

30 April 2021

RTS 28 Report – PGIM Limited (PGIM Fixed Income)

Reporting Period: Calendar Year 2020



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Under MiFID II, PGIM Limited has an obligation to report (under RTS 28) on its execution venue selection, this report summarises both the execution venue and counterparty selection for calendar year 2020. This report will be updated at least annually and will be available for two years from first publication. This report only refers to actual asset classes traded by PGIM Limited (PGIM Fixed Income) (“PGIM”), we have not included a report where there were no trades executed in that asset class by PGIM Limited (PGIM Fixed Income) during 2020. This report covers only trading activity in-scope of MiFID II and is reported at the legal entity level, PGIM Limited; it does not include PGIM Fixed Income’s trading executed by non-MiFID firms.

Debt Instruments – Bonds - Broker Report

Class of Instrument	Debt Instruments – Bonds				
Notification is <1 average trade per business day in the previous year	No				
Top five execution venues ranked items of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
HSBC Bank Plc MP6I5ZYZBEU3UXPYFY54	14%	11%	100%	0%	0%
Citigroup Global Markets Ltd XKZZ2JZF41MRHTR1V493	9%	10%	100%	0%	0%
Barclays Bank Plc K6Q0W1PS1L1O4IQL9C32	9%	7%	100%	0%	0%
Morgan Stanley & Co International Plc 4PQUHN3JPF GFNF3BB653	9%	7%	100%	0%	0%
BNP Paribas R0MUWSFPU8MPRO8K5P83	8%	4%	100%	0%	0%

Debt Instruments – Trading Venue Report

Class of Instrument	Debt Instruments – Bonds				
Notification is <1 average trade per business day in the previous year	No				
Top five execution venues ranked items of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Tradeweb Europe Limited 2138001WXZQOPMPA3D50	0.88%	0.22%	100%	0%	0%
MarketAxess	17.86%	40.1%	100%	0%	0%
Bloomberg Trading Facility Limited - 'BMTF' 549300ROEJDDAXM6LU05	81.26%	59.68%	100%	0%	0%

Interest rate derivatives - Futures and options admitted to trading on a trading venue**Broker Report**

Class of Instrument	Interest rate derivatives - Futures and options admitted to trading on a trading venue				
Notification is <1 average trade per business day in the previous year	No				
Top five execution venues ranked items of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Credit Suisse Securities (USA) LLC 1V8Y6QCX6YMJ2OELI46	84%	84%	100%	0%	0%
ICAP Corporates LLC 78E0W5ARMBFSS8K1Y274	5%	3%	100%	0%	0%
JP Morgan Securities LLC ZBUT11V806EZRVWT807	4%	9%	100%	0%	0%
BNP Paribas R0MUWSFPU8MPRO8K5P83	2%	1%	100%	0%	0%
BOFA Securities Inc 549300HN4UKV1E2R3U73	1%	1%	100%	0%	0%

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Interest rate derivatives, Swaps, Forwards, and other currency derivatives – Broker report

Class of Instrument	Interest rate derivatives, Swaps, Forwards, and other currency derivatives				
Notification is <1 average trade per business day in the previous year	No				
Top five execution venues ranked items of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
JP Morgan Chase Bank NA 7H6GLXDRUGQFU57RNE97	26%	28%	100%	0%	0%
HSBC Bank USA, NA 1IE8VN30JCEQV1H4R804	22%	22%	100%	0%	0%
Citibank NA E57ODZWZ7FF32TWFA76	13%	13%	100%	0%	0%
Barclays Bank Plc G5GSEF7VJP5I7OUK5573	8%	7%	100%	0%	0%
Credit Suisse International E58DKGMJYYYYJLN8C3868	6%	5%	100%	0%	0%

Interest rate derivatives, Swaps, Forwards, and other currency derivatives - Venue Report

Class of Instrument	Interest rate derivatives, Swaps, Forwards, and other interest rate derivatives				
Notification is <1 average trade per business day in the previous year	No				
Top five execution venues ranked items of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
FX Connect 549300SQM0MRIF4HE647	99.79%	99.59%	100%	0%	0%
Tradeweb Europe Limited 2138001WXZQPMPA3D50	0.21%	0.41%	100%	0%	0%

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Best Execution – Qualitative Statements, the below statement applies to all asset classes traded by PGIM during 2020.

<p>Explanation of the relative importance PGIM 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>	<p>PGIM regards price as being one of the most important considerations when seeking to obtain the best possible result for clients. However, there may be circumstances where the relative importance of execution factors may vary and price is not the dominant factor. Generally speaking: (i) the greater the levels of transparency and liquidity, the greater the importance of price as an execution factor for a financial instrument (although this may depend on the type of market), and (ii) the less transparent and/or liquid the market, the more price will need to be balanced against the likelihood of execution and/or other relevant factors.</p>
<p>A description of any close links, conflicts of interest, and common ownership with respect to any execution venues used to execute orders.</p>	<p>PGIM did not have any close links, common ownership or any other conflicts of interest to disclose in respect of any of the brokers or execution venues used to execute client orders during 2020.</p>
<p>Describe any specific arrangements the PGIM has made with execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;</p>	<p>PGIM has not entered into any arrangements with its execution venues or brokers for payments (made or received), discounts or non-monetary benefits that would compromise our ability to meet our obligations in regard to best execution, conflicts of interest or inducements.</p> <p>In line with our policy on research, PGIM pays for research as direct expense to the firm and does not accept research for free or operate a research payment account. PGIM has made payments to firms for the provision of research under these contracted arrangements.</p> <p>PGIM may, on occasion, receive acceptable minor non-monetary benefits (AMNBs) from firms in line with our policies on inducements. PGIM does not take into consideration any non-monetary benefits when making decisions relating to execution or venue selection.</p>

<p>An explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred</p>	<p>PGIM continually assesses our ability to achieve best execution and may select venues to achieve this aim in line with our obligations under our order execution policy. PGIM may add or remove brokers from our approved lists over time based on various factors, including but not limited to, likelihood and quality of execution, credit worthiness, financial stability and reputation. Tradeweb Europe Limited was a new trading venue added in 2020.</p>
<p>Explanation of how PGIM's order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements;</p>	<p>PGIM Limited only executes orders for professional clients and does not provide investment management services or execution services to retail clients. PGIM's policy is to treat all clients fairly and equitably over time.</p>
<p>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 clients.</p>	<p>PGIM does not execute orders for retail clients.</p>
<p>Explanation of how the PGIM has used any data or tools relating to the quality of execution, including the data published by the firm's trading/ execution venues.</p>	<p>PGIM, Inc., PGIM's parent company has in place a Trade Management and Oversight Committee (TMOC), who review trading activity undertaken by PGIM. The TMOC gather and consider information from numerous sources when reviewing this trade activity.</p>

Reference

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