



AIG ASSET MANAGEMENT (EUROPE) LIMITED

RTS 28
Disclosure
01-Jan-2018 –
31-Dec-2018



AIG ASSET MANAGEMENT (EUROPE) LIMITED (“AAMEL”)

2018 RTS BEST EXECUTION REPORT

Introduction

This document has been prepared for the purposes of Article 3 (3) of Regulatory Technical Standard 28 (**RTS 28**) supplementing Markets in Financial Instruments Directive 2014/65/EU (**MiFID II**) and covers the period 1 January 2018 to 31 December 2018.

The information contained within this document summarises trading for AAMEL as:

- 1) The top five counterparties per MiFID asset class,
- 2) The top five execution venues per MiFID asset class.

AAMEL executes transactions as agent on behalf of its clients as per investment management agreements. It does not execute orders as principal.

AAMEL uses Bloomberg as its primary order management system (“OMS”) and the results contained within this report have been produced directly from the system.

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3a An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution

Price and Liquidity are generally deemed as the most important execution factors when performing execution of client orders, however in certain circumstances (depending on market conditions) likelihood of execution and settlement may take precedence to all other factors.

3b A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders

There have been no close links, conflicts of interests or common ownerships with any execution venues or counterparties used by AAMEL.

3c A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;

AAMEL does not have any specific arrangements with any execution venues regarding payments made and has not received discounts, rebates or non-monetary benefits.

3d An explanation of the factors that led to a change in the list of execution venues listed in the firm’s execution policy, if such a change occurred;

There were no material changes to the execution venues listed in AAMEL’s order execution policy during 2018.

e An explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements;

Not applicable. All AAMEL clients are categorised as professional.

3f An explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client;

Not applicable. All AAMEL clients are categorised as professional.

3g An explanation of how the investment firm has used any data or tools relating to the quality of execution.

The first line of defence to achieve best execution is a role performed by AAMEL’s trading team. AAMEL’s policy is to source competing quotes from an appropriate number of counterparties. The trading team select counterparties based on their experience in dealing with the specific class of asset, axes shown and likelihood of execution in particular markets. AAMEL only executes trades with counterparties who are approved for trading according to internal policy. This involves following a documented process for onboarding new counterparties including, but not limited to, obtaining appropriate regulatory checks, ERM analysis of credit worthiness (trading limits are applied upon approval) and suitable AML and KYC checks.

The second line of defence, is undertaken by AAMEL’s compliance team by performing post trade monitoring of all transactions on a daily basis using a market standard Transaction Cost Analysis tool, which is embedded into the OMS. Any trades highlighted by the tool as being outside a specified tolerance price level with the absence of an obvious reason will require justification from the relevant trader; an audit trail is maintained to evidence explanations provided.

3h Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

Not available for Fixed Income.



Venues

AAMEL's opinion is that the venues used to execute orders on behalf of its clients are appropriate to evidence "all sufficient" steps have been taken to obtain the best possible result. The majority of public fixed income orders (bonds) that are eligible to trade on venue are traded on the Bloomberg MTF platform.

Tables

Top Five Execution Brokers:

Class of Instrument	Debt Instruments: Bonds				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (decending order)	Proportion of volume traded as a percentage of total in that class	Proportion or orders executed as percentage of total in that class	Percentage of Passive Orders	Percentage of aggressive Orders	Percentage of directed Orders
BARCLAYS CAPITAL SECURITIES LIMITED (K9WDOH4D2PYBSLSOB484)	8.51594	8.774584	0	100	0
J.P. MORGAN SECURITIES PLC (K6Q0W1PS1L1O4IQL9C32)	8.077464	9.379728	0	100	0
HSBC BANK PLC (MP6I5ZYZBEU3UXPYFY54)	7.104022	5.748865	0	100	0
BNP PARIBAS UK LIMITED (CGKPTULO6IHC1NOM75)	7.029952	5.900151	0	100	0
CITIGROUP GLOBAL MARKETS LIMITED (XKZZ2JZF41MRHTR1V493)	5.810238	4.84115	0	100	0

Class of Instrument	Debt Instruments: Money Markets				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (decending order)	Proportion of volume traded as a percentage of total in that class	Proportion or orders executed as percentage of total in that class	Percentage of Passive Orders	Percentage of aggressive Orders	Percentage of directed Orders
NATIXIS S.A (KX1WK48MPD4Y2NCUIZ63 / TYNATXTD)	27.454347	24.628313	0	100	0
CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK (1VUV7VQFKUQJSJ21A208 / TYCRAGTD)	13.237968	12.540401	0	100	0
SUMITOMO MITSUI BANKING CORPORATION (5U0XI89JRFVHWIBS4F54 / TYSUMIEU)	12.551037	10.051713	0	100	0
UNITED OVERSEAS BANK LIMITED (IO66REGK3RCBAMA8HR66 / TYUOBLDN)	7.948825	4.330963	0	100	0
NATIONAL AUSTRALIA BANK (F8SB4JFBSYQFRQEH3Z21 / TYNABTD)	7.945084	4.912734	0	100	0



Class of Instrument	Interest Rate Derivatives: Swaps, Forwards and other Interest Rate Derivatives				
Notification if <1 average trade per business day in the previous year	Y				
Top five execution venues ranked in terms of trading volumes (decending order)	Proportion of volume traded as a percentage of total in that class	Proportion or orders executed as percentage of total in that class	Percentage of Passive Orders	Percentage of aggressive Orders	Percentage of directed Orders
AIG MARKETS, INC. (0LUS0MCIV69Q7ZI25D03 / GCM AIG MKTS)	50	50	0	100	0
JPMORGAN CHASE & CO (815DZWZKVSZ11NUHU748 / GCM JPM)	44.056611	33.333333	0	100	0
CITIBANK N.A (E570DZWZ7FF32TWEFA76 / GCM CITI)	5.943389	16.666667	0	100	0

Class of Instrument	Structured Finance Instruments				
Notification if <1 average trade per business day in the previous year	Y				
Top five execution venues ranked in terms of trading volumes (decending order)	Proportion of volume traded as a percentage of total in that class	Proportion or orders executed as percentage of total in that class	Percentage of Passive Orders	Percentage of aggressive Orders	Percentage of directed Orders
BARCLAYS CAPITAL SECURITIES LIMITED (K9WDOH4D2PYBSLSOB484)	31.972656	26.666667	0	100	0
MORGAN STANLEY & CO. INTERNATIONAL PLC (4PQUHN3JPF GFNF3BB653)	13.445085	2.222222	0	100	0
CITIGROUP GLOBAL MARKETS LIMITED (XKZZ2JZF41MRHTR1V493)	9.726718	1.111111	0	100	0



Top Five Execution Venues:

Class of Instrument	Debt Instruments: Bonds	
Notification if <1 average trade per business day in the previous year	N	
Top five execution venues ranked in terms of volume (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
BMTF	88.751453	84.465409
XOFF (Off Venue)	9.470987	10.188679
MAEL	1.354047	4.025157
MarketAxes	0.423513	1.320755

Class of Instrument	Debt Instruments: Money Markets	
Notification if <1 average trade per business day in the previous year	N	
Top five execution venues ranked in terms of volume (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
XOFF (Off Venue)	100	100

Class of Instrument	Interest Rate Derivatives: Swaps, Forwards and other Interest Rate Derivatives	
Notification if <1 average trade per business day in the previous year	Y	
Top five execution venues ranked in terms of volume (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
XOFF (Off Venue)	100	100



Class of Instrument	Currency Derivatives: Swaps, Forwards and Other Currency Derivatives	
Notification if <1 average trade per business day in the previous year	Y	
Top five execution venues ranked in terms of volume (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
XOFF (Off Venue)	58.209537	68.468469
FXGO	35.225257	24.324324
AIG MARKETS, INC. (0LUS0MCIV69Q7ZI25D03)	6.559803	6.306306
THE STANDARD BANK OF SOUTH AFRICA (QFC8ZCW3Q5PRXU1XTM60)	0.005404	0.900901

Class of Instrument	Structured Finance Instruments	
Notification if <1 average trade per business day in the previous year	Y	
Top five execution venues ranked in terms of volume (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class
XOFF (Off Venue)	100	100