

A large, abstract geometric graphic composed of various shades of blue and white, resembling a stylized mountain range or a complex architectural structure. The shapes are faceted and layered, creating a sense of depth and movement. The colors range from deep navy blue to light sky blue, with white highlights.

Man Group Investments Limited

Annual Best Execution Disclosure 2020

Disclosure Objective

Pursuant to its regulatory obligations, Man Group Investments Limited (MGIL) is required to provide an annual report summarising our analysis and conclusions drawn from monitoring the correlation between both order(s) placed with, or transmitted to, a broker for execution; and the execution quality received by that broker during the previous calendar year (the, “Review Period”).

Execution Methodology and Research

Man Group Investments Limited leverages the dedicated Execution Research team that evaluates new trading methodologies and opportunities, inclusive of available liquidity sources, brokers and execution venues against those currently utilised to ensure that Man Group Investments Limited continues to provide its clients with best execution.

As part of its on-going testing and experimentation the Execution Research team monitors a number of conditions related to market microstructure and execution including, but not limited to, liquidity, the performance of brokers and broker services.

Man Group Investments Limited utilises machine learning routing logic, internally called ‘Adaptive Intelligent Routing’, to help us evaluate venue and liquidity choices. This logic is designed to help ensure order flow is allocated to the optimum execution algorithm considering the execution factors specific to that asset class at that time. The deployment of Adaptive Intelligent Routing seeks to allocate eligible flows to brokers and execution algorithms in an automated and data-driven manner, based on performance against an agreed benchmark.

Man Group Investments Limited continues to monitor the applicability and appropriateness of utilising information made available by one or more consolidated tape providers, as defined under Article 65 of Directive 2014/65/EU, in its ongoing assessment of best execution. Analysis and evaluation of the information provided in RTS 27 reports is on-going.

Central Monitoring Team

In addition to the Execution Research and Trading Team, Man Group Investments Limited utilises a dedicated Central Monitoring Team (“CMT”) for the purposes of conducting day to day analysis of its execution performance across client orders. The CMT use a variety of metrics in their on-going assessment of best execution including the characteristics of the order, the execution venue, and the applied weighting of the execution factors. The CMT provide a summary of their findings and relevant recommendations to Man investment managers¹ (each, an “Investment Manager” and together, “Investment Managers”) Best Execution Committees.

Broker Selection

When selecting a broker Man Group Investments Limited may consider the following factors:

- accurate and timely execution, settlement, clearance and error/dispute resolution processes;
- reputation, financial strength and stability;
- venue access and block trading capabilities;
- analytics and Execution Research capabilities,
- willingness to execute difficult transactions; and
- willingness and ability to locate and/or commit capital to complete trades.

As a subsidiary of Man Group PLC (“Man”), Man Group Investments Limited employees are subject to its Global Conflicts of Interest Policy and the requirement to identify and manage conflicts of interest and, where management is not possible, to disclose the conflict to its clients. Such conflicts may include close links or execution arrangements which may impact Man Group Investments Limited’s ability to achieve best execution for its client accounts.

From time to time minor non-monetary benefits may be received in the form of gifts and entertainment by Man Group Investments Limited employees from brokers and venues. However, all Man Group Investments Limited employees are subject to the Man Global Gifts and Entertainment Policy that imposes strict reporting, monitoring, limits and pre-approval requirements with regard to any such receipt.

Man Group Investments Limited does not engage in arrangements for payments for order flow with any broker or other third party entity.

¹ Investment Managers include GLG Partners LP, GLG LLC (together, “GLG”), AHL Partners LLP (“AHL”), Numeric Investors LLC (“Numeric”)

Execution Factors

When executing an order on behalf of a client, Man Group Investments Limited will take all sufficient steps to execute the order in a manner designed to obtain the best possible results for the client on a consistent basis.

Man Group Investments Limited will consider the execution factors that they determine to be applicable and appropriate for a specific asset class when handling an order on behalf of one or more client accounts. The ranking of importance and appropriateness of each of the execution factors may differ on an order-by-order basis.

The execution factors include, but are not limited to:

- the execution price including execution cost as applicable;
- speed and/or likelihood of execution;
- speed and/or likelihood of settlement;
- the impact on prices displayed in the market;
- the availability of price improvement (to the extent applicable);
- an instruments' characteristics including liquidity;
- counterparty risk; and
- any other considerations as applicable for specific orders e.g. technology and trading systems.

Importance of Execution Factors

Man Group Investments Limited will take into account the following criteria for determining the relevance and importance of each execution factor:

- client including the regulatory categorisation of the client (though it should be noted that during the Review Period Man Group Investments Limited did not handle orders on behalf of retail clients, as defined within MiFID);
- current market and liquidity;
- characteristics of the client order; and
- availability and access to liquidity sources.

Where appropriate, precedence will be given to the execution price as the primary execution factor in determining when, with whom and how to execute a client order. However, price may not always be the primary factor. For example, when transparency and liquidity diminish, the importance of other execution factors such as likelihood and timeliness of settlement may increase. This is especially true for certain OTC and fixed income instruments where Man Group Investments Limited may have access to only one quote. For very illiquid instruments with little to no price transparency Man Group Investments Limited may also consider other execution factors that it deems relevant and valuable.

Best Execution Committee

Man Group Investments Limited order and execution activity is evaluated at Man investment managers² (each, an “Investment Manager” and together, “Investment Managers”) Best Execution Committees comprised of senior investment, trading, compliance and risk employees, which is responsible for ensuring that the execution team meet the obligations to achieve best execution on behalf of their Client Accounts.

The Best Execution Committee convenes on a quarterly basis to review a variety of metrics including but not necessarily limited to:

- broker usage;
- broker performance;
- execution performance; and
- trader compliance with order raising best practise

Decisions made by the Best Execution Committee will inform changes to, among other processes:

- usage of brokers and execution venues;
- the types of measurements performed to analyse broker performance;
- due diligence performed on brokers and execution venues; and
- consideration of new brokers and execution venues.

Summary

Man Group Investments Limited can confirm that throughout the 2020 calendar year, it considers that it has taken all sufficient steps to meet its obligation to achieve best execution for its clients on a consistent basis.

In particular it considers that:

- it has adopted a comprehensive policy and monitoring framework to support the on-going requirement to deliver best execution for its clients;
- the execution quality and performance received from brokers is in-line with its expectations;
- it has maintained sufficient relationships with execution venues and brokers to service its trading activities, with appropriate consideration given to contingency; and
- the commission paid to brokers for their execution services was reasonable and in-line, or better, than the standard market rates.

² Investment Managers include GLG Partners LP, GLG LLC (together, “GLG”), AHL Partners LLP (“AHL”), Numeric Investors LLC (“Numeric”)

Direct and Indirect Execution Reports

The following tables indicate for each class of financial instrument, as specified within MiFID II, the top 5 execution venues for (i) direct – execution of orders by Man Group Investments Limited directly as a member or participant of a trading venue, or with a systematic internaliser, market maker, liquidity provider, or direct counterparty (such as in OTC markets) and; (ii) indirect – transmission or placing of orders by Man Group Investments Limited with another investment firm for execution by the other firm (e.g. a broker). Where more than one separate legal entity within the same group structure has been named within the top 5 list, further legal entity names have been added to provide a more complete picture.

When trading directly, whether with a Systematic Internaliser, Multilateral Trading Facility or Organised Trading Facility (as defined in MiFID), due to factors beyond its control, Man Group Investments Limited may not have complete information on the exact proportion of passive and aggressive orders executed across all of the execution venues it used in the previous year. This is an industry-wide issue and the Man Group Investments Limited will continue to monitor relevant developments and the availability of such data.

Man Group Investments Limited has published its direct and indirect execution reports based on its execution of financial instruments globally, regardless of the jurisdiction of their listing or execution. We believe that this global view provides a more holistic understanding of the execution venues upon which it relies. However, for the Equities asset class, separate global and European-specific tables have been produced. The global table includes all executions, including in European Issuer ISINs, but does not delineate by liquidity banding. The European table does delineate by liquidity banding as ESMA tick size banding is only applicable to European Issuer ISINs.

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Direct Execution



Equity - Global Issuer		Fewer than 1 trade per day over the year on average? - No				
Top 5 execution brokers ranked in terms of trading volumes	LEI	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
Goldman Sachs International	W22LROWP2IHZNBB6K528	46.21%	35.79%			
J.P. Morgan Securities LLC	ZBUT11V806EZRVTWT807	19.24%	11.47%			
UBS AG	BFM8T61CT2L1QCEMIK50	15.71%	13.15%			
Citigroup Global Markets Limited	XKZZ2JZF41MRHTR1V493	13.24%	21.47%			
Citigroup Global Markets Inc	MNUM2BPD07JBLYG310	2.06%	8.65%			
Barclays Capital Inc.	AC28XWWI3WIBK2824319	1.48%	3.97%			

Equity - European Issuer		Fewer than 1 trade per day over the year on average? - No					
Liquidity Banding	Top 5 execution brokers ranked in terms of trading volumes	LEI	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
Band 5 & 6	Goldman Sachs International	W22LROWP2IHZNBB6K528	47.15%	35.96%			
	J.P. Morgan Securities LLC	ZBUT11V806EZRVTWT807	20.27%	10.73%			
	UBS AG	BFM8T61CT2L1QCEMIK50	16.95%	13.48%			
	Citigroup Global Markets Limited	XKZZ2JZF41MRHTR1V493	10.37%	21.49%			
	Citigroup Global Markets Inc	MNUM2BPD07JBLYG310	1.98%	8.88%			
	Barclays Capital Inc.	AC28XWWI3WIBK2824319	1.56%	4.38%			
Band 3 & 4	Goldman Sachs International	W22LROWP2IHZNBB6K528	40.11%	35.98%			
	Citigroup Global Markets Limited	XKZZ2JZF41MRHTR1V493	24.74%	21.21%			
	J.P. Morgan Securities LLC	ZBUT11V806EZRVTWT807	18.30%	13.79%			
	UBS AG	BFM8T61CT2L1QCEMIK50	9.67%	12.11%			
	Citigroup Global Markets Inc	MNUM2BPD07JBLYG310	2.70%	8.15%			
	Instinet Europe Limited	213800MXAKR2LA1VBM44	2.15%	3.40%			
Band 1 & 2	Citigroup Global Markets Limited	XKZZ2JZF41MRHTR1V493	48.46%	26.99%			
	Goldman Sachs International	W22LROWP2IHZNBB6K528	20.26%	26.38%			
	J.P. Morgan Securities LLC	ZBUT11V806EZRVTWT807	15.10%	9.20%			
	UBS AG	BFM8T61CT2L1QCEMIK50	8.96%	15.95%			
	Instinet Europe Limited	213800MXAKR2LA1VBM44	2.42%	8.59%			

Equity Derivatives		Fewer than 1 trade per day over the year on average? - No				
Top 5 execution brokers ranked in terms of trading volumes	LEI	Proportion of volume	Proportion of orders	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
		traded as a percentage of total in that class	executed as percentage of total in that class			
Goldman Sachs International	W22LROWP2IHZNBB6K528	28.03%	19.43%			
Morgan Stanley Capital Services LLC	I7331LVCZKQKX5T7XV54	27.21%	15.02%			
JPMorgan Chase Bank, National Association	7H6GLXDRUGQFU57RNE97	24.76%	10.76%			
Morgan Stanley & Co. International plc	4PQUHN3JPFQFNF3BB653	19.99%	54.79%			

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Indirect Execution

Equity - Global Issuer		Fewer than 1 trade per day over the year on average? - No				
Top 5 execution brokers ranked in terms of trading volumes	LEI	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
	J.P. Morgan Securities LLC	ZBUT11V806EZRVTWT807	21.45%	20.30%	N/A	N/A
Goldman Sachs International	W22LROWP2IHZNBB6K528	18.48%	19.29%	N/A	N/A	N/A
Citigroup Global Markets Limited	XKZZZJZF41MRHTR1V493	14.43%	11.72%	N/A	N/A	N/A
UBS AG	BFM8T61CT2L1QCCEMIK50	11.02%	12.36%	N/A	N/A	N/A
Morgan Stanley & Co. International plc	4PQUHN3JPFGFNF3BB653	10.51%	12.43%	N/A	N/A	N/A

Equity - European Issuer		Fewer than 1 trade per day over the year on average? - No					
Liquidity Banding	Top 5 execution brokers ranked in terms of trading volumes	LEI	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
		Band 5 & 6	J.P. Morgan Securities LLC	ZBUT11V806EZRVTWT807	21.53%	20.52%	N/A
Goldman Sachs International	W22LROWP2IHZNBB6K528		19.18%	20.88%	N/A	N/A	N/A
Citigroup Global Markets Limited	XKZZZJZF41MRHTR1V493		15.37%	12.45%	N/A	N/A	N/A
Barclays Capital Inc.	AC28XWV3WIBK2824319		10.59%	10.47%	N/A	N/A	N/A
UBS AG	BFM8T61CT2L1QCCEMIK50		10.40%	12.20%	N/A	N/A	N/A
Band 3 & 4	J.P. Morgan Securities LLC	ZBUT11V806EZRVTWT807	21.28%	20.63%	N/A	N/A	N/A
	Goldman Sachs International	W22LROWP2IHZNBB6K528	19.32%	18.41%	N/A	N/A	N/A
	Citigroup Global Markets Limited	XKZZZJZF41MRHTR1V493	13.56%	11.65%	N/A	N/A	N/A
	Morgan Stanley & Co. International plc	4PQUHN3JPFGFNF3BB653	10.56%	11.69%	N/A	N/A	N/A
	UBS AG	BFM8T61CT2L1QCCEMIK50	10.55%	12.21%	N/A	N/A	N/A
Band 1 & 2	Morgan Stanley & Co. International plc	4PQUHN3JPFGFNF3BB653	17.08%	15.71%	N/A	N/A	N/A
	Barclays Capital Inc.	AC28XWV3WIBK2824319	16.83%	10.47%	N/A	N/A	N/A
	Goldman Sachs International	W22LROWP2IHZNBB6K528	16.00%	15.54%	N/A	N/A	N/A
	J.P. Morgan Securities LLC	ZBUT11V806EZRVTWT807	15.44%	19.26%	N/A	N/A	N/A
	UBS AG	BFM8T61CT2L1QCCEMIK50	13.95%	12.67%	N/A	N/A	N/A

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