

**Irish Life Investment Managers (ILIM)
Annual Best Execution Disclosure 2019
March 2020**



INTRODUCTION

On an annual basis ILIM is obliged to provide disclosures on the execution venues utilised for each asset class, and information on execution quality, in accordance with ILIM's obligations under MiFID II. This report sets out the top 5 execution venues with whom ILIM traded during 2019.

ILIM's clients are classified as professional institutional clients. All sufficient steps are taken to obtain the best possible execution result on a consistent basis taking into account the execution factors of price, costs, speed, likelihood of execution and settlement, size and nature or any other consideration relevant to the execution of the client order. While the weighting and relevance of these factors may vary, price and cost of trading will ordinarily merit a high relative importance in obtaining the best possible result for a client. However, markets, instruments and transaction types vary greatly in terms of liquidity, depth, transparency, certainty, ease and speed of execution etc. ILIM may therefore take into consideration other execution criteria that alter the relative importance of execution elements. Such execution criteria may include, but are not limited to: prevailing market conditions; characteristics of the client and characteristics and size of the client order; characteristics of the financial instruments that are the subject of the order; characteristics of the execution venues to which that client order can be directed; and specific instructions received from the client.

ILIM takes a number of factors into account when selecting a broker to execute client orders, these may include but are not limited to: the competitiveness of commission rates and spreads, the speed of execution, the history of a broker in executing orders, the broker's clearance and settlement capabilities, the broker's financial stability, reputation and credit, the quality of service provided by that broker and the broker's access to markets. Brokers are selected in accordance with internal procedures and an approved broker list is maintained.

The ILIM Execution Committee oversees trade execution processes and outcomes in ILIM. The committee is comprised of: the Chief Investment Officer (CIO), the Head of Fund Management Operations (chair), and the heads of Indexation, Fixed Income, Quantitative Strategies, Dealing, Portfolio Construction and Settlements, and is supported by ILIM Compliance. The Execution Committee meets on a quarterly basis to review execution factors, market issues and regulatory updates. The ILIM Best Execution Policy is reviewed and updated by the committee annually or more frequently if required. ILIM maintains a list of approved brokers which is formally reviewed annually by the Execution Committee and is available to clients on request.

Equities – shares & depositary receipts

Notification if < 1 average trade per business day on the previous year.

N

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
Citigroup Equities (XKZZ2JZF41MRHTR1V493)	78.29%	25.89%	N/A	N/A	0.00%
Macquarie Securities (549300GX4FPMFF91RJ37)	7.17%	6.29%	N/A	N/A	0.00%
Barclays Bank PLC (G5GSEF7VJP5I7OUK5573)	3.53%	8.05%	N/A	N/A	0.00%
Societe Generale Securities (O2RNE8IBXP4R0TD8PU41)	2.99%	16.36%	N/A	N/A	0.00%
Goldman Sachs (W22LROWP2IHZNBB6K528)	1.56%	8.55%	N/A	N/A	0.00%

Execution Factors:

Equity Instrument orders are transmitted to approved brokers for execution. Brokers are selected in accordance with internal procedures. Price and cost will normally be the determining factor, the majority of trades are benchmarked to market on close price, in certain circumstances certainty of completion will take priority. Transaction Cost Analysis ('TCA') is conducted to identify and explain any deviations from benchmark.

Bonds – debt instruments

Notification if < 1 average trade per business day on the previous year.

N

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
Deutsche Bank AG (7LTFZYICNSX8D621K86)	21.93%	5.48%	N/A	N/A	0.00%
BNP Paribas (ROMUWSFPU8MPR08K5P83)	17.65%	8.91%	N/A	N/A	0.00%
JP Morgan Chase (K6Q0W1PS1L1O4IQL9C32)	15.38%	8.59%	N/A	N/A	0.00%
HSBC Bank PLC (MP6I5ZYZBEU3UXPYFY54)	14.20%	11.59%	N/A	N/A	0.00%
Citigroup (XKZZ2JZF41MRHTR1V493)	8.76%	6.57%	N/A	N/A	0.00%

Execution Factors:

Bonds are traded via Request for quote (“RFQ”) across multiple platforms, with careful consideration given liquidity and prevailing market conditions. On a post trade basis, all trades are measured against a composite price and analysed against agreed tolerance levels.

Interest Rate Derivatives – futures & options admitted to trading on a trading venue

Notification if < 1 average trade per business day on the previous year.

Y

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 (FOR8UP27PHTHYVLB NG30)	86.85%	94.23%	N/A	N/A	0.00%
Bank of America Merrill Lynch (GGDZP1UYGU9STUH RDP48)	5.64%	2.56%	N/A	N/A	0.00%
UBS Futures (REYPIEJN7XZHSUIO N355)	5.40%	1.92%	N/A	N/A	0.00%
JP Morgan Futures (7H6GLXDRUGQFU57 RNE97)	2.11%	1.28%	N/A	N/A	0.00%

Execution Factors:

Price and cost will normally be the determining factor, the majority of trades are benchmarked to their respective cash close. Transaction Cost Analysis is conducted to identify and explain any deviations from benchmark.

Currency Derivatives – futures & options admitted to trading on a trading venue

Notification if < 1 average trade per business day on the previous year.

N

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 (FOR8UP27PHT HYVLBNG30)	50.84%	89.36%	N/A	N/A	0.00%
JP Morgan Chase (7H6GLXDRUGQ FU57RNE97)	36.59%	4.26%	N/A	N/A	0.00%
Bank of America Merrill Lynch (GGDZP1UYGU9 STUHRDP48)	12.58%	6.38%	N/A	N/A	0.00%

Execution Factors:

Price and cost will normally be the determining factor, the majority of trades are benchmarked to their respective cash close (4pm Fix). Transaction Cost Analysis is conducted to identify and explain any deviations from benchmark.

Currency Derivatives – swaps, forwards and other currency derivatives

Notification if < 1 average trade per business day on the previous year.

N

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
State Street (571474TGEMMWA NRLN572)	31.53%	20.36%	N/A	N/A	0.00%
Citibank (E570DZWZ7FF32T WEFA76)	26.45%	46.38%	N/A	N/A	0.00%
Credit Agricole SA (1VU7VQFKUOQSJ21 A208)	14.17%	3.62%	N/A	N/A	0.00%
Commonwealth Bank (MSFSBD3QN1GSN7 Q6C537)	13.19%	3.18%	N/A	N/A	0.00%
Royal Bank of Canada (ES7IP3U3RHIGC71X BU11)	4.15%	2.18%	N/A	N/A	0.00%

Execution Factors:

The majority of trade are benchmarked to 4pm fix. Transaction cost analysis is conducted to identify and explain any deviations from benchmark. Material market orders are traded competitively and monitored on a post trade basis against the execution strike price provided by TCA vendor.

Equity Derivatives – options and futures admitted to trading on a trading venue

Notification if < 1 average trade per business day on the previous year.

N

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 (FOR8UP27PHTHYV LBNG30)	35.15%	84.33%	N/A	N/A	0.00%
Bank of America Merrill Lynch (GGDZP1UYGU9STU HRDP48)	21.20%	6.02%	N/A	N/A	0.00%
UBS (REYPIEJN7XZHSUI0 N355)	18.13%	5.93%	N/A	N/A	0.00%
JP Morgan Chase (7H6GLXDRUGQFU5 7RNE97)	13.60%	3.03%	N/A	N/A	0.00%
Susquehanna (635400IAV22ZOU1 NFS89)	9.59%	.48%	N/A	N/A	0.00%

Execution Factors:

Price and cost will normally be the determining factor, the majority of trades are benchmarked to their respective cash close. Transaction cost analysis is conducted to identify and explain any deviations from benchmark.

Commodity Derivatives – other commodity derivatives and emission allowances derivatives

Notification if < 1 average trade per business day on the previous year.

Y

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
GOLMAN SACHS (FOR8UP27PHTHYVLB NG30)	100%	100%	N/A	N/A	0.00%

Execution Factors:

Commodity swap is an OTC derivative product with Goldman Sachs. Instructions are sent to the swap counterparty for execution and there is an internal daily process to ensure the swap is tracking its chosen index.

Exchange Traded Products

Top five execution venues ranked in terms of trading volume	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
GFI Group Inc (GUNTJCA81C7IHNB GI392)	90.52%	8.95%	N/A	N/A	0.00%
Bernstein Algo (54930049G8WQ5O OUSD19)	7.53%	60.90%	N/A	N/A	0.00%
Citigroup Equities (XKZZ2JZF41MRHTR1 V493)	.90%	19.61%	N/A	N/A	0.00%
Macquarie Securities (549300GX4FPMFF91 RJ37)	.32%	4.66%	N/A	N/A	0.00%
Societe Generale Securities (O2RNE8IBXP4R0TD8 PU41)	.30%	1.84%	N/A	N/A	0.00%

Execution Factors:

Price and cost will normally be the determining factor when trading in ETFs, the majority of trades are benchmarked to market on close, in certain circumstances certainty of completion will take priority. Transaction cost analysis is conducted to identify and explain any deviations from benchmark.

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Past performance, forecasts and simulated performance may not be a reliable guide to future performance

Investments may go down as well as up

Changes in currency exchange rates may have an adverse effect on the value, price or income of the product

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