



MIFID II – RTS 28

MILLIMAN FINANCIAL STRATEGIES B.V. – 2021 REPORT

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In line with the Directive 2014/65/EU investment firms should publish an assessment of quality of execution in relation to trading venues, market makers, and other liquidity providers. In this report Milliman Financial Standards BV (MFS BV) performed the required assessment and included top five execution venues / brokers based on 2021 data.

Senior management statement

The Senior Management Board of MFS BV approves the assessment of the execution quality presented in this report. MFS BV considers it has met its requirements and obligations towards clients outlined in the Best Execution Policy. At the same time, we continue to monitor the quality of trading services provided and look for improvements in processes related to trading strategies, counterparties and venues selection, and operational efficiencies.

Client categorization

In 2021 MFS BV only served clients which are categorized as Professional Clients. Eligible Counterparties nor Retails Clients were serviced by MFS BV.

Execution factors

MFS BV executes orders in relation to financial instruments on behalf of its clients. There are two methods that it can use to execute those orders that are distinguished:

- MFS BV can execute the relevant order on behalf of the client directly with a counterparty or on an exchange or other trading system (e.g., by dealing directly with a market maker on a “request for quote” basis). The counterparty, exchange, or trading system with which MFS BV chooses to execute such order is an Execution Venue.
- MFS BV can place an order as agent with a third party (e.g., another broker or investment bank) and / or another entity within the Milliman Group for that third party or group entity to execute on behalf of the client. Such entities are referred to as Brokers.

In the case of OTC transactions, MFS BV will conduct an auction by inviting bids from eligible counterparties and take all sufficient steps to obtain the best possible result for the client, taking into account all relevant execution factors according to the MFS BV Best Execution Policy, such as:

- Price
- Costs
- Speed
- Likelihood of execution and settlement
- Size
- Nature or any other consideration relevant to the execution of the order

When executing orders or decisions in OTC transactions, MFS BV will check the fairness of the price, by gathering market data used in the estimation of the price of the OTC products and, where possible, by comparing with similar or comparable products.

In the case of ETD transactions, MFS BV will transmit orders to brokers via algorithms or voice.

Trade aggregation and allocation

Trade orders will be placed for execution as expeditiously as possible, in compliance with the client’s applicable advisory and service level agreement(s). Trade orders will be placed for execution in such manner and at such time as MFS BV considers appropriate, taking into account any specific client instructions and MFS BV’s fiduciary obligation to the client.

MFS BV does not exercise execution precedence for one client over another, and trades are placed for execution on a first-come, first-served basis, in line with the core guiding principle of treating all client orders and executions fairly, promptly, and expeditiously.

MFS BV does not carry out a client order of a transaction in aggregation with other client orders.

Assessment of the quality of execution (overall assessment)

MFS BV continuously evaluates the quality of execution with selected brokers and platforms. The list of trading counterparties is initially provided by MFS BV clients, but periodically assessed together with clients.

Following 2021 all six execution factors outlined in the previous section were assessed. Consistent uncompetitive pricing lead to some dealers losing priority ranking in the RFQ process. In some cases the speed factor could play a role: despite that MFS BV performs trading on electronic platforms and expects swift response as some dealers require a substantial amount of time to manually feed live quotes. The size factor did not play a significant role as all trading counterparties were able to quote and absorb inquired trading amounts. The costs and the likelihood of execution / settlement factors were evaluated at similar levels across trading counterparties as MFS BV did not encounter any significant issues here.

Next to the above, the following aspects are normally considered in the periodic quality of execution review:

- Transaction costs analytics against clients' benchmarks
- Volumes traded
- Hit ratio
- Ability to provide liquidity for bespoke / non-standard structures
- Overall responsiveness of a counterparty
- Operational resilience of clearing and settlement capabilities
- Compliance with regulatory framework

Based on 2021 execution results, MFS BV in cooperation with our clients decided to amend the list of trading counterparties:

- Counterparties that did not manage to provide competitive pricing have been either removed from the trading list or given less priority in trading flows.
- Following the United Kingdom leaving the European Union, any broker without presence in the European Union trading centers has been removed from the counterparties' list.
- New brokers with presence in the European Union were added to the list.

MFS BV concludes that the overall trading and broker evaluation process for 2021 was in line with the Best Execution Policy.

Close links, conflicts of interest, common ownership

MFS BV does not have any conflicts of interest with executing venues. MFS BV has no qualified ownership or close links with an entity used for execution.

Compliance statement

Based on review of this document and underlying policy, the compliance officer believes MFS BV has adhered to its written policies and procedures during the year 2021.

Top 5 – Annual report

EQUITIES — SHARES & DEPOSITARY RECEIPTS

MFS BV performed no execution in this class of financial instruments in 2021.

DEBT INSTRUMENTS

MFS BV performed no execution in this class of financial instruments in 2021.

INTEREST RATES DERIVATIVES

Counterparty report

Class of Instrument	Futures and options admitted to trading on a trading venue				
Notification if < 1 average trade per business day in the previous year	Y				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class traded	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Bank of Montreal (NQQ6HPCNCU6TUTQYE16)	38.4%	11.1%	N/A	N/A	N/A
CREDIT SUISSE INTERNATIONAL (E58DKGMJYYYJLN8C3868)	37.0%	67.0%	N/A	N/A	N/A
STONEX FINANCIAL INC. (549300LNKU6K5TJCRG93)	24.7%	22.2%	N/A	N/A	N/A

Class of Instrument	Swaps, swaptions, and other interest rates derivatives				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class traded	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SOCIETE GENERALE (O2RNE8IBXP4R0TD8PU41)	39.0%	19.6%	N/A	N/A	N/A
J.P. Morgan SE (549300ZK53CNGEEI6A29)	32.0%	40.7%	N/A	N/A	N/A
BNP PARIBAS (ROMUWSFPU8MPRO8K5P83)	20.9%	30.4%	N/A	N/A	N/A
BARCLAYS BANK PLC (G5GSEF7VIP5I7OUK5573)	2.9%	1.4%	N/A	N/A	N/A
NATWEST MARKETS PLC (LEIRR3QWICWWIPCSA45074)	2.5%	2.1%	N/A	N/A	N/A

Execution venue report

Class of Instrument	Swaps, forwards, and other interest rates derivatives				
Notification if < 1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class traded	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
TW SEF LLC (5493003NKIZWOQGS5U67)	100.00%	100.00%	N/A	N/A	N/A

CREDIT DERIVATIVES

MFS BV performed no execution in this class of financial instruments in 2021.

CURRENCY DERIVATIVES

Counterparty report

Class of Instrument	Futures and options admitted to trading on a trading venue				
Notification if < 1 average trade per business day in the previous year	Y				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class traded	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
CREDIT SUISSE INTERNATIONAL (E58DKGMJYYYJLN8C3868)	99.9%	98.4%	N/A	N/A	N/A
GOLDMAN SACHS INTERNATIONAL (W22LROWP2IHZNBB6K528)	0.1%	1.6%	N/A	N/A	N/A

Class of Instrument	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 trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class traded	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
THE TORONTO-DOMINION BANK (PT3QB789TSUIDF371261)	100%	100%	N/A	N/A	N/A

STRUCTURED FINANCE INSTRUMENTS

MFS BV performed no execution in this class of financial instruments in 2021.

EQUITY DERIVATIVES**Counterparty report**

Class of Instrument	Options and Futures admitted to trading on a trading venue				
Notification if < 1 average trade per business day in the previous year	Y				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class traded	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
CREDIT SUISSE INTERNATIONAL (E58DKGMJYYYJLN8C3868)	95.6%	88.2%	N/A	N/A	N/A
STONEX FINANCIAL INC. (549300LNKU6K5TJCRG93)	2.5%	6.2%	N/A	N/A	N/A
Bank of Montreal (NQQ6HPCNCCU6TUTQYE16)	1.7%	4.5%	N/A	N/A	N/A
GOLDMAN SACHS INTERNATIONAL (W22LROWP2IHZNBB6K528)	0.2%	1.1%	N/A	N/A	N/A

SECURITIZED DERIVATIVES

MFS BV performed no execution in this class of financial instruments in 2021.

COMMODITIES DERIVATIVES AND EMISSION ALLOWANCES DERIVATIVES

MFS BV performed no execution in this class of financial instruments in 2021.

CONTRACTS FOR DIFFERENCE

MFS BV performed no execution in this class of financial instruments in 2021.

EXCHANGE TRADED PRODUCTS (EXCHANGE TRADED FUNDS, EXCHANGE TRADED NOTES AND EXCHANGE TRADED COMMODITIES)

MFS BV performed no execution in this class of financial instruments in 2021.

EMISSION ALLOWANCES

MFS BV performed no execution in this class of financial instruments in 2021.

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