



Setanta Asset Management (Setanta)

Annual Best Execution Disclosure 2018

April 2019

SETANTA
Asset Management

Introduction

- › On an annual basis Setanta is obliged to provide disclosures on the execution venues utilised for each asset class, and information on execution quality, in accordance with Setanta's obligations under MiFID II. This report sets out the top 5 execution venues with whom Setanta traded during 2018.
- › Setanta'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. Setanta 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.
- › Setanta 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 Setanta Execution Committee oversees trade execution processes and outcomes in Setanta. The committee is comprised of: the Chief Investment Officer (CIO), The Head of Multi-Asset Funds, the Setanta Operations Managers and a representative from the Dealing and Compliance teams. The Execution Committee meets on a quarterly basis to review execution factors, market issues and regulatory updates. The Setanta Best Execution Policy is reviewed and updated by the committee annually or more frequently if required. Setanta 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.

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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 (XKZZ2JZF41MRHTR1V493)	36.55%	60.56%	N/A	N/A	0.00%
Instinet (213800MXAKR2LA1VBM44)	19.54%	9.42%	N/A	N/A	0.00%
Cantor Fitzgerald (549300KM6VUHPKQLQX53)	11.25%	6.27%	N/A	N/A	0.00%
Numis Securities Ltd (213800P3F4RT97WDSX47)	10.74%	1.53%	N/A	N/A	0.00%
Davys Equities (63540061DPCBNMCGRY22)	4.76%	3.77%	N/A	N/A	0.00%

Execution Factors:

› Equity orders are transmitted to approved brokers for execution. Brokers are selected in accordance with internal procedures. Price, cost and the quality of execution will normally be the determining factor but in certain circumstances certainty of completion will take priority. Benchmarks can vary, and a daily Transaction Cost Analysis ('TCA') process is in place to identify and explain any deviations from benchmark.

Bonds – Debt Instruments

› 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
JP Morgan Chase (K6Q0W1PS1L1O4IQ L9C32)	44.52%	23.25%	N/A	N/A	0.00%
Citigroup Equities (XKZZ2JZF41MRHTR 1V493)	9.11%	8.12%	N/A	N/A	0.00%
BBVA FI (K8MS7FD7N5Z2WQ51 AZ71)	6.82%	1.48%	N/A	N/A	0.00%
HSBC Fixed Interest (MP6I5ZYZBEU3UXP YFY54)	6.40%	7.75%	N/A	N/A	0.00%
Societe Generale (O2RNE8IBXP4R0TD 8PU41)	6.28%	5.17%	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 , all trades are measured against a composite price and analysed against agreed tolerance levels.

Currency Derivatives – swaps, forwards and other currency 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
Citibank (XKZZ2JZF41MRHT R1V493)	99.93%	84.09%	N/A	N/A	0.00%
CIBC Mellon (2IGI19DL77OX0HC 3ZE78)	0.07%	15.91%	N/A	N/A	0.00%

Execution Factors:

› Transaction cost analysis is conducted to identify and explain any deviations from benchmark. All orders are monitored on a post trade basis against the execution strike price provided by our TCA vendor.

Exchange Traded Products

› 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
GFI Group (GUNTJCA81C7IHN BGI392)	87.90%	8.84%	N/A	N/A	0.00%
Citibank (XKZZ2JZF41MRHT R1V493)	11.83%	88.44%	N/A	N/A	0.00%
Macquarie Securities (549300GX4FPMFF91 RJ37)	0.20%	1.36%	N/A	N/A	0.00%
Citigroup Equities (XKZZ2JZF41MRHT R1V493)	0.07%	0.68%	N/A	N/A	0.00%
Bernstein Algo (XKZZ2JZF41MRHT R1V493)	0.01%	0.68%	N/A	N/A	0.00%

Execution Factors:

› Equity orders are transmitted to approved brokers for execution. Brokers are selected in accordance with internal procedures. Price, cost and the quality of execution will normally be the determining factor but in certain circumstances certainty of completion will take priority. Benchmarks can vary, and a daily Transaction Cost Analysis ('TCA') process is in place to identify and explain any deviations from benchmark.

IMPORTANT INFORMATION

Setanta Asset Management Limited is regulated by the Central Bank of Ireland.

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.

This material is for information only and does not constitute an offer or recommendation to buy or sell any investment and has not been prepared based on the financial needs or objectives of any particular person. It is intended for the use of institutional and other professional investors.