

Federated Hermes International

Top five venues execution report for 2019

RTS28

Issued 30 April 2020

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Glossary of abbreviations and terms

Abbreviation/term	Definition
Aggressive orders	Aggressive order means an order entered into the order book that took liquidity.
CF Global	CF Global Trading UK Limited
Directed orders	Directed order means an order where a specific execution venue was specified by the client prior to the execution of the order.
FCA	Financial Conduct Authority
Federated Hermes	International business of Federated Hermes
HIML	Hermes Investment Management Limited
MiFID	Markets in Financial Instruments Directive (MiFID).
OTC	Over-the-counter (OTC) is a security traded outside of a formal exchange via an agreement between two parties.
Passive orders	Passive order means an order entered into the order book that provided liquidity.
P-note	Participatory notes, also referred to as "P-notes," are financial instruments used by investors to get access to markets where securities cannot be purchased directly.
Venue	A venue is where a client order is executed. For this report we show the legal name of the venue that the order was passed to.

Introduction

This report provides information on the venues Federated Hermes traded with on behalf of clients in 2019. The report is broken down into asset classes that are specified under MiFID II regulation. For each asset class information is provided on the top 5 venues that Federated Hermes traded with. A copy of Federated Hermes' Execution Policy can be found on website at <https://www.hermes-investment.com/sg/about-us/policies-and-disclosures/>

Central Dealing Desk

Federated Hermes uses the Central Dealing Desk model to ensure segregation of duties. Portfolio managers are responsible for the investment decision to trade which is then routed to the Central Dealing Desk for execution. The regulated entity carrying out our trading is Hermes Investment Management Limited (HIML).

The Central Dealing Desk is made up of a team of experienced dealers with wide knowledge of the markets and instruments Federated Hermes deals in. It is their job to focus on achieving the best possible execution of trades on behalf of clients. The Central Dealing Desk is responsible for selecting the venues to execute orders.

For equity investment teams the Central Dealing Desk operates a hybrid dealing model using both an internal dealing desk and an outsourced external dealing desk operated by CF Global Trading UK Limited (CF Global). Orders are transmitted to CF Global to execute orders for portfolios managed by the Global Emerging Markets and Asia ex-Japan equity teams as this provides local market coverage for markets which operate outside of standard UK business hours. CF Global execute orders in alignment with Federated Hermes' Execution Policy. We have oversight over these orders and monitor the quality of execution of CF Global trades.

Currency derivative orders relating to currency management are transmitted to an outsourced external dealing desk operated by The Northern Trust Company, whom execute as a trading venue.

Additionally, a small number of equity orders are transmitted to Federated Investment Counseling as part of one client agreement.

Orders transmitted to outsourced dealing desks (CF Global, Northern Trust, Federated Investment Counseling) are segregated in the 'Orders transmitted by Federated Hermes to outsourced dealing desks' segment of this report.

Venue selection

Federated Hermes take into consideration a range of different factors when determining how to obtain the best possible result. These factors are price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of an order. The venue selected for execution is a result of these factors.

Client categorisation

Federated Hermes only trades on behalf of Professional investors. No trades are carried out on behalf of Retail investors.

Trading venues

Federated Hermes is an asset manager and has no affiliates that operate as a trading venue.

Trading commission and non-monetary benefits

Federated Hermes does not receive any commissions, rebates, discounts or non-monetary benefits from trading venues.

Directed trading

Federated Hermes' does not currently place any client directed trades

Passive and aggressive orders

Some orders placed by broker venues on behalf of our clients are traded passively or aggressively in the market. The percentage breakdown of passive and aggressive orders is provided within the top five venue reporting tables for relevant asset classes where possible. Where the trading venue has not returned the last liquidity indicator the passive or aggressive indicator is considered null in the calculation of venue reporting tables.

Trading Venue

As stipulated in Federated Hermes Execution policy the execution venue list is not exhaustive and subject to change thus trading venues listed within this report may differ from those listed in the policy. Venue selection is dependent on numerous factors, including but not limited to regular review of execution quality.

RTS 27

Where applicable RTS 27 reports have been accessed and reviewed.

Consolidated tape provider

Federated Hermes do not use the output of a consolidated tape provider.

Monitoring

Monitoring of trading performance and counterparty selection takes place on a regular basis. Monitoring is undertaken by Investment Office management and Compliance teams. Each team has separate oversight to the relevant dealing desks and report to the appropriate governing committees. Where possible Transaction Cost Analysis (TCA) is used to assess performance, utilising an independent third-party TCA provider.

Governance

Federated Hermes has a governance structure to oversee execution arrangements. The Best Execution Committee provides oversight of ongoing adherence to the Federated Hermes Execution Policy. The results of Front Office and Compliance monitoring are reviewed at Best Execution Committee. The Portfolio Review Committee (PRC) is responsible for overseeing the Best Execution Committee and Federated Hermes' best execution arrangements. The Chair of PRC is the Head of Investment.

Top five venue reporting by asset class for trades executed by Hermes

The following tables refer to trading executed by the Central Dealing team.

Equities – Shares & depositary receipts – Tick Size liquidity bands 5 and 6 (from 2000 trades per day)

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
RBC EUROPE LIMITED – TXDSU46SXBWIGJ8G8E98	28.87	35.33	–	–
INSTINET EUROPE LIMITED – 213800MXAKR2LA1VBM44	20.13	24.96	65.69	22.69
KEPLER CHEUVREUX – 9695005EOZG9X8IRJD84	16.12	8.78	63.69	34.16
UBS AG – BFM8T61CT2L1QCEMIK50	7.28	12.59	–	–
CREDIT SUISSE SECURITIES (EUROPE) LIMITED – DL6FFRRLF74S01HE2M14	4.76	8.32	–	–

Equities – Shares & depositary receipts – Tick Size liquidity bands 3 and 4 (from 80 to 1999 trades per day)

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
RBC EUROPE LIMITED – TXDSU46SXBWIGJ8G8E98	26.52	21.84	–	–
INSTINET EUROPE LIMITED – 213800MXAKR2LA1VBM44	21.55	32.66	31.44	59.66
KEPLER CHEUVREUX – 9695005EOZG9X8IRJD84	12.14	5.94	48.00	47.21
JOH. BERENBERG, GOSSLER & CO. KG – 529900UC2OD7II24Z667	11.01	2.20	–	–
UBS AG – BFM8T61CT2L1QCEMIK50	5.01	17.89	–	–

Equities – Shares & depositary receipts – Tick Size liquidity bands 1 and 2 (from 0 to 79 trades per day)

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
INSTINET EUROPE LIMITED – 213800MXAKR2LA1VBM44	31.49	33.13	28.77	57.96
RBC EUROPE LIMITED – TXDSU46SXBWIGJ8G8E98	27.64	25.50	–	–
UBS AG – BFM8T61CT2L1QCEMIK50	7.72	18.67	–	–
STIFEL NICOLAUS EUROPE LIMITED – 213800BVEFNZ8UYPKL03	6.95	0.73	50.51	45.11
JEFFERIES INTERNATIONAL LIMITED – S5THZMDUJCTQZBTRVI98	6.78	1.25	44.59	53.17

The primary factors considered when trading equities are price and size. The venues selected for execution are a result of these factors. The relative importance of all execution factors considered is variable as each client order is unique in characteristics and market conditions vary.

The information in the tables above is for all equity trades except those passed to outsourced dealing desks for execution, which are highlighted in a separate section of the report.

Equity orders that do not have an ESMA defined liquidity band are captured in the 'Other Instruments' section of the report.

In 2019, the most utilised trading venues are largely as a result of the extent of service provided. Those trading venues that are used to provide cash desk, program desk and algorithmic tools are the most utilised.

The executions provided by the top five venues have consistently provided a reliable quality of execution.

Debt instruments – Bonds

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
MARKETAXESS EUROPE LIMITED – MAEL	16.23	30.02	–	–
GOLDMAN SACHS INTERNATIONAL – W22LROWP2IHZNBB6K528	13.92	7.19	–	–
BANK OF AMERICA NATIONAL ASSOCIATION – B4TYDEB6GKMZO031MB27	10.17	4.13	–	–
HERMES INVESTMENT MANAGEMENT LTD – JSIUP508MD2LG5X2QY79	9.38	22.53	–	–
BARCLAYS BANK PLC – G5GSEF7VJP5I7OUK5573	5.85	3.08	–	–

The primary trading factors considered for this asset class when selecting the venue were price, size and likelihood of execution. For more illiquid names the likelihood of execution becomes an increasingly important factor.

The top five venues appearing in the table are a result of the primary trading factors.

The executions provided by the top five venues have consistently provided a reliable quality of execution.

In 2019 there was an increase in trading activity on electronic trading platforms as seen with Market Axess Europe Limited (MIC:MAEL) trading platform as the most traded venue by volume. Where trading is completed on electronic platform the underlying counterparty is selected based on the best price available.

The orders executed on the Hermes Investment Management Ltd trading venue represent internal cross transactions. Internal cross transactions are only executed for permitted accounts. Internal cross transactions are executed, where possible, using an external composite pricing platform. If pricing is not available via the platform, the mid of composite market quotes obtained is taken for execution and evidenced to compliance. Multiple quotes are sought for all bond trades with the best available price being taken. Quotes obtained are referenced against external pricing sources and trade reporting facilities.

Debt instruments – Money market instruments

Notification if < 1 average trade per business day in the previous year: Yes

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
BLOOMBERG TRADING FACILITY LIMITED – BMTF	46.07	89.86	–	–
MORGAN STANLEY & CO. INTERNATIONAL PLC – 4PQUHN3JPFQFN3BB653	33.06	4.35	–	–
BANK OF AMERICA NATIONAL ASSOCIATION – B4TYDEB6GKMZO031MB27	19.18	2.90	–	–
WELLS FARGO SECURITIES INTERNATIONAL LIMITED – BWS7DNS2Z4NPKPNYKL75	1.20	0.72	–	–
JEFFERIES INTERNATIONAL LIMITED – S5THZMDUJCTQZBTRV198	0.31	0.72	–	–

The primary trading factors considered for this asset class when selecting the venue were price, size and likelihood of execution.

Trading is completed based on best price/yield. Where orders are traded using an electronic trading platform, selection of the underlying counterparty is based on the best price available on the electronic trading platform.

The executions provided by the top five venues have consistently provided a reliable quality of execution.

Interest Rate Derivatives – Futures and options admitted to trading on a trading venue

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
BARCLAYS BANK PLC – G5GSEF7VJP5I7OUK5573	100	100	–	–

The primary trading factors for this asset class when selecting the venue were price and likelihood of execution and settlement. Roll transactions are included in the calculation of the above table.

Given the market structure of the asset class – which has a single exchange – Federated Hermes are a price taker accepting the best prevailing price on the exchange the security trades. Due to this there is no additional benefit to transmitting orders to multiple trading venues.

Credit derivatives – Other derivatives

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
GOLDMAN SACHS INTERNATIONAL – W22LROWP2IHZNBB6K528	42.39	34.18	–	–
BLOOMBERG TRADING FACILITY LIMITED – BMTF	15.26	3.95	–	–
J.P. MORGAN SECURITIES PLC – K6Q0W1PS1L1O4IQL9C32	9.09	11.05	–	–
BLOOMBERG SEF LLC – BBSF	8.22	3.79	–	–
CITIGROUP GLOBAL MARKETS LIMITED – XKZZ2JZF41MRHTR1V493	6.29	4.89	–	–

The primary trading factors considered for this asset class when selecting the venue were price and size. Contract rolls are included in the calculation of the above table.

The executions provided by the top five venues have consistently provided a reliable quality of execution.

Currency derivatives – Swaps, forwards, and other currency derivatives

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
THE NORTHERN TRUST COMPANY – 6PTKHDJ8HDUF78PFWH30	29.91	28.59	–	–
STATE STREET BANK AND TRUST COMPANY – 571474TGEMMWANRLN572	27.25	23.42	–	–
ROYAL BANK OF CANADA – ES7IP3U3RHIGC71XBU11	12.80	5.03	–	–
JPMORGAN CHASE BANK NATIONAL ASSOCIATION – 7H6GLXDRUGQFU57RNE97	11.92	21.55	–	–
BARCLAYS BANK PLC – G5GSEF7VJP5I7OUK5573	11.79	7.18	–	–

The primary trading factors considered for this asset class when selecting the venue were price and size.

Most trades were for swaps where quotes were sought with the top venues consistently providing the best prices. Forwards were the other instrument traded where venue selection was driven by the best available price at the time of trading from the authorised counterparties list.

The executions provided by the top five venues have consistently provided a reliable quality of execution.

Structured Finance Instruments

Notification if < 1 average trade per business day in the previous year: Yes

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
BNP PARIBAS – ROMUWSFPU8MPRO8K5P83	17.39	16.67	–	–
LLOYDS BANK CORPORATE MARKETS PLC – 213800MBWEIJDM5CU638	14.95	16.67	–	–
BARCLAYS BANK PLC – G5GSEF7VJP5I7OUK5573	11.87	8.33	–	–
BANK OF AMERICA NATIONAL ASSOCIATION – B4TYDEB6GKMZO031MB27	10.57	8.33	–	–
MORGAN STANLEY & CO. INTERNATIONAL PLC – 4PQUHN3JPFQFNF3BB653	7.85	2.78	–	–

The primary trading factors considered for this asset class when selecting the venue were price, size and likelihood of execution.

The executions provided by the top five venues have consistently provided a reliable quality of execution.

Equity Derivatives – Options and Futures admitted to trading on a trading venue

Notification if < 1 average trade per business day in the previous year: Yes

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
MORGAN STANLEY & CO. INTERNATIONAL PLC 4PQUHN3JPFQFNF3BB653	100	100	–	–

The primary trading factors considered for this asset class when selecting the venue were price and likelihood of execution and settlement.

The orders are traded on a very limited basis and are small in size, this resulted in all the orders being placed with one broker. It was considered that speed and efficiency were important factors and would help to achieve the best price and result for the size of orders placed.

Exchange traded products

Notification if < 1 average trade per business day in the previous year: Yes

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
MORGAN STANLEY & CO. INTERNATIONAL PLC – 4PQUHN3JPF6FNF3BB653	36.81	25.00	–	–
JANE STREET FINANCIAL LIMITED – 549300ZHEHX8M31RP142	33.58	39.29	–	–
HSBC BANK PLC – MP6I5ZYBUEU3UXPYFY54	16.91	17.86	–	–
CITIGROUP GLOBAL MARKETS LIMITED – XKZZ2JZF41MRHTR1V493	8.59	10.71	–	–
GOLDMAN SACHS INTERNATIONAL – W22LROWP2IHZNBB6K528	4.10	7.14	–	–

The primary trading factors considered for this asset class when selecting the venue were price and size.

The instruments traded in this category were primarily Exchange Traded Funds (ETFs). Trades in this category are on a very limited basis, with ETFs traded to manage equity exposure during an individual portfolio's transition flows.

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
INSTINET EUROPE LIMITED – 213800MXAKR2LA1VBM44	42.20	44.65	24.62	38.77
RBC EUROPE LIMITED – TXDSU46SXBWIGJ8G8E98	16.55	18.10	–	–
UBS AG – BFM8T61CT2L1QCEMIK50	8.50	20.77	–	–
STIFEL NICOLAUS EUROPE LIMITED – 213800BVEFNZ8UYPKL03	8.19	0.51	65.21	34.10
JEFFERIES INTERNATIONAL LIMITED – S5THZMDUJCTQZBTRVI98	7.61	0.95	40.03	57.24

The primary factors considered when trading equities are price and size. The venues selected for execution is a result of these factors. The relative importance of all execution factors considered is variable as each client order is unique in characteristics and market conditions vary.

Equity orders that do not have an ESMA defined liquidity band and mutual fund orders are captured in this table of the report.

The information in the tables above is for all equity trades except those passed to an outsourced dealing desk for execution, which are highlighted separately in the report.

The most utilised trading venues are largely as a result of the extent of service provided. Those trading venues that are used to provide cash desk, program desk and algorithmic tools are the most utilised.

The executions provided by the top five venues have consistently provided a reliable quality of execution.

Top five venue reporting by asset class for orders transmitted by Federated Hermes to outsourced dealing desks

The following tables are for orders where Federated Hermes does not pass the order directly to a venue to execute but transmits the orders to outsourced dealing desks for execution of the order on behalf of our clients.

This arrangement is in place to transmit orders to CF Global for Emerging Markets and Asia ex-Japan teams. CF Global follow Federated Hermes' Execution Policy and authorised counterparties list when seeking best execution.

Federated Hermes transmits currency derivative orders that relate to currency management to an outsourced external dealing desk operated by The Northern Trust Company, whom execute as a trading venue.

Additionally, a small number of equity orders are transmitted to Federated Investment Counseling as part of one client agreement.

Comment on the below tables

The below tables highlight the most traded venues per asset class for orders which are transmitted to an outsourced dealing desk.

The arrangements of each dealing desk are summarised below.

For equity investment teams the Central Dealing Desk operates a hybrid dealing model using both an internal dealing desk and an outsourced external dealing desk operated by CF Global Trading UK Limited (CF Global).

Federated Hermes transmits orders to CF Global to execute primarily orders for portfolios managed by Global Emerging Markets and Asia ex-Japan equity teams as this provides live local market coverage for markets which operate outside of standard UK business hours. Federated Hermes' has oversight and monitors the quality of execution of CF Global trades which have consistently achieved a high standard of executions for our clients.

Federated Hermes transmits currency derivative orders that relate to currency management to an outsourced external dealing desk operated by The Northern Trust Company, whom execute as a trading venue.

Additionally, a small number of equity orders are transmitted to Federated Investment Counseling as part of one client agreement.

Tables showing the top five venues used the outsourced dealing desks outlined to execute orders are shown in the **next section** of this report.

Equities – Shares & depositary receipts – Tick Size liquidity bands 5 and 6 (from 2000 trades per day)

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
CF Global Trading UK Limited 213800FZY2ZRXF16H814	100	100	–	–

Equities – Shares & depositary receipts – Tick Size liquidity bands 3 and 4 (from 80 to 1999 trades per day)

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
CF GLOBAL TRADING UK LIMITED – 213800FZY2ZRXF16H814	100	100	–	–

Equities – Shares & depositary receipts – Tick Size liquidity bands 1 and 2 (from 0 to 79 trades per day)

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
CF GLOBAL TRADING UK LIMITED – 213800FZY2ZRXF16H814	99.99	99.99	–	–
FEDERATED INVESTMENT COUNSELING – 5493007QON6G2TJMJ183	00.01	00.01	–	–

The primary trading factors considered for this asset class were price and size.

Currency derivatives – Swaps, forwards, and other currency derivatives

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
THE NORTHERN TRUST COMPANY – 6PTKHDJ8HDUF78PFWH30	100	100	–	–

This table reflects orders executed as part of the outsourced currency management programme with Northern Trust.

Securitized derivatives – Warrants and certificate derivatives

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
CF GLOBAL TRADING UK LIMITED – 213800FZY2ZRXF16H814	100	100	–	–

The primary trading factors considered for this asset class when selecting the venue were price and size.

Exchange traded products

Notification if < 1 average trade per business day in the previous year: Yes

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
CF GLOBAL TRADING UK LIMITED – 213800FZY2ZRXF16H814	100	100	–	–

The primary trading factors considered for this asset class when selecting the venue were price and size. Exchange Traded Funds (ETFs) were the only instruments in this asset class.

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
CF GLOBAL TRADING UK LIMITED – 213800FZY2ZRXF16H814	99.99	99.99	–	–
FEDERATED INVESTMENT COUNSELING – 5493007QON6G2TZJM183	00.01	00.01	–	–

The primary factors when trading equities are price and size and includes securities that do not have a tick size liquidity band as defined by ESMA.

Top five venue reporting by asset class for outsourced dealing desk executed trades

The following tables show the top five venues where CF Global have executed trades on behalf of clients in Emerging Markets and Asia ex-Japan products. It should be noted that these products mainly trade in equity related instruments.

CF Global orders represent the majority of orders executed in this section of the report. As such the Equities and Securitized Derivatives tables only highlight CF Global selected trading venues.

Equities Tick Size liquidity bands 1 and 2 and Other Instruments tables also considers trades transmitted to Federated Investment Counseling as part of one client agreement. Due to the low volume traded Federated Investment Counseling orders do not feature in the top 5 venues traded.

Currencies Derivatives table includes trades transmitted to and executed by The Northern Trust Company as part of the outsourced currency management programme.

Equities – Shares & depositary receipts – Tick Size liquidity bands 5 and 6 (from 2,000 trades per day)

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
VIRTU ITG EUROPE LIMITED – 213800EEC95PRUCEUP63	62.56	52.68	52.06	26.82
JPMORGAN CHASE BANK NATIONAL ASSOCIATION – 7H6GLXDRUGQFU57RNE97	20.73	21.78	37.05	34.28
INSTINET EUROPE LIMITED – 213800MXAKR2LA1VBM44	8.30	10.80	78.33	20.13
CREDIT SUISSE SECURITIES (EUROPE) LIMITED – DL6FFRRLF74S01HE2M14	7.38	12.05	59.88	8.30
HSBC BANK PLC – MP615ZYZBEU3UXPYFY54	0.56	1.36	–	–

Equities – Shares & depositary receipts – Tick Size liquidity bands 3 and 4 (from 80 to 1,999 trades per day)

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
INSTINET EUROPE LIMITED – 213800MXAKR2LA1VBM44	50.68	29.98	29.96	56.48
VIRTU ITG EUROPE LIMITED – 213800EEC95PRUCEUP63	20.99	36.81	64.13	21.66
DAIWA CAPITAL MARKETS EUROPE LIMITED – MIM2K09LFYD4IB163W58	11.65	1.52	–	–
UBS AG – BFM8T61CT2L1QCEMIK50	4.14	9.49	52.70	41.09
JPMORGAN CHASE BANK NATIONAL ASSOCIATION – 7H6GLXDRUGQFU57RNE97	3.60	7.40	43.81	44.25

Equities – Shares & depositary receipts – Tick Size liquidity bands 1 and 2 (from 0 to 79 trades per day)

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
INSTINET EUROPE LIMITED – 213800MXAKR2LA1VBM44	51.51	39.07	18.28	61.18
DAIWA CAPITAL MARKETS EUROPE LIMITED – MIM2K09LFYD4IB163W58	21.78	31.40	–	–
CLSA (UK) – 213800VZMAGVIU2IJA72	10.07	13.62	59.43	37.93
VIRTU ITG EUROPE LIMITED – 213800EEEC95PRUCEUP63	8.87	6.96	99.18	–
UBS AG – BFM8T61CT2L1QCEMIK50	2.13	2.10	–	–

The primary factors considered when trading equities are price and size. The venue selected for execution is a result of these factors. Due to the uniqueness of client orders and emerging markets, the importance of execution factors may vary.

The trading venues reported above have provided a consistent level of execution quality in 2019.

Currency derivatives – Swaps, forwards, and other currency derivatives

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
THE NORTHERN TRUST COMPANY – 6PTKHDJ8HDF78PFWH30	100	100	–	–

This table reflects orders executed as part of the outsourced currency management programme with Northern Trust.

Securitized derivatives – Warrants and certificate derivatives

Notification if < 1 average trade per business day in the previous year: Yes

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
CLSA (UK) – 213800VZMAGVIU2IJA72	91.91	94.13	–	–
MORGAN STANLEY & CO. INTERNATIONAL PLC – 4PQUHN3JPFQFN3BB653	4.42	0.94	–	–
CITIGROUP GLOBAL MARKETS LIMITED – XKZZ2JZF41MRHTR1V493	1.69	1.88	–	–
HSBC BANK PLC – MP6I5ZYBZEU3UXPYFY54	1.51	2.82	–	–
MERRILL LYNCH INTERNATIONAL – GGDZP1UYGU9STUHRDP48	0.47	0.23	–	–

The primary trading factors considered for this asset class when selecting the venue were price and size. The table includes roll transactions.

Activity in 2019 was related to p-notes. P-note trading has reduced in volume as foreign investor direct access to domestic markets has increased. As p-note providers continually reduce the utilisation of trading venues is largely dependent on market of the p-note traded.

Exchange traded products

Notification if < 1 average trade per business day in the previous year: Yes

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
INSTINET EUROPE LIMITED – 213800MXAKR2LA1VBM44	54.62	75.00	–	–
MERRILL LYNCH INTERNATIONAL – GGDZP1UYGU9STUHRDP48	30.04	8.33	–	–
CITIGROUP GLOBAL MARKETS LIMITED – XKZZ2JZF41MRHTR1V493	14.73	8.33	–	–
VIRTU ITG EUROPE LIMITED – 213800EEC95PRUCEUP63	0.61	8.33	–	–

The primary trading factors considered for this asset class when selecting the venue were price and size.

The instruments traded in this category were Exchange Traded Funds (ETFs). Federated Hermes only trades in these on a limited basis with price being the primary consideration.

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 executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders
INSTINET EUROPE LIMITED – 213800MXAKR2LA1VBM44	19.93	24.28	24.92	49.37
CLSA (UK) – 213800VZMAGVIU2IJA72	17.98	19.75	86.83	12.72
DAIWA CAPITAL MARKETS EUROPE LIMITED – MIM2K09LFYD4IB163W58	15.11	26.11	–	–
HSBC BANK PLC – MP6I5ZYBZBEU3UXPYFY54	14.82	6.13	–	–
DEUTSCHE BANK AKTIENG-ESELLSCHAFT – 7LTWFZYICNSX8D621K86	13.67	18.54	–	–

This table includes securities that do not have an ESMA Tick Size liquidity band.

The primary factors considered when trading equities are price and size. The venue selected for execution is a result of these factors. Due to the uniqueness of client orders and emerging markets, the importance of execution factors may vary.

The trading venues reported above have provided a consistent level of execution quality in 2019.