execution to take place electronically and competitively, with price being the most important consideration.</i></p>
<ul style="list-style-type: none"> • Interest rate derivatives and Credit derivatives 	<p><i>Derivatives were executed either on multi-lateral trading facilities (MTFs), swap execution facilities (SEFs) or off platform as bilateral transactions, depending on the clearing capability within the fund mandate, with SEF being the preferred execution method due to the large pool of liquidity provided by the SEF participants.</i></p>
<ul style="list-style-type: none"> • Futures and Options 	<p><i>All of our trading was directed to a broker to execute on exchange, either “at market”, “at best” or at a pre-determined level with the broker (limit or stop).</i></p>

