



# Order Handling & Best Execution Policy

Compliance

August 2023

## Contents

Introduction .....	2
Scope.....	2
Overview of WHC&B Order Execution Activity.....	2
Defined Contribution Pension Schemes .....	3
Reception and transmission.....	3
Review and Monitoring.....	3
Scheme Employee Access .....	3
Consent .....	3
Risks .....	4
Disclosure.....	4
Conflicts of Interest.....	4
Inducements .....	4
Review, Monitoring & Reporting .....	4
Record Retention .....	5
Contact.....	5
Definitions.....	5
Appendix 1 – Top 5 Venues .....	5
DC Pension Scheme investments in Collective Investment Schemes.....	5
<a href="https://www.wtwco.com/en-IE/notices/regulatory-and-legal-disclosures-ireland">https://www.wtwco.com/en-IE/notices/regulatory-and-legal-disclosures-ireland</a> .....	5
Appendix 2 – Requirements under Article 3(3) of RTS 28 .....	6
DC Pension Schemes investments in Collective Investment Schemes .....	6

## Introduction

In accordance with the regulatory requirements collectively known as MiFID II, this document sets out WHC&Bs Policy and arrangements for complying with its obligation to take all sufficient steps to obtain the best possible result for its clients.

## Scope

The Policy applies only to clients who submit Orders in ‘financial instruments’ to WHC&B for transmission to a third party for execution.

## Overview of WHC&B Order Execution Activity

The only order execution activities within the WHC&B Business occur when:

1. Receiving and transmitting orders for Defined Contribution Pension Schemes of WHC&B dealing solely in units in Collective Investment Schemes (CIS)

Willis Human Capital & Benefits (Ireland) Limited, is regulated by the Central Bank of Ireland.

## Defined Contribution Pension Schemes

The receiving and transmitting of orders for investment in CIS are always made directly with the respective authorised fund manager (AFM).

As orders are submitted directly to the AFM or via their specified execution venue, best execution is limited. The AFM determines the price by reference to value of assets held by the fund and costs in lines with the fund prospectus and regulations. WHC&B considers that price is not a factor when assessing the quality of execution as there is only one route to execution, for each transaction, through which the price of the transaction is determined. The costs of each transaction are fixed so cost is also not a factor when assessing the quality of execution. The speed of execution is not a factor to be considered as there are pre-agreed dealing times for subscribing and redeeming collective investment schemes, as dictated by the venue. We consider that the size of the order is a factor in assessing the quality of execution, however, this is only a factor if a dilution levy is applied to the order. In assessing the quality of execution for transactions in collective investment schemes, we place relatively high importance on how quickly the order to subscribe or redeem units is transacted once placed with the investment manager.

## Reception and transmission

For CIS WHC&B monitor the AFM to ensure orders are not delayed, are submitted successfully and receive the price within the timescales set out by the AFMs agreement with the Trustees and within the relevant Service Level Agreements (SLA). All SLAs are to be reviewed annually to ensure that there is no obstruction to Best Execution being achieved for Clients.

Orders are submitted electronically via CPAS where we have electronic trading (Straight Through Processing (“STP”)) with the investment manager. For investment managers for whom we trade with manually (i.e., where the manager does not support STP), the subscription and redemption instructions are generated by CPAS and emailed, faxed, or posted to the investment manager for execution, in line with the investment managers specific requirements.

## Review and Monitoring

Service Level Agreement (SLA) reports are generated from the workflow management tool. This identifies whether tasks were completed within the agreed SLA. The SLAs built into the workflow management tool are tighter than our actual client SLAs so gives a buffer if there are any issues. These SLA reports cover all steps within each process, end to end. SLA reports will be generated and reviewed on a daily basis and are reviewed by both the team leaders and team manager.

## Scheme Employee Access

All information relating to scheme employee orders are available on the individuals [pension portal](#).

## Consent

WHC&B is required to ensure that clients have received this Policy prior to trading. Clients and individual employees of corporate pension schemes will be deemed to have confirmed receipt of this document when accepting WHC&B's terms and conditions, letter of engagement, statement of work or by submitting an order. The policy, and all further updated versions, is maintained on the [Regulatory and Legal Disclosures website](#).

## Risks

As outlined in the Letter of Engagement investing in a pension fund involves a degree of risk. The value of investments and the income from them can go down as well as up, and past performance is not a guide to future performance. The level of risk depends on the underlying assets in which the pension fund is invested. Please see Schedule 6 of the Letter of Engagement for further information.

## Disclosure

WHC&B will summarise and publish on an annual basis, for each class of financial instruments the five top execution venues (if applicable) in terms of trading volumes where orders were executed in the preceding year and information on the quality of the execution obtained.

## Conflicts of Interest

It is a fundamental requirement for a financial services firm to identify and manage conflicts of interest. This is central to the duty of care we owe to our clients. Willis HC&B Ireland Limited will take all appropriate steps to identify conflicts, manage them effectively and to treat our clients fairly.

Please refer to Schedule 5 of our Letter of Engagement for further details.

## Inducements

For employee guidance on inducements please refer to the [internal procedures](#):

WTW entities that are subject to MiFID, have implemented MiFID Inducements Procedures which supplement the existing WTW Group Gifts, Entertainment and Hospitality Procedures and ensure that conflicts are properly addressed. One common form of inducement is the provision of 'free' investment research.

When providing discretionary portfolio management and/or independent investment advisory services pursuant to MIFID II, we may only receive from third parties:

- research received in accordance with the applicable legal and regulatory requirements;
- inducements that are permitted minor non-monetary benefits and do not (and are not likely to) impair our duty to act in the best interests of our clients; or
- fees or commissions designed to enhance the quality of our services to you and where meet all of the considerations applicable thereto under the relevant requirements to which we are subject as an authorised investment firm. We shall disclose all relevant details to you as required by virtue of our authorised status.

We may receive research in return for direct payments from our own resources.

For employee guidance on Investment Research see the [internal procedures](#):

## Review, Monitoring & Reporting

WHC&B will monitor on a regular basis the effectiveness of this Policy. Where appropriate, WHC&B will correct any deficiencies. Reporting on Best execution will occur on a regular basis to the Board.

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WHC&B will review this Policy at least annually or when a material change occurs.

## Record Retention

All communication relating to the receipt and transmission of orders must be held on record for up to 7 years.

## Contact

For more information about this policy or if the online system is preventing an instruction from being submitted, please contact us:

For DC Pension Schemes: [hcb.help@willistowerswatson.com](mailto:hcb.help@willistowerswatson.com)

## Definitions

**AFM** – an Authorised Fund Manager is authorised and regulated in Ireland by the CBI and develop, host, launch and operate CBI authorised Collective Investment Schemes. They are responsible for implementing a fund’s investment strategy and managing its portfolio trading activities.

**Best execution** – the duty of an investment services firm receiving and transmitting/executing or submitting orders on behalf of customers to ensure the best execution possible for their client orders.

**CIS** – collective investment schemes are arrangements that enable a number of investors to pool their assets and have these professionally managed by an independent manager.

**CPAS** - administration platform where investment instructions are generated and processed.

**Dilution Levy** – an extra charge placed on a transaction by a fund manager to offset any significant movement in the price of a fund that may be generated by a large order.

**Order** - an order is an instruction to buy or sell a financial instrument which is accepted by WHC&B for onward transmission to a third party and which gives rise to contractual or agency obligations to the client.

## Appendix 1 – Top 5 Venues

DC Pension Scheme investments in Collective Investment Schemes Disclosures

<https://www.wtwco.com/en-IE/notices/regulatory-and-legal-disclosures-ireland>

## Appendix 2 – Requirements under Article 3(3) of RTS 28

**Directive 2014/65/EU.**

### **RTS 28 Report for the period 1st January to 31 December 2022**

Under MiFID II we are required on an annual basis to provide information in respect of WHC&B's Order Execution Policy. This is known as an RTS 28/Art. 65(6) Report (RTS 28 Report).

Set out below are the responses of Willis Human Capital & Benefits ("WHC&B" or the "firm") that are required to be provided under Article 3(3) of RTS 28. This provides a summary of the analysis and conclusions based upon WHC&B monitoring of the quality of execution obtained on the execution venues executed in 2022 on behalf of clients.

Within the RTS 28 Report, under MiFID II, we also are required to publish the top five execution venues where we execute client orders in the preceding year detailing the trading volumes and the quality of these execution venues. Please see separately the WHC&B website for this information

### DC Pension Schemes investments in Collective Investment Schemes

***(a) an explanation of the relative importance the firm gave to the execution factors of price, cost, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;***

The orders tend to be placed through the completion of a subscription or redemption instruction which is sent to the relevant collective investment scheme's administrator.

In respect of collective investment scheme orders WHC&B considers that price is not a factor when assessing the quality of execution as there is only one route to execution, for each transaction, through which the price of the transaction is determined.

The costs of each transaction are fixed so cost is also not a factor when assessing the quality of execution.

The speed of execution is not a factor to be considered as there are pre-agreed dealing times for subscribing and redeeming collective investment schemes, as dictated by the venue.

We consider that the size of the order is a factor in assessing the quality of execution, however, this is only a factor if a dilution levy is applied to the order.

In assessing the quality of execution for transactions in collective investment schemes, WHC&B place relatively high importance on how quickly the order to subscribe or redeem units is transacted.

***(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.***

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Conflicts of interest

There were no conflicts of interest identified during calendar year 2022.

***(c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates, or non-monetary benefits received.***

All arrangements that WHC&B have with execution venues ensure the best possible outcome for our clients. All the fee discounts and rebates in their entirety flow through and benefit clients and do not benefit the firm in any way.

WHC&B do not receive from or provide any payments or non-monetary benefits to asset managers other than payments for services that they provide to us.

WHC&B have fee discount arrangements in place with four of the top five execution venues reported. The fee discounts are for some, but not all, of the products managed by each of the execution venues.

WHC&B have appropriate gifts and hospitality policies. WHC&B has assessed all records of Gifts and Hospitality received over calendar year 2022, in relation to the top five venues with which WHC&B has transacted over the period. No records relate to the receipt of non-monetary benefits of a non-minor nature.

***(d) 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.***

Following the go live of the Lifesight Master Trust offering it is expected that LGIM will continue to lead the execution venues.

***(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.***

All DC Pension Schemes clients are professional trustees and therefore treated as professional clients.

***(f) 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.***

The orders are placed through the completion of a subscription or redemption instruction which is sent to the relevant collective investment scheme's Administrator. In respect of collective investment scheme orders WHC&B considers that price is not a factor when assessing the quality of execution as there is only one route to execution, for each transaction, through which the price of the transaction is determined. The costs of each transaction are fixed so cost is also not a factor when assessing the quality of execution. The speed of execution is not a factor to be considered as there are pre-agreed dealing times for subscribing and redeeming collective investment schemes, as dictated by the venue. We consider that the size of the order is a factor in assessing the quality of execution, however, this is only a factor if a dilution levy is applied to the order. In assessing the quality of

execution WHC&B for transactions in collective investment schemes, we place relatively high importance on how quickly the order to subscribe or redeem units is transacted.

***(g) an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575 [RTS 27].***

WHC&B has not used any data or tools relating to the quality of execution

The firm's Order Execution Policy is reviewed on at least an annual basis. On a regular basis WHC&B will have dialogue with relevant execution venues and, where appropriate, will propose changes to processes to correct any potential deficiencies (including its own internal execution processes).

***(h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider.***

This is not applicable to WHC&B as it has not signed up to a consolidated tape provider or accessed data from a consolidated tape provider.

#### **Ownership and version control**

Business Function Owner: Outsourcing/TAS

Document Sponsor: Amanda Dempsey

Approval Forum: Board of WHC&B

Owners:	Version	Created	Last Review	Board Review
Amanda Dempsey	1.1	08/10/2019	06/10/2020	20/10/2020
Amanda Dempsey	2.0	11/04/2023	11/04/2023	11/04/2023
Amanda Dempsey	2.1	16/08/2023	17/08/2023	17/08/2023