

Best Execution Report

For Trades Executed In 2020

Top 5 Execution Venues

Product	Global Fixed Income, Currency & Commodities				
Class of Instrument	(m) Other Instruments				
Notification if < 1 average trade per business day in the previous year	No				
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 traded as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Tradeweb / TREU	66.09%	44.52%	100.00%	0.00%	0.00%
Wells Fargo Securities, LLC / VYVCKR63DVZZN70PB21	19.65%	17.73%	100.00%	0.00%	0.00%
Morgan Stanley & Co. International PLC / 4PQUHN3JPFQFNF3BB653	2.59%	0.33%	100.00%	0.00%	0.00%
Standard Chartered Bank London / RILF074KP1CM8P6PCT96	2.18%	10.20%	100.00%	0.00%	0.00%
HSBC BANK PLC / MP615ZYZBEU3UXPYFY54	1.71%	3.62%	100.00%	0.00%	0.00%

JPMAM Commentary

Due to the diverse liquidity landscape across products in the fixed income universe prioritising execution factors on a generic basis is difficult. Couple that with the rationale or strategy that trades can be linked to compounds those issues further. Individual orders may differ with respect to the most important factor, for example some orders are time sensitive so speed of execution maybe be the primary factor, others may require use of balance sheet and as such certainty of execution may be the most important factor. However, as a general guide the below are the most important factors for deciding between execution venues.

1. Pricing
2. Liquidity relative to size
3. Premium/cost for increase in size
4. Consistency of counterparty service and willingness to offer balance sheet
5. Speed of execution

As part of our overall trading strategy we can execute trades directly with counterparties or via a multi-lateral trading facility (MTF). When executing on an MTF quotes are obtained from multiple counterparties in competition. Where an MTF (Bloomberg, Tradeweb) is included in the Top 5 venues above the trade will have been concluded with a broker-dealer rather than the MTF. The Top 5 broker dealers used during 2020 were:

1. Wells Fargo Securities, LLC
2. Citigroup Global Markets Limited
3. Morgan Stanley & Co. International PLC
4. Standard Chartered Bank London
5. HSBC Bank PLC

For larger OTC orders which may have more limited liquidity it has been shown that the use of individual brokers is in the interests of our clients. The brokers that we have most frequently executed trades with directly are included in the Top 5 Venue table.

There is currently no consolidated tape data in fixed income markets and transparency varies across the spectrum of fixed income assets. We monitor hit ratios and dealer performance for all liquid markets utilising Tradeweb's Gold reporting functionality. This report in addition to internal tools allows us to confirm who is seeing and winning our business. We also utilise pricing statistics across various electronic crossing networks (ECNs) to assess the quality of pricing offered by our trading counterparties, taking into account ability to execute institutional sized trades that require inventory, liquidity provision and a history of quality execution/likelihood of execution of these larger sized orders.

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We would however expect top tier counterparties to provide a high quality response rate to Request For Quotes (RFQ) on these platforms and we closely monitor trade data to ensure the level of service is maintained to a high standard. Tradeweb also provides transaction cost analysis reporting to enable us to confirm how much it costs to trade each market sector and maturity on Tradeweb ECN. The results of both internal and external reporting are regularly reviewed as part of our ongoing monitoring.

JPMAM is required to identify and to prevent or manage any actual, potential or perceived conflicts of interest to ensure that it does not place its own interests above its clients' interests and must, at all times, observe the fair treatment of all of its clients. To fulfil this requirement, JPMAM maintains and operates effective organisational and administrative arrangements, and implements policies and procedures designed to identify, monitor and to prevent or manage any actual, potential or perceived conflicts of interest and ensure that JPMAM employees conduct business activities in accordance with the principles stated above. JPMAM may from time to time deal on behalf of a client with an Affiliated Company (subject to applicable laws, regulations and client restrictions). Any such dealing will be on an arm's length basis. The use of Affiliate execution venues will be discussed at the appropriate governance meetings and escalated where necessary.

JPMAM Global Fixed Income, Currency and Commodities do not have any arrangements concerning rebates or non-monetary benefits with any current execution venues.

The JPMAM execution policy does not treat different categories of client differently. We do not currently have any retail clients.

All execution decisions are made by a central trading desk who execute orders according to a single order execution policy.

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