

IDENTITY OF EXECUTION VENUES AND QUALITY OF EXECUTION

2017

Introduction

The Firm's Order Execution Policy sets out the parameters for executing client orders. We take all sufficient steps to obtain the best possible result for our clients by abiding by this policy. Aside from the explicit best execution rules explained in the policy, we have an overriding duty to act honestly, fairly and professionally in accordance with the best interests of our clients at all time.

Decisions to trade are made by the portfolio managers on a discretionary basis on behalf of our clients and transmitted to other entities for execution. The Firm does not have retail clients, therefore we do not treat different categories of clients differently.

During 2017, we significantly restructured our approved broker list due to the following factors:

1. Decision to implement Commission Sharing Agreements for selected brokers
2. Departure of the European Equity Team
3. Arrival of the Fixed Income Team

The Firm placed a small proportion of equity orders with a close affiliate, Sanlam Securities UK Limited. We have a broker approval process in place and a Conflicts of Interest Policy in order to minimise the risks of disadvantaging our clients. We do not consider this a conflict of interest as they are subject to the same Best Execution rules as all other venues. No orders were executed with any close affiliates for any other asset class.

The Firm placed a significant proportion of Collective Investment Scheme orders with a close affiliate, Sanlam Asset Management Ireland. For such investments there is no double management fee (e.g. the Sanlam Fund invests into a zero fee class) and the preliminary/initial/redemption charge is waived. Prior to investing in Funds managed by other Sanlam affiliates, we inform investors (through the prospectus or supplement) that such a strategy may be followed by the specific Fund.

The execution venue for CIS is limited to the Management Company of the Fund, therefore there is no scope to consider execution factors when trading CIS.

Sanlam FOUR does not receive any form of remuneration, discount or non-monetary benefit for directing orders to a particular venue or broker for execution. The selection of a broker for an order is driven solely by the factors and inputs as described in our Order Execution Policy.

We have a Dealing Oversight Committee in place where the quality of execution obtained on the execution venues and potential changes to the list of approved brokers is discussed on a regular basis.

The relative importance the Firm has given to the various execution factors are described in detail for each asset class within this document.

Client Type	PROFESSIONAL		
Class of Instrument	EQUITIES		
Notification if <1 average trade per business day in the previous year	NO		
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 directed orders
JP Morgan Securities PLC	22.6%	32.6%	0%
Citigroup Global Markets Limited	10.6%	9.4%	0%
Sanford C. Bernstein Limited	10.1%	7.7%	0%
Instinet Europe Limited	10.0%	9.2%	0%
Robert W. Baird Incorporated	7.9%	7.1%	0%

We consider a number of execution strategies, trading entities and venues in order to facilitate the most appropriate choice. The execution factors in order of importance were:

1. Price and liquidity
2. Speed and likelihood of execution
3. Size and nature of the order
4. Costs
5. Likelihood of settlement

The relative importance of each of these factors may vary slightly depending on 1) the intent of the investment manager who created the order and 2) the characteristics of the order, financial instrument and the execution venue.

Client Type	PROFESSIONAL		
Class of Instrument	FIXED INCOME		
Notification if <1 average trade per business day in the previous year	NO		
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 directed orders
JP Morgan Securities PLC	26.0%	26.5%	0%
Deutsche Bank Aktiengesellschaft	22.9%	15.5%	0%
The Royal Bank of Scotland Plc	20.0%	16.5%	0%
Jefferies International Limited	10.2%	7.7%	0%
Citigroup Global Markets Limited	10.0%	11.6%	0%

The execution factors considered, in order of importance, were:

1. Likelihood of execution and settlement
2. Size and nature of order
3. Price
4. Costs

The relative importance of each of these factors may vary, for example, if a bond is liquid, then price will be considered the most important factor.

Price discovery is one of the most challenging aspect of trading Fixed Income. Generally, we use MTF's as they provide a better price discovery function.

Client Type	PROFESSIONAL		
Class of Instrument	EXCHANGE TRADED PRODUCTS (including Funds)		
Notification if <1 average trade per business day in the previous year	YES		
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 directed orders
BNP Paribas	71.2%	60%	0%
Instinet Europe Limited	28.8%	40%	0%
N/A			
N/A			
N/A			

We use a small number of selected brokers to execute Exchange Traded Products due to the very low volumes traded, as highlighted in the table as <1 average trade per business day, and also their experience in trading ETF's. We tend to trade liquid and vanilla ETF's, therefore the execution factors considered were as follows:

1. Price
2. Size
3. Speed and likelihood of execution
4. Cost

Client Type	PROFESSIONAL		
Class of Instrument	EQUITY DERIVATIVES – OPTIONS & FUTURES ADMITTED TO TRADING ON A TRADING VENUE		
Notification if <1 average trade per business day in the previous year	NO		
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 directed orders
BNP Paribas	68.8%	36.7%	0%
JP Morgan Securities Plc	31.2%	61.9%	0%
Revere Securities	0.1%	1.4%	0%
N/A			
N/A			

When we trade Exchange Traded Derivatives, we execute the order on the regulated market on which the instrument is listed. Currently, there are no alternative markets or liquidity platforms. We use a small number of selected brokers due to the relatively low volumes, and the execution factors considered were:

1. Price
2. Speed
3. Likelihood of execution and settlement
4. Cost

Client Type	PROFESSIONAL		
Class of Instrument	CURRENCY DERIVATIVES – FORWARD FX		
Notification if <1 average trade per business day in the previous year	NO		
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 directed orders
Brown Brothers Harriman	100%	100%	0%
N/A			
N/A			
N/A			
N/A			

We trade Forward FX for stock hedging purposes. Brown Brothers Harriman is the custodian for the funds currently trading FFX and therefore the following factors were considered in order of importance:

1. Speed and likelihood of execution
2. Likelihood of settlement
3. Price
4. Costs

Client Type	PROFESSIONAL		
Class of Instrument	OTHER – COLLECTIVE INVESTMENT SCHEMES		
Notification if <1 average trade per business day in the previous year	NO		
Top five execution venues (Management Co's) 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 directed orders
Sanlam Asset Management Ireland Limited	37.4%	52.7%	0%
BlackRock Asset Management Ireland	15.7%	3.8%	0%
Janus Henderson Investors, Luxembourg	12.1%	1.1%	0%
Janus Henderson Investors, UK	6.5%	3.8%	0%
Invesco Fund Managers Limited, UK	5.0%	1.5%	0%

The execution venue for Collective Investment Schemes is limited to the Management Company of a particular fund, therefore execution factors cannot be considered when trading CIS.