

# Quality of Execution Report

Debt Instruments – Money markets instruments

Period covering 1 January 2019 – 31 December 2019

## Investment Service - Portfolio Management/Reception and Transmission Professional Clients

Class of Instrument	Debt instruments - Money markets instruments					
Notification if < 1 average trade per business day in the previous year	Y					
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 percentage of total in that class	Percentage of Passive orders	Percentage of Aggressive orders	Percentage of Directed orders	
CITIGROUP GLOBAL MARKETS INC. - MNUM2BPBDO7JBLYG310	98.08	86.67	100.00	0.00	0.00	
GOLDMAN SACHS & CO - FOR8UP27PHTHYVLBN30	1.92	13.33	100.00	0.00	0.00	

Note:

- The reporting period covered is from 1 January 2019 to 31 December 2019
- Class of Instrument (Debt Instruments – Money Markets Instruments) contains treasury bills
- Notification of < 1 average trade per business day in the previous year is indicated with 'Y' for 'Yes' where there was less than 1 trade on average per business day in 2018. 'N' indicates 'No' there was more than 1 trade on average per business day

## Investment Service - Order Execution Professional Clients

Class of Instrument	Debt instruments - Money markets instruments				
Notification if < 1 average trade per business day in the previous year	Y				
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 percentage of total in that class	Percentage of Passive orders	Percentage of Aggressive orders	Percentage of Directed orders
BMTF - BLOOMBERG TRADING FACILITY LIMITED	94.80	90.00	100.00	0.00	0.00
MSIP - MORGAN STANLEY AND CO. INTERNATIONAL PLC	5.20	10.00	0.00	100.00	0.00

### Note:

- The reporting period covered is from 1 January 2019 to 31 December 2019
- Class of Instrument (Debt Instruments – Money Markets Instruments) contains treasury bills
- Notification of < 1 average trade per business day in the previous year is indicated with 'Y' for 'Yes' where there was less than 1 trade on average per business day in 2018. 'N' indicates 'No' there was more than 1 trade on average per business day
- Morgan Stanley & Co International Plc shows on the execution venue report as these trades were executed through a broker who is a systematic internalizer (SI) and therefore all trades fall into the Aggressive orders category where the Liquidity Flag is 'Aggressive' since they are an SI. The SI status is a new data point (last year these trades were included in the broker report) so please include this in the commentary in the following sheets.

# Quality of Execution Report, period covering 1 January 2019 – 31 December 2019

## Portfolio Management / Reception and Transmission

Neuberger Berman Asset Management Ireland Limited (NBAMIL) has published for each class of financial instrument, that it has either traded in or placed with a counterparty for execution, a summary of its analysis and the conclusions drawn from detailed monitoring of the quality of execution obtained for all client orders during 2019. [This trading activity was previously reported within the NBEL \(Neuberger Berman Europe Limited\) entity reports. Following a transfer in Q4 2019 of several branch offices from NBEL to NBAMIL this trading activity is now split into a separate NBAMIL report. Report covers executions for the period of September 2<sup>nd</sup> 2019 to December 31<sup>st</sup> 2019.](#)

The following qualitative information is a summary analysis based on NBAMIL, and relevant Neuberger Berman group affiliates, detailed ongoing monitoring of execution quality for **Debt Instruments** including **Money Markets instruments**.

Requirement	
A. an explanation of the relative importance NBAMIL and its group affiliates gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;	<p>NBAMIL's central focus is the best execution for all NBAMIL clients. The considerations which will be taken into account when trading in money market instruments are a combination of the following factors:</p> <ul style="list-style-type: none"><li>▪ Price – the spread between the market's mid-price and the executable price shown by the counterparty or venue. The size of the trade is also taken into account in order to define the fair bid-offer spread expected.</li><li>▪ Likelihood of execution – for larger trade sizes, our assessment of the counterparty and/or venue's capacity to handle the trade in size, and at a fair price, is an important factor. Not getting the trade executed at the optimal time is highly likely to raise the final trading cost.</li><li>▪ Market impact – the ability of the counterparty and/or venue to absorb the trade without impacting the wider market through information leakage.</li><li>▪ Consistency of execution – in respect of pricing, speed of execution, reliability (robustness of electronic systems and ability to show competitive prices during times of high market volatility) and the operational aspects of order execution – interaction with middle-office, system and settlement issues, as well as connectivity.</li></ul> <p>The relative importance of the execution factors above is variable, and will depend on market conditions and other execution considerations. That said, the particular combination of total consideration (price of the instrument and costs of execution, both implicit and explicit) and size are usually the most considered factors when setting our execution strategy. Our goal will always be to treat all of our clients fairly in achieving the best possible execution outcome.</p>

## Quality of Execution Report, period covering 1 January 2019 – 31 December 2019

Requirement	
<p>B. description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;</p>	<p>NBAMIL and/or any other Neuberger Berman group affiliates do not trade with or have any close links or common ownership with any execution venues or counterparties used to execute orders.</p>
<p>C. a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or nonmonetary benefits received;</p>	<p>NBAMIL and/or any other Neuberger Berman group affiliates will not receive payments, discounts or rebates in its money market instrument trading arrangements. Certain non-monetary benefits may be given and/or received by NBAMIL employees, but in all cases will comply with internal policies which deal with gifts/entertainment, and potential conflict of interest scenarios that may arise as a result.</p>
<p>D. an explanation of the factors that led to a change in the list of execution venues listed in NBAMIL's execution policy, if such a change occurred;</p>	<p>Having been initially approved, a counterparty will remain on NBAMIL's approved list of execution brokers and be subject to an ongoing monitoring process. This includes, but is not limited to, an assessment of creditworthiness and financial stability, a review of the execution services provided, and the counterparty's ability to trade effectively on our client's behalf. Each counterparty we use are dependent on their execution capabilities fitting the needs of a specific order, such as liquidity, market impact and certainty of execution. Counterparties will be removed from our list where they are found to be consistently delivering poor execution.</p> <p>Similar to the NBEL report for this asset class, the brokers used for the majority of trading activity were Citigroup Global Markets and Goldman Sachs &amp; Co, and where executing with a venue Bloomberg's Multi-lateral Trading Facility was mostly used.</p>
<p>E. an explanation of how order execution differs according to client categorisation, where NBAMIL treats categories of clients differently and where it may affect the order execution arrangements;</p>	<p>All NBAMIL clients are treated the same. However, the efficiency of NBAMIL's process can be constrained in this asset class for certain clients by counterparty availability – certain clients may limit the ability to transact to certain counterparties. In such cases, any decision to execute or place an order with a particular counterparty will be made from the available set of counterparties/venues for that client.</p>

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Requirement	
<p>F. an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client;</p>	<p>This is not applicable, as NBAMIL does not execute retail client orders.</p>
<p>G. an explanation of how NBAMIL has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575 – RTS27;</p>	<p>NBAMIL’s trade execution is reviewed as part of the Neuberger Berman Best Execution Committee’s oversight of execution quality. To complement this review, NBAMIL makes use of a third party independent TCA (transaction Cost Analysis) provider to assist with detailed monitoring of the quality of execution obtained across the counterparties and/or venues where NBAMIL executes and/or places client orders for execution.</p>
<p>H. where applicable, an explanation of how NBAMIL has used output of a consolidated tape provider.</p>	<p>This is not applicable, as there are currently no consolidated tape providers in Europe providing this data.</p>

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