



2019 ANNUAL MIFID REPORT - TOP VENUE DISCLOSURE

APRIL 2020



IMPORTANT INFORMATION

QIC European Investment Services Limited

Registered in England and Wales 7804418

Authorised and regulated by the Financial Conduct Authority

Address

Level 9 MidCity Place
71 High Holborn
London WC1V 6EA
Tel +44 20 7092 8200 **Fax** +44 20 7092 8201

Registered office address

c/o Sisec Limited
21 Holborn Viaduct
London EC1A 2DY

Telephone calls may be recorded

QIC Limited ACN 130 539 123 ("QIC") is a wholesale funds manager and its products and services are not directly available to, and this document may not be provided to any, retail clients. QIC is a company government owned corporation constituted under the Queensland Investment Corporation Act 1991 (Qld). QIC is regulated by State Government legislation pertaining to government owned corporations in addition to the Corporations Act 2001 (Cth) ("Corporations Act"). QIC does not hold an Australian financial services ("AFS") licence and certain provisions (including the financial product disclosure provisions) of the Corporations Act do not apply to QIC. QIC Private Capital Pty Ltd ("QPC"), a wholly owned subsidiary of QIC, has been issued with an AFS licence and other wholly owned subsidiaries of QIC are authorised representatives of QPC. QIC's subsidiaries are required to comply with the Corporations Act. QIC also has wholly owned subsidiaries authorised, registered or licensed by the United Kingdom Financial Conduct Authority ("FCA"), the United States Securities and Exchange Commission ("SEC") and the Korean Financial Services Commission. For more information about QIC, our approach, clients and regulatory framework, please refer to our website www.qic.com or contact us directly.

QIC, its subsidiaries, associated entities, their directors, employees and representatives ("the QIC Parties") do not warrant the accuracy or completeness of the information contained in this document ("the Information"). To the extent permitted by law, the QIC Parties disclaim all responsibility and liability for any loss or damage of any nature whatsoever which may be suffered by any person directly or indirectly through relying on the Information, whether that loss or damage is caused by any fault or negligence of the QIC Parties or otherwise. The Information is not intended to constitute advice and persons should seek professional advice before relying on the Information.

Copyright QIC Limited, Australia 2020. All rights are reserved. Do not copy, disseminate or use, except in accordance with the prior written consent of QIC.

TABLE OF CONTENTS

1	Annual MiFID Report 2019	4
1.1	QEIS Clients.....	4
1.2	Global Order Management and Best Execution Standards.....	4
1.3	Criteria for Best Execution.....	4
1.4	Securities not traded	5
2	Top 5 Execution Venues	6
2.1	Debt Instruments.....	6
2.2	Interest Rate Derivatives	7
2.3	Credit Derivatives	8
2.4	Currency Derivatives.....	9
2.5	Structured Finance Instruments.....	10
2.6	Equity Derivatives.....	11
2.7	Other instruments	13

1 ANNUAL MIFID REPORT 2019

QIC European Investment Services (**QEIS**) was set up in December 2011 and received FCA authorisation on 16 May 2012. QEIS' principal business is to provide discretionary portfolio management, trade execution and advisory services to its parent company, QIC Limited (**QIC**).

As a MiFID firm, QEIS is required to report on the trades executed over the previous calendar year. The following information is published in accordance with the technical standards as set out in Commission Delegated Regulation EU/2017/576 (**RTS 28**) representing the provision of investment services towards professional clients during the 2019 calendar year.

1.1 QEIS Clients

QEIS is authorised by the Financial Conduct Authority (**FCA**) to provide regulated products and services to 'Professional' clients and Eligible Counterparties only.

QEIS' sole client is QIC Limited, a Professional client.

1.2 Global Order Management and Best Execution Standards

QIC Limited and its subsidiaries, which includes QEIS, are committed to obtaining best execution and managing the risks and conflicts associated with order management fairly and appropriately. QIC Limited has a detailed Global Order Management and Best Execution Standards (**GOMBES**) policy which QEIS has adopted. The policy reflects the most stringent global legislation pertaining to order management and best executions and adheres to the Markets in Financial Instruments Directive (**MiFID**) II.

The policy outlines QIC's framework for managing risks associated with order management and best execution and for establishing clearly defined accountabilities for traders in managing these risks. In addition, the policy details how traders must consider conflicting factors in determining how to provide Clients with the best possible outcome on a consistent basis.

1.3 Criteria for Best Execution

Best execution should always be assessed in relation to the Client's objective and prevailing market conditions. QIC is not obligated to merely get the lowest price or commission, but rather take all actions necessary to execute orders in a fair and timely manner, assessing the capacity of service providers and Counterparties in respect to the best interest of the Client.

In seeking to obtain best execution, the following factors are taken into account when executing transactions in a financial instrument:

- Necessary legal documents – ie ISDAs, CSAs, CDEAs, futures give-up agreements
- Observable price and a counterparty's recognised strengths or known inventory available to trade
- Market liquidity at the time of execution
- Size, nature, and type of the financial instrument
- Potential price impact and the desire to maintain confidentiality of the order
- Execution cost and speed
- Likelihood of execution and settlement
- Characteristics of the execution venue and Counterparty survey results
- Urgency of the trade
- Any other considerations relevant to the efficient execution of the order



1.4 Securities not traded

Over the 2019 calendar year QEIS did not trade the following

- Securitized Derivatives
- Contracts for difference
- Exchange traded products (Exchanged traded funds, exchange traded notes)
- Emission allowances¹

¹ QEIS does not hold FCA permissions to trade



2 TOP 5 EXECUTION VENUES

The following details the counterparties and platforms QEIS traded with over the 2019 calendar year where the trade was executed via an 'Execution Venue' as defined by the Financial Conduct Authority (FCA) under MiFID II. An 'Execution Venue' is defined as a; regulated market, Multilateral Trading Facility (MTF), Organised Trading Facility (OTF), Systematic Internaliser (SI), or a market maker. For clarity, where a trade is executed with a counterparty which is not an 'Execution Venue' these have still been included in the asset class aggregation as a trading counterparty.

Over the course of 2019 the counterparty panel traded by QEIS to fulfil orders submitted by its sole Professional client, QIC Limited, remained unchanged. QEIS onboarded the MarketAxess Multilateral Trading Facility in 2019 to enhance liquidity and execution for investment-grade corporate debt instruments. QEIS continues to utilise the Bloomberg Multilateral Trading Facility, Bloomberg Swap Execution Facility, and Refinitiv's FXall Platforms.

2.1 Debt Instruments

Class of Instrument	Debt instruments				
Notification if <1 average trade per business day in the previous year	Yes				
Top five execution venues ranked in terms of trading volumes	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
Bloomberg Multilateral Trading Facility (BMTF)	44.3%	24.9%	-	-	-
MarketAxess Europe Limited (MAEL)	22.9%	31.6%	-	-	-
Barclay's Bank plc (G5GSEF7VJP5I7OUK5573)	7.3%	7.1%	-	-	-
Citibank N.A. (E57ODZWZ7FF32TWEFA76)	4.1%	6.2%	-	-	-
BNP PARIBAS SA (R0MUWSFPU8MPRO8K5P83)	3.9%	6.7%	-	-	-

Government Bonds, Inflation-Linked Bonds, and Corporate Bonds denominated in major currencies were traded over the 2019 calendar year with a focus on best price given market liquidity, followed by size, speed, cost and likelihood of execution. The largest part of QIC Limited's orders on a notional basis were executed through Bloomberg MTF. On a semi-annual basis QIC Limited and QEIS review the counterparty panel for appropriateness within the asset class. QEIS, and its parent company QIC Limited, have no close links to disclose within the Debt Instrument asset class and all Gifts and Benefits and Personal Financial Investments provided by any counterparties require pre-approval from QIC's Global Regulation team.

2.2 Interest Rate Derivatives

Class of Instrument	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	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
UBS AG (BFM8T61CT2L1QCEMIK50)	31.1%	34.4%	-	-	-
Citibank N.A. (E57ODZWZ7FF32TWEFA76)	29.8%	19.7%	-	-	-
Goldman Sachs International (W22LROWP2IHZNBB6K528)	19.9%	23.0%	-	-	-
Morgan Stanley Co International plc (4PQUHN3JPF GFNF3BB653)	14.1%	17.1%	-	-	-
Macquarie Bank International Ltd (17GKQF40GFUEUWOO622)	2.9%	4.5%	-	-	-
Class of Instrument	Swaps, forwards, and other interest rates derivatives				
Notification if <1 average trade per business day in the previous year	Yes				
Top five execution venues ranked in terms of trading volumes	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
Barclay's Bank Plc (G5GSEF7VJP5I7OUK5573)	82.1%	93.3%	-	-	-
UBS AG (BFM8T61CT2L1QCEMIK50)	17.9%	6.7%	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

The Venue disclosure is reflective of the 'give-up' arrangements QEIS trades under and not the Exchange where the securities are traded. QEIS executed Exchange-traded Interest Rate derivatives orders across major markets over the 2019 calendar year. In addition, a small number of Interest Rate Swaps were also executed under both cleared and bilateral arrangements. In both cases the execution venue was chosen based on price, the type of trade and size, and whether the trade needed to be cleared in-line with market regulation. On a semi-annual basis QIC Limited and QEIS review the counterparty panel for appropriateness within the asset class. QEIS, and its parent company QIC Limited, have no close links to disclose within the Interest Rate Derivatives asset class and all Gifts and Benefits and Personal Financial Investments provided by any counterparties require pre-approval from QIC's Global Regulation team.



2.3 Credit Derivatives

Class of Instrument	Other credit derivatives				
Notification if <1 average trade per business day in the previous year	No				
Top five execution venues ranked in terms of trading volumes	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
Bloomberg Swap Execution Facility (BSEF)	97.9%	97.0%	-	-	-
Barclay's Bank plc (G5GSEF7VJP5I7OUK5573)	2.1%	3.0%	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

QEIS executed Credit Default Index Swap and Swaptions trades across major markets over the 2019 calendar year with a focus on best price given market liquidity, followed by size, speed, cost and likelihood of successful execution. The largest part of QIC Limited's orders were executed through Bloomberg SEF. Price, liquidity, strengths within the asset class and whether the trade needed to be cleared in line with market regulation were factors used to determine the venues of execution. On a semi-annual basis QIC Limited and QEIS review the counterparty panel for appropriateness within the asset class. QEIS, and its parent company QIC Limited, have no close links to disclose within the Credit Derivatives asset class and all Gifts and Benefits and Personal Financial Investments provided by any counterparties require pre-approval from QIC's Global Regulation team.

2.4 Currency Derivatives

Class of Instrument	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	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
Refinitiv FXall (FXRQ)	99.8%	99.3%	-	-	-
State Street Bank and Trust Company (571474TGEMMWANRLN572)	0.1%	0.05%	-	-	-
Westpac Banking Corporation (EN5TNI6CI43VEPAMHL14) ²	0.04%	0.05%	-	-	-
Australia and New Zealand Banking Group Ltd (JHE42UYNWWTJB8YTTU19)	0.02%	0.05%	-	-	-
Bank of America, N.A. (B4TYDEB6GKMZO031MB27)	0.02%	0.11%	-	-	-

QEIS transacted in the following currency products over the 2019 calendar year; Spot, Forward, Swap and Option. QEIS' preference is to trade in competition across all currency transactions with preference given to price and strength within the traded currency. Refinitiv FXall is predominately utilised for spot, forward and swap transactions on a request for quote basis. On a semi-annual basis QIC Limited and QEIS review the counterparty panel for appropriateness within the asset class. QEIS, and its parent company QIC Limited, have no close links to disclose within the Currency Derivatives asset class and all Gifts and Benefits and Personal Financial Investments provided by any counterparties require pre-approval from QIC's Global Regulation team.

² Trading counterparty, not an Execution Venue.



2.5 Structured Finance Instruments

Class of Instrument	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	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
BNP PARIBAS SA (R0MUWSFPU8MPRO8K5P83)	67.6%	50.0%	-	-	-
UBS AG (BFM8T61CT2L1QCEMIK50)	32.4%	50.0%	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

QEIS executed a small number Total Return Swaps trades over the 2019 calendar year. Price and liquidity were factors used when determining the venue of execution. On a semi-annual basis QIC Limited and QEIS review the counterparty panel for appropriateness within the asset class. QEIS, and its parent company QIC Limited, have no close links to disclose within the Structured Finance Instruments asset class and all Gifts and Benefits and Personal Financial Investments provided by any counterparties require pre-approval from QIC's Global Regulation team.



2.6 Equity Derivatives

Class of Instrument	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	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
Morgan Stanley Co International Plc (4PQUHN3JPFGFNF3BB653)	30.6%	23.3%	-	-	-
Citibank N.A. (E57ODZWZ7FF32TWEFA76)	23.7%	34.8%	-	-	-
JPMorgan Chase Bank N.A. (7H6GLXDRUGQFU57RNE97)	17.5%	19.3%	-	-	-
Merrill Lynch International (GGDZP1UYGU9STUHRDP48)	12.1%	8.7%	-	-	-
UBS AG (BFM8T61CT2L1QCEMIK50)	9.8%	5.8%	-	-	-

The Venue disclosure is reflective of the 'give-up' arrangements QEIS trades and not the Exchange where the securities are traded. QEIS executed Exchange-traded Equity Derivatives orders across major markets over the 2019 calendar year. On a semi-annual basis QIC Limited and QEIS review the counterparty panel for appropriateness within the asset class. QEIS, and its parent company QIC Limited, have no close links to disclose within the Structured Finance Instruments asset class and all Gifts and Benefits and Personal Financial Investments provided by any counterparties require pre-approval from QIC's Global Regulation team.



2.7 Commodity Derivatives

Class of Instrument	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	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
Citibank N.A. (E57ODZWZ7FF32TWEFA76)	98.2%	97.1%	-	-	-
Morgan Stanley Co International Plc (4PQUHN3JPFGFNF3BB653)	1.8%	2.9%	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

The Venue disclosure is reflective of the 'give-up' arrangements QEIS trades under and not the Exchange where the securities are traded. QEIS executed Exchange-traded Commodity Derivatives orders across major markets over the 2019 calendar year. Price and liquidity were factors used when determining execution with the execution venue. On a semi-annual basis QIC Limited and QEIS review the counterparty panel for appropriateness within the asset class. QEIS, and its parent company QIC Limited, have no close links to disclose within the Commodity Derivatives asset class and all Gifts and Benefits and Personal Financial Investments provided by any counterparties require pre-approval from QIC's Global Regulation team.



2.8 Other Instruments

Class of Instrument	Other instruments (Inflation Swaps)				
Notification if <1 average trade per business day in the previous year	Yes				
Top five execution venues ranked in terms of trading volumes	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
Goldman Sachs International (W22LROWP2IHZNBB6K528)	100%	100%	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

QEIS executed a small number of Inflation Swap trades over the 2019 calendar year. Price and liquidity were factors used when determining the venue of execution. On a semi-annual basis QIC Limited and QEIS review the counterparty panel for appropriateness within the asset class. QEIS, and its parent company QIC Limited, have no close links to disclose within the Other Instruments asset class and all Gifts and Benefits and Personal Financial Investments provided by any counterparties require pre-approval from QIC's Global Regulation team.