

New England Asset Management Limited

Publication of Top 5 Execution Venues under MiFID II for 2023



Note Published - 30th April 2024

Class of Instrument	(b) Debt Instruments (i) Bonds				
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 B.V. 254900QBKK4WBSO3GE51	91.4%	90.4%	N/A	N/A	0%
CBA EUROPE LIMITED 2138009Y2MYL1IVAUL46	2.3%	0.4%	N/A	N/A	0%
VUNANI CAPITAL MARKETS (PTY) LTD 3789002D66F01CB83A31	2.3%	1.7%	N/A	N/A	0%
MIRAE ASSET SECURITIES CO., LTD. 98840072S6T63E2V1291	0.5%	0.4%	N/A	N/A	0%
WESTPAC BANKING CORPORATION EN5TNI6CI43VEPAMHL14	0.5%	0.3%	N/A	N/A	0%

*There were two Exchange Traded Fund ("ETF") trades and one equity trade executed during 2023 that have been excluded from the Top 5 Volumes listed.

NEAM Limited: Summary of Best Execution Analysis and Conclusions Reached for 2023

Introduction

RTS 28 supplements MiFID Directive 2014/65/EU with regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues. Investment firms are expected to publish the top five execution venues in terms of trading volumes for all executed client orders in every class of financial instrument. As part of this requirement, New England Asset Management Limited (“NEAM Limited” or the “Firm”) will also “publish for each asset class of financial instruments, a summary of the analysis and conclusions it draws from its detailed monitoring of the quality of execution obtained on the execution venues where they executed all client orders in the previous year”. As NEAM Limited is active primarily in fixed income markets, this document primarily includes information regarding “DEBT INSTRUMENTS: BONDS”.

A. Importance of Execution Factors

The Firm when executing orders takes all sufficient steps to obtain the best possible result for its clients by taking into account a range of factors, such as:

- Price;
- Costs;
- Nature of Instrument;
- Size;
- Speed;
- Likelihood of efficient execution and settlement; and
- Any other consideration(s) relevant to the execution of the order.

Although the importance of the best execution factors outlined above may vary somewhat, as a general rule the Firm’s policy when executing orders for clients is to attach the highest priority to total consideration, representing the price of the relevant financial instrument and any costs related to execution. In addition to the above best execution factors, the Firm may also take into account other considerations such as market liquidity, the efforts of a particular counterparty to provide assistance for complex transactions, and other unique client portfolio factors such as underlying base currency and sector profile.

The Firm’s Authorised Traders are responsible for assessing the relative importance of the best execution factors for each trade. In weighing up the importance of the aforementioned factors, they take into account a number of different criteria, including the:

- Categorisation of the Firm’s clients as Professional Clients;
- Characteristics of the client order;
- Financial instrument or asset class being executed; and
- Different execution venues to which the order can be directed.

As NEAM Limited is primarily active in fixed income markets, it does not typically pay commissions. However, the Firm will pay a commission where it executes an ETF or an equity trade. When assessing best execution for fixed income transactions, the most critical factor is the agreed price. NEAM Limited undertakes rigorous price discovery exercises in advance of every transaction and, in most cases, captures competing prices prior to execution or at the precise time of execution. This data is critical when examining best execution for both on venue, liquid and off venue, less liquid markets.

When active in liquid secondary bond markets (for example, local currency sovereign government bonds), NEAM Limited typically executes transactions using Bloomberg's Multilateral Trading Facility as the execution venue, namely, Bloomberg Trading Facility B.V. for which the Venue MIC is BTFE. In the context of the above execution venue, NEAM Limited selects an appropriate number of price makers from its list of Approved Counterparties that are active in the market concerned. Detailed pricing data are captured at the precise time of execution for subsequent analysis.

B. Links and conflicts of interest

NEAM Limited does not have any close links, conflicts of interest or common ownership with respect to any execution venues used to execute orders.

C. Arrangements regarding payments made or received

NEAM Limited does not have any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

D. Change in the best possible execution venues

The execution venues and counterparties used by NEAM Limited in 2023 to achieve the best possible results for its clients were the same as those used in the previous year.

E. Execution policies for retail clients and professional clients

NEAM Limited's order execution does not differ according to client categorisation as all of NEAM Limited's clients are classified as professional clients. NEAM Limited does not deal with retail clients.

F. Additional criteria for the execution of retail client orders

NEAM Limited does not deal with retail clients.

G. Data and tools for assessing the execution quality of the execution venues

NEAM Limited on an ongoing basis assesses and analyses the quality of execution obtained from the Approved Counterparties selected for client orders. On a quarterly basis the Firm's Trade Review Group reviews transaction activity and examines how traded volume and the rankings of each execution venue and counterparty (with respect to volume) has changed

since the prior quarter. NEAM Limited's transactions are also analysed by an external independent third-party firm that compares all transactions against market pricing. Trades that fall outside of an agreed set of parameters are deemed exceptional and are reviewed by the Group. On the basis of this review, the Group may recommend changes to execution venues.

NEAM Limited maintains an Approved Counterparties List. Any new additions to the list must be agreed by senior management and are reported to the Board of Directors. On an annual basis, a detailed review of each counterparty is completed by the Investment & Operations Groups. The output of the assessment is reviewed by the Trade Review Group and a summary is presented to the Board.

The assessment may result in changes to the counterparties used by the Firm. While achieving best possible pricing for execution is a primary focus, the Firm also places great importance on operational aspects of trading. For the Firm to properly and efficiently serve its clients, it is important that the settlement processes of all counterparties are efficient and error free. If a counterparty repeatedly fails to settle transactions or issues incorrect confirmations, that counterparty may be considered for removal from the Firm's approved execution venue list.

Following a review of all 2023 trading activity (which took place throughout the year), given the needs of its clients and client mandates (investment portfolios), NEAM Limited concluded that it was not necessary for it to alter the composition of its selected counterparties. The Firm remains committed to monitoring its practices and seeks, at all times, to achieve best executions for all transactions.

H. Consolidated Tape Provider

Not applicable.