



# **Natixis Investment Managers UK Limited**

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**Annual Best Execution Disclosure 2018**

**April 2019**

This document should be read in conjunction with the Natixis Investment Managers UK Best Execution Policy.

Natixis Investment Managers UK only deals with Professional Clients who sign an investment management agreement with the firm. Subject to compliance with applicable laws and regulations and any contractual limitations, Natixis Investment Managers UK delegates the investment management of its clients' portfolios to one or more of its affiliated investment manager entities, located in EU or non-EU jurisdictions, but remains fully responsible for meeting its obligation under the Best Execution Policy.

On an annual basis, Natixis Investment Managers UK is required to provide disclosures around the execution venues and brokers used for each class of financial instrument traded in all of its clients' accounts and certain information on the quality of execution in line with the requirements of Regulatory Technical Standard 28 of the MiFID II regulation.

The information provided in this document reflects execution data aggregated across the firms' strategies and segregated portfolios managed by affiliated entities of Natixis Investment Managers UK Limited.

*Note: In addition to the financial instruments listed below, orders may also be executed in certain equity derivatives especially in relation to some corporate actions. Given the very small number of orders received, we do not consider it meaningful or representative to disclose information on the top five execution venues for orders in relation to these equity derivatives only. Further information is available on request.*

**Table 1**

**Top Five Venues – Liquidity band 5 - 6**

<b>Class: Equities - Shares &amp; Depositary Receipts</b>					
Notification if <1 average trade per business day in the previous year			N		
Top five 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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
NASDAQ OMX BX (XBOS)	12.23%	6.47%	100%	0%	0%
NASDAQ – All Markets (XNAS)	9.71%	7.11%	100%	0%	0%
New York Stock Exchange Inc. (XNYS)	6.13%	5.23%	100%	0%	0%
BOE BZX U.S. EQUITIES EXCHANGE (BATS)	5.65%	4.28%	100%	0%	0%
CBOE BYX U.S. EQUITIES EXCHANGE (BATY)	5.65%	3.74%	100%	0%	0%

**Table 2**

**Top Five Venues – Liquidity band 3 - 4**

<b>Class: Equities - Shares &amp; Depositary Receipts</b>					
Notification if <1 average trade per business day in the previous year			N		
Top five 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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
JEFFERIES INTERNATIONAL (JISI)	16.87%	12.77%	100%	0%	0%
UBS SECURITIES LLC (UBSS)	14.76%	6.38%	100%	0%	0%
CREDIT SUISSE INTERNATIONAL (CSIN)	12.96%	17.02%	100%	0%	0%
J.P. MORGAN SECURITIES PLC (JPEU)	9.80%	8.51%	100%	0%	0%
J.P. MORGAN AG - SYSTEMATIC INTERNALISER (JPEU)	8.23%	8.51%	100%	0%	0%

**Table 3**

**Top Five Brokers**

<b>Class: Equities - Shares &amp; Depositary Receipts</b>					
Notification if <1 average trade per business day in the previous year		N			
Top five Brokers ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of number of trades as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs & Co. LLC (FOR8UP27PHTHYVLBNG30)	18.72%	8.69%	N/A	N/A	N/A
Citigroup Global Markets Limited (XKZZ2JZF41MRHTR1V493)	10.32%	6.08%	N/A	N/A	N/A
Merrill Lynch, Pierce, Fenner & Smith Incorporated (8NAV47T0Y26Q87Y0QP81)	8.58%	9.45%	N/A	N/A	N/A
Merrill Lynch International Limited (EYKN6V0ZCB8VD9IULB80)	6.75%	4.08%	N/A	N/A	N/A
Jefferies LLC (58PU97L1C0WSRCWADL48)	6.20%	3.58%	N/A	N/A	N/A

**Table 4**

**Top Five Brokers**

<b>Class: Interest Rates Derivatives (ii) Swaps, Forwards and other interest rate derivatives</b>					
Notification if <1 average trade per business day in the previous year		N			
Top five Brokers ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of number of trades as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Northern Trust Corporation (549300GLF98S992BC502)	24.90%	2.38%	N/A	N/A	N/A
GOLDMAN SACHS & CO. LLC (FOR8UP27PHTHYVLBNG30)	19.37%	17.06%	N/A	N/A	N/A
BARCLAYS CAPITAL INC. (AC28XWWI3WIBK2824319)	14.59%	20.24%	N/A	N/A	N/A
Citibank, National Association (E57ODZWZ7FF32TWEFA76)	14.23%	13.49%	N/A	N/A	N/A
CREDIT SUISSE SECURITIES (USA) LLC (1V8Y6QCX6YMJ2OELI46)	10.79%	17.46%	N/A	N/A	N/A

**Quality of execution obtained on execution venues and brokers for the period 2018**

*This disclosure includes information relating to the quality of execution obtained on execution venues and brokers where the firm executed client orders in the previous year, as required by Article 3(3) Delegated Regulation 2017/576(EU). This disclosure also includes information relating to the quality of execution obtained.*

Disclosure Item	Disclosure
Execution factors	<p>Each client order is inherently unique in its characteristics and market conditions are never constant. The relative importance of the execution factors is therefore variable.</p> <p>The execution factors taken into account are price, costs, speed, likelihood of execution and settlement, size, nature, execution capability and confidentiality or any other consideration relevant to the execution of an order. The relative importance assigned to the execution factors will be determined using industry experience, expertise and judgment in light of available market information with the prime aim of prompt, fair and expeditious execution of trades.</p>
Close links, conflicts of interests, and common ownerships with respect to any execution venues and brokers used to execute orders and trades.	Natixis Investment Managers UK does not trade with any affiliates.
Specific arrangements with any execution venues and brokers regarding payments made or received discounts, rebates or non-monetary benefits received.	<p>Natixis Investment Managers UK does not receive payments, discounts, rebates or non-monetary benefits in its trading arrangements.</p> <p>Certain US sub-advisers may receive non-monetary benefits from brokers in accordance with the conditions of Section 28(e) of the Securities Exchange Act of 1934. However, where this is the case, the US sub-advisers implement operational changes in order to achieve for the sub-advised portfolios a substantively equivalent outcome to the protections under MiFID II in relation to research. For example by setting research budgets, carrying out an objective valuation of research purchased and ensuring that the receipt of research does not influence order flows and best execution decisions.</p>

Disclosure Item	Disclosure
Factors that led to a change in the list of execution venues and brokers listed in the firm's execution policy, if such a change occurs.	Execution venues and brokers are subject to an authorisation and ongoing monitoring process. The list of approved counterparties is reviewed regularly. Amendments to the approved counterparties list is made taking into account a number of factors including the credit worthiness of the counterparty and the execution performance of the counterparty.
Use of any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575.	Independent TCA (transaction cost analysis) reports by providers are used for detailed monitoring of the quality of execution obtained on the execution venues where client orders are executed/placed.

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