



# Irish Life Investment Managers (ILIM) Annual Best Execution Disclosure 2021

April 2022



# 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 five execution venues with whom ILIM traded during 2021.

ILIM's clients are classified as Professional 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; Size of the client order; characteristics of the financial instruments that are the subject of the client 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 Chief Operations Officer - Investments (COO, chair), the Heads of Indexation, Fixed Income, Credit Solutions, Dealing and Investment Risk, Senior Managers from Dealing, Multi-Asset Solutions and Multi-Asset Strategies and the Trade Support Manager. It 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
<b>Citigroup Global Markets</b> (XKZZ2JZF41MRHTR1V493)	80.08%	17.05%	N/A	N/A	0.00%
<b>Goldman Sachs</b> (W22LROWP2IHZNBB6K528)	6.28%	32.29%	N/A	N/A	0.00%
<b>JP Morgan Securities</b> (K6Q0W1PS1L1O4IQL9C32)	4.76%	16.90%	N/A	N/A	0.00%
<b>Merrill Lynch International</b> (GGDZP1UYGU9STUHRDP48)	1.87%	5.75%	N/A	N/A	0.00%
<b>Macquarie Securities</b> (549300GX4FPMFF91RJ37)	1.66%	0.94%	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. TCA is conducted to identify and explain 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
<b>JP Morgan Securities</b> (K6Q0W1PS1L1O4IQL9C32)	39.17%	9.49%	N/A	N/A	0.00%
<b>HSBC Bank PLC</b> (MP6I5ZYZBEU3UXPYFY54)	16.63%	4.30%	N/A	N/A	0.00%
<b>Deutsche Bank AG</b> (7LTFWZYICNSX8D621K86)	14.40%	5.55%	N/A	N/A	0.00%
<b>BNP Paribas</b> (R0MUWSFPU8MPRO8K5P83)	7.61%	5.17%	N/A	N/A	0.00%
<b>Merrill Lynch International</b> (GGDZP1UYGU9STUHRDP48)	6.42%	6.76%	N/A	N/A	0.00%

**Execution Factors:**

All bonds are traded through a Request for quote (“RFQ”) with a minimum of 5 counterparties put into competition, dealing at the best quote. On a post trade basis, TCA is conducted to identify and explain deviations from benchmark.

# Interest Rate 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 (FOR8UP27PHTHYVLBNG30)	100%	100%	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. TCA is conducted to identify and explain 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. 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
<b>Goldman Sachs</b> (FOR8UP27PHTHYVLBNG30)	77.60%	96.61%	N/A	N/A	0.00%
<b>BOFA Securities Europe SA</b> (549300FH0WJAPEHTIQ77)	22.40%	3.39%	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). Transaction Cost Analysis is conducted to identify and explain 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
<b>Citibank</b> (E57ODZWZ7FF32TWEFA76)	36.01%	26.77%	N/A	N/A	0.00%
<b>State Street</b> (571474TGEMMWANRLN572)	23.57%	25.92%	N/A	N/A	0.00%
<b>Royal Bank of Canada</b> (ES7IP3U3RHIGC71XBU11)	9.98%	2.30%	N/A	N/A	0.00%
<b>Bank of New York Mellon</b> (HPFHU0OQ28E4N0NFVK49)	9.20%	9.84%	N/A	N/A	0.00%
<b>Commonwealth Bank of Australia</b> (MSFSBD3QN1GSN7Q6C537)	7.35%	2.11%	N/A	N/A	0.00%

#### Execution Factors:

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

# 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
<b>Goldman Sachs</b> (FOR8UP27PHTHYVLBNG30)	37.67%	86.57%	N/A	N/A	0.00%
<b>BOFA Securities Europe SA</b> (549300FH0WJAPEHTIQ77)	33.93%	10.19%	N/A	N/A	0.00%
<b>Susquehanna</b> (635400IAV22ZOU1NFS89)	11.11%	0.33%	N/A	N/A	0.00%
<b>UBS AG</b> (BFM8T61CT2L1QCEMIK50)	6.17%	2.35%	N/A	N/A	0.00%
<b>Optiver V.O.F</b> (7245009KRY SAYB2QCC29)	4.17%	0.11%	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. TCA is conducted to identify and explain 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
Goldman Sachs (FOR8UP27PHTHYVLBNG30)	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

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
<b>Aurel BGC</b> (5RJTDGZG4559ESIYLD31)	87.49%	9.02%	N/A	N/A	0.00%
<b>Barclays Bank</b> (G5GSEF7VJP5I7OUK5573)	4.07%	0.09%	N/A	N/A	0.00%
<b>Macquarie Securities</b> (549300GX4FPMFF91RJ37)	3.86%	0.09%	N/A	N/A	0.00%
<b>Citigroup Global Markets</b> (XKZZ2JZF41MRHTR1V493)	2.27%	37.79%	N/A	N/A	0.00%
<b>Stanford C. Bernstein</b> (549300W30847BJ1LD502)	1.73%	43.65%	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. TCA is conducted to identify and explain deviations from benchmark.



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