



Debt Instruments - Bonds

Top 5 Execution Venues for Retail Clients

Professional Client		N				
Class of Instrument		Debt instruments - Bonds				
Notification if <1 average trade per business day in the previous year		N (1.53)				
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
RBS GLOBAL BANKING & MARKETS	RR3QWICWWIPCS8A4S074	47.58	66.58	NA	NA	NA
BANK OF NEW YORK	213800O5FBGOWU89LN14	35.17	2.06	NA	NA	NA
BARCLAYS BANK PLC	K9WDOH4D2PYBSLSOB484	11.58	25.97	NA	NA	NA
JEFFERIES	S5THZMDUJCTQZBTRVI98	5.67	5.40	NA	NA	NA

Top 5 Execution Venues for Professional Clients

Professional Client		Y				
Class of Instrument		Debt instruments - Bonds				
Notification if <1 average trade per business day in the previous year		Y (0.65)				
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
BARCLAYS BANK PLC	K9WDOH4D2PYBSLSOB484	53.81	39.76	NA	NA	NA
RBS GLOBAL BANKING & MARKETS	RR3QWICWWIPCS8A4S074	44.90	49.40	NA	NA	NA
JEFFERIES	S5THZMDUJCTQZBTRVI98	1.28	1.20	NA	NA	NA
SG PARIS	O2RNE8IBXP4R0TD8PU41	0.00	9.64	NA	NA	NA

As a portfolio manager, when an order is placed with a broker, the distinction between passive and aggressive orders (“P/A orders”) as defined in Article 2 of RTS 28 is not applicable. When placing orders with a broker, Heartwood does neither determine nor have any visibility regarding how the order is executed by the broker. The percentage of directed orders is also not applicable to this report as Heartwood do not place orders where the execution venue is specified by the client.

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When trading in liquid debt instruments we consider all execution factors as set out in our Order Execution Arrangements Document, however we place a high importance on price with the objective of maximising value for both our retail and professional clients.

Illiquidity in the debt market may drive priority in execution factors, particularly the likelihood of execution, where the probability of trades failing increases.

We trade debt instruments predominantly with Market Makers via order execution platforms such as Tradeweb, outlined in our Order Execution Arrangements Document.

We rank the execution factors relevant for dealing as follows:

1. Price
2. Likelihood of Execution and Settlement
3. Cost
4. Size
5. Speed

When we execute deals for both retail and professional clients, deals may be aggregated where appropriate.

In order to obtain the best possible outcome for both retail and professional clients we select Market Makers based on cost. When we place trades via the order execution platform, our selected Market Makers are polled against each other and executed based on price. We believe this process maximises value for both our retail and professional clients.

There are no links between Heartwood and any counterparty trading in debt instruments and therefore no conflict has been identified.

Heartwood has no financial links to any execution venue.

There have been no changes of execution venue during the reporting period.