

## **Introduction**

Investment firms are required to summarise and make public, on an annual basis, the top five execution venues used in relation to the volume of trades placed across a range of financial instruments. Investment firms are required to publish this summary data for trades they have executed themselves and also for trades placed with other firms for execution.

The statements and data tables below are based on trades executed between 1 January 2018 and 31 December 2018 for Canada Life Investments (CLI), and have not been classified as either passive or aggressive trading.

## **Debt Instruments: Bonds and Money Market Instruments**

### **Execution Factors**

The availability of information on the venues means CLI Fixed Income team is able to determine the level of liquidity for a particular trade and carry out price discovery.

Canada Life Investments places the highest importance on

1. Price
2. Likelihood of execution.

Also taken into consideration are:

3. Size of trade
4. Trade idea generation.

CLI uses the following MTF's for Fixed Income execution:

- Bloomberg
- MarketAxess

## **Equity and Equity Like**

### **Execution Factors**

For most trades, due to the availability of liquidity across a number of venues and the availability of in-depth price discovery, CLI placed the highest importance on price and then costs associated with execution. For less liquid stocks, the likelihood of execution increases in priority but is unlikely to have replaced price or cost as the most important factor.

1. Price
2. Costs
3. Size of trade
4. Likelihood of Execution

Some executions for listed equities and exchange traded funds (ETFs) have been executed by CLI directly via a Multilateral Trading Facility (MTF) or a Recognised Investment Exchange (RIE). The main venues used are:

- Liquidnet (MTF)
- ITG Posit (MTF)
- Bloomberg (MTF)
- CBOE Europe (RIE)

#### **Close link, conflicts of interest, and common ownerships with respect to any execution venues**

CLI does not have any close links, common ownership or other relationships that would give rise to any conflicts of interest with any of the execution venues or brokers used.

#### **Specific arrangements with any execution venues**

CLI does not receive any payments, discounts, rebates or non-monetary benefits in its trading arrangements. The inducement and research rules of the Financial Conduct Authority (FCA) prohibit investment firms which carry out portfolio management services from receiving inducements (other than acceptable minor non-monetary benefits) in relation to those services. Minor non-monetary benefits must be of a scale and nature that could not be judged to impair CLI compliance with its duty to act honestly, fairly and professionally in the best interests of the client. CLI also monitors and requires pre-clearance of gifts and hospitality to ensure that it is not induced to use one execution venue over another.

#### **Change to the list of execution Venues**

There were no changes to execution venues during the course of 2018. However, a number of changes were made to CLI's authorised broker list.

#### **Client Categorisation**

Canada Life Investments currently does not have any retail clients. All execution decisions are made in accordance to a single policy. In accordance with the Order Execution Policy CLI do not differentiate between different categories of clients.

#### **Data from execution quality**

CLI use an independent Transaction Cost Analysis (TCA) provider to assist with its detailed monitoring of execution quality achieved from execution brokers where orders are placed. These reports have been analysed and presented to all relevant parties in the Order Execution Committee on a quarterly basis. Based on the results CLI believes to the best of its knowledge that all executions are in line with best execution principles and in house monitoring processes.

**Canada Life Investments Annual report (Article 65(6)) - 2018**



Period start	01/01/2018
Period end	31/12/2018

Client type	Professional
Interaction	Placement

Class of Instrument	Debt instruments, Bonds		
Notification if <1 average trade per business day in the previous year	No		
	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 directed orders
<b>Top five investment firms ranked in terms of trading volumes (descending order)</b>			
HSBC EQUITY (UK) LIMITED   2138003DRV1L5Q9ABH50	11.66	9.96	0
LLOYDS BANK PLC   H7FNTJ4851HG0EXQ1Z70	10.41	5.3	0
NATWEST MARKETS PLC   RR3QWICWWIPCS8A4S074	9.06	5.99	0
RBC Europe Limited   TXDSU46SXBWIGJ8G8E98	7.76	6.14	0
BARCLAYS CAPITAL SECURITIES LIMITED   K9WDOH4D2PYBSLSOB484	7.26	5.49	0

Class of Instrument	Debt instruments, Money markets instruments		
Notification if <1 average trade per business day in the previous year	Yes		
	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 directed orders
<b>Top five investment firms ranked in terms of trading volumes (descending order)</b>			
TD Securities Limited   H71H6FPHX49CGFTF4J23	35.59	10.33	0
J.P. MORGAN SECURITIES PLC   K6Q0W1PS1L1O4IQL9C32	19.36	8.92	0
Citigroup Global Markets Limited   XKZZ2JZF41MRHTR1V493	10.46	5.16	0
Nomura International PLC   DGQCSV2PHVF712743539	10.02	2.35	0
Danske Bank A/S   MAES062Z21O4RZ2U7M96	4.29	12.2	0

Class of Instrument	Equities – Shares & Depositary Receipts Tick size liquidity band 1 and 2		
Notification if <1 average trade per business day in the previous year	No		
	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 directed orders
<b>Top five investment firms ranked in terms of trading volumes (descending order)</b>			
CLSA (UK)   213800VZMAGVIU2IJA72	33.49	65.72	0
CHINA INTERNATIONAL CAPITAL CORPORATION (UK) LIMITED   213800STG3UV87MDGA96	18.31	5.31	0
CGS-CIMB SECURITIES (HONG KONG) LIMITED   213800QRM76KC7Q86N58	9.84	5.17	0
INSTINET EUROPE LIMITED   213800MXAKR2LA1VBM44	8.42	3.49	0
GOLDMAN SACHS INTERNATIONAL   W22LROWP2IHZNBB6K528	7.6	5.1	0

Class of Instrument	Equities – Shares & Depositary Receipts Tick size liquidity band 3 and 4		
Notification if <1 average trade per business day in the previous year	No		
	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 directed orders
<b>Top five investment firms ranked in terms of trading volumes (descending order)</b>			
RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED   213800GH3F4OW1COOV72	12.23	5.22	0
Sanford C. Bernstein Limited   54930049G8WQ500USD19	10.06	37.51	0
INVESTMENT TECHNOLOGY GROUP LIMITED   213800EEC95PRUCEUP63	9.5	5.52	0
CLSA (UK)   213800VZMAGVIU2IJA72	8.34	20.66	0
J.P. MORGAN SECURITIES PLC   K6Q0W1PS1L1O4IQL9C32	6.44	2.61	0

Class of Instrument	Equities – Shares & Depositary Receipts Tick size liquidity band 5 and 6		
Notification if <1 average trade per business day in the previous year	No		
	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 directed orders
<b>Top five investment firms ranked in terms of trading volumes (descending order)</b>			
RBC Europe Limited   TXDSU46SXBWIGJ8G8E98	17.56	12.71	0
Sanford C. Bernstein Limited   54930049G8WQ500USD19	13.55	48.76	0
WILLIAM BLAIR INTERNATIONAL, LTD   213800D836LM6FFK9U60	10.26	3.09	0
TAVIRA SECURITIES LIMITED   213800KDMRJLS2KX8Z18	8.99	1.81	0
RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED   213800GH3F4OW1COOV72	7.27	2.5	0

<b>Class of Instrument</b>	<b>Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)</b>		
<b>Notification if &lt;1 average trade per business day in the previous year</b>	<b>Yes</b>		
<b>Top five investment firms ranked in terms of trading volumes (descending order)</b>	<b>Proportion of volume traded as a percentage of total in that class</b>	<b>Proportion of orders executed as percentage of total in that class</b>	<b>Percentage of directed orders</b>
INVESTMENT TECHNOLOGY GROUP LIMITED   213800EEC95PRUCEUP63	33.46	41.49	0
MIRSEC PARTNERS LLP   213800JJOWD9ZACAB696	20.92	14.89	0
MACQUARIE CAPITAL (EUROPE) LIMITED   549300GX4FPMFF91RJ37	17.43	14.89	0
RBC Europe Limited   TXDSU46SXBWIGJ8G8E98	15.26	2.66	0
Flow Traders B.V.   549300CLJI9XDH12XV51	3.68	1.6	0

<b>Class of Instrument</b>	<b>Securitized Derivatives, Warrants and Certificate Derivatives</b>		
<b>Notification if &lt;1 average trade per business day in the previous year</b>	<b>Yes</b>		
<b>Top five investment firms ranked in terms of trading volumes (descending order)</b>	<b>Proportion of volume traded as a percentage of total in that class</b>	<b>Proportion of orders executed as percentage of total in that class</b>	<b>Percentage of directed orders</b>
CHINA INTERNATIONAL CAPITAL CORPORATION (UK) LIMITED   213800STG3UV87MDGA96	100	100	0

Class of Instrument	Other instruments		
Notification if <1 average trade per business day in the previous year	No		
Top five investment firms ranked in terms of trading volumes (descending order)	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 directed orders
Bank of America Merrill Lynch International Limited   EYKN6V0ZCB8VD9IULB80	19.58	9.3	0
Cooperatieve Rabobank U.A.   DG3RU1DBUFHT4ZF9WN62	17.19	10.34	0
CANTOR FITZGERALD EUROPE   549300KM6VUHPKQLQX53	11.39	9.3	0
J.P. MORGAN SECURITIES PLC   K6Q0W1PS1L1O4IQL9C32	11.13	7.49	0
UBS Limited   REYPIEJN7XZHSUI0N355	10.16	7.75	0