IDENTITY OF EXECUTION VENUES AND QUALITY OF EXECUTION

2020

**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 Fund 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.

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.

No orders for any other asset classes were executed with any close affiliates.

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.

The following changes were made to the approved broker list in 2020:

* All Equity and Fixed Income execution brokers removed in June 2020 to move across to outsource Centralised Dealing Desk with Northern Trust Securities LLP.

Sanlam Investments 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 Product Overview Committee in place where the quality of execution obtained on the execution venues is discussed on a regular basis. The RTS 27 report has not been proven to be a useful tool for reviewing broker and is not used in this assessment.

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

\*Equities with no tick size are those traded outside of the EU and are not maintained within the FIRDS database.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type | Professional | | | | |
| Class of Instrument | Equities - Shares and Depositary Receipts | | | | |
| Notification if <1 average trade per business day in the previous year | No | | | | |
| Top five execution venues 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 a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| J.P. MORGAN SECURITIES PLC K6Q0W1PS1L1O4IQL9C32 | 46.68 | 70.36 | N/A | N/A | N/A |
| INSTINET EUROPE LIMITED 213800MXAKR2LA1VBM44 | 35.52 | 19.91 | N/A | N/A | N/A |
| NORTHERN TRUST SECURITIES LLP 549300EF8AZLRG0UC208 | 13.63 | 8.25 | N/A | N/A | N/A |
| MORGAN STANLEY & CO. INTERNATIONAL PLC 4PQUHN3JPFGFNF3BB653 | 4.17 | 1.48 | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |

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.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type | Professional | | | | |
| Class of Instrument | Equities - Shares and Depositary Receipts: Tick size liquidity bands 1 and 2 | | | | |
| Notification if <1 average trade per business day in the previous year | No | | | | |
| Top five execution venues 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 a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| NORTHERN TRUST SECURITIES LLP  549300EF8AZLRG0UC208 | 38.18 | 43.50 | N/A | N/A | N/A |
| CITIGROUP GLOBAL MARKETS LIMITED  XKZZ2JZF41MRHTR1V493 | 17.09 | 16.65 | N/A | N/A | N/A |
| ROBERT W. BAIRD & CO. INCORPORATED  549300772UJAHRD6LO53 | 11.49 | 11.01 | N/A | N/A | N/A |
| J.P. MORGAN SECURITIES PLC  K6Q0W1PS1L1O4IQL9C32 | 9.48 | 11.27 | N/A | N/A | N/A |
| MORGAN STANLEY & CO. INTERNATIONAL PLC  4PQUHN3JPFGFNF3BB653 | 7.64 | 7.43 | N/A | N/A | N/A |

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.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type | Professional | | | | |
| Class of Instrument | Equities - Shares and Depositary Receipts: Tick size liquidity bands 3 and 4 | | | | |
| Notification if <1 average trade per business day in the previous year | No | | | | |
| Top five execution venues 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 a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| NORTHERN TRUST SECURITIES LLP  549300EF8AZLRG0UC208 | 53.13 | 49.94 | N/A | N/A | N/A |
| CITIGROUP GLOBAL MARKETS LIMITED  XKZZ2JZF41MRHTR1V493 | 15.52 | 13.46 | N/A | N/A | N/A |
| J.P. MORGAN SECURITIES PLC  K6Q0W1PS1L1O4IQL9C32 | 10.81 | 15.94 | N/A | N/A | N/A |
| ROBERT W. BAIRD & CO. INCORPORATED  549300772UJAHRD6LO53 | 7.63 | 9.47 | N/A | N/A | N/A |
| INSTINET EUROPE LIMITED  213800MXAKR2LA1VBM44 | 5.84 | 4.46 | N/A | N/A | N/A |

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.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type | Professional | | | | |
| Class of Instrument | Equities - Shares and Depositary Receipts: Tick size liquidity bands 5 and 6 | | | | |
| Notification if <1 average trade per business day in the previous year | No | | | | |
| Top five execution venues 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 a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| NORTHERN TRUST SECURITIES LLP  549300EF8AZLRG0UC208 | 48.59 | 53.58 | N/A | N/A | N/A |
| CITIGROUP GLOBAL MARKETS LIMITED  XKZZ2JZF41MRHTR1V493 | 12.18 | 12.72 | N/A | N/A | N/A |
| MORGAN STANLEY & CO. INTERNATIONAL PLC  4PQUHN3JPFGFNF3BB653 | 10.41 | 7.97 | N/A | N/A | N/A |
| J.P. MORGAN SECURITIES PLC  K6Q0W1PS1L1O4IQL9C32 | 5.32 | 8.20 | N/A | N/A | N/A |
| ROBERT W. BAIRD & CO. INCORPORATED  549300772UJAHRD6LO53 | 4.34 | 5.19 | N/A | N/A | N/A |

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.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type | Professional | | | | |
| Class of Instrument | Equity Derivatives: Futures and Options Admitted to Trading on a Trading Venue | | | | |
| Notification if <1 average trade per business day in the previous year | Yes | | | | |
| Top five execution venues 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 a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| J.P. MORGAN SECURITIES PLC  K6Q0W1PS1L1O4IQL9C32 | 100 | 100 | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | 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. Costs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type | Professional | | | | |
| Class of Instrument | Equity Derivatives: Swaps and Other Equity Derivatives | | | | |
| Notification if <1 average trade per business day in the previous year | Yes | | | | |
| Top five execution venues 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 a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| J.P. MORGAN SECURITIES PLC  K6Q0W1PS1L1O4IQL9C32 | 100 | 100 | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |

When we trade Equity 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. Costs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type | Professional | | | | |
| Class of Instrument | Exchange Traded Products (Exchange Traded Funds, Exchange Traded Notes and Exchange Traded Commodities) | | | | |
| Notification if <1 average trade per business day in the previous year | Yes | | | | |
| Top five execution venues 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 a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| NORTHERN TRUST SECURITIES LLP  549300EF8AZLRG0UC208 | 74.12 | 6.76 | N/A | N/A | N/A |
| INSTINET EUROPE LIMITED  213800MXAKR2LA1VBM44 | 24.72 | 83.85 | N/A | N/A | N/A |
| COWEN AND COMPANY, LLC  549300WR155U7DVMIW58 | 1.16 | 9.40 | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | 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, 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. Costs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type | Professional | | | | |
| 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 | Yes | | | | |
| Top five execution venues 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 a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| J.P. MORGAN SECURITIES PLC  K6Q0W1PS1L1O4IQL9C32 | 100 | 100 | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |

When we trade Interest Rate 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. Costs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type | Professional | | | | |
| Class of Instrument | Debt Instruments: Bonds | | | | |
| Notification if <1 average trade per business day in the previous year | Yes | | | | |
| Top five execution venues 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 a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| NORTHERN TRUST SECURITIES LLP  549300EF8AZLRG0UC208 | 100 | 100 | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |

Northern Trust do not have any discretion when processing instructions; however in order to ensure they act in our best interests, they will consider the following criteria where applicable:

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type | Professional - VENUE | | | | |
| Class of Instrument | Debt Instruments: Bonds | | | | |
| Notification if <1 average trade per business day in the previous year | Yes | | | | |
| Top five execution venues 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 a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| BMTF | 100 | 100 | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |

All orders are executed on Bloomberg MTF.

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

1. Likelihood of execution and settlement
2. Price and size
3. Liquidity

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. We use Bloomberg MTF as they provide a better price discovery function.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type | Professional | | | | |
| Class of Instrument | Other Instruments | | | | |
| Notification if <1 average trade per business day in the previous year | Yes | | | | |
| Top five execution venues 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 a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| INSTINET EUROPE LIMITED  213800MXAKR2LA1VBM44 | 67.07 | 13.65 | N/A | N/A | N/A |
| J.P. MORGAN SECURITIES PLC  K6Q0W1PS1L1O4IQL9C32 | 26.19 | 71.96 | N/A | N/A | N/A |
| NORTHERN TRUST SECURITIES LLP  549300EF8AZLRG0UC208 | 6.74 | 14.39 | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |

The instrument class includes only one security which is a listed business trust. 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.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type | Professional | | | | |
| Class of Instrument | Currency Derivatives: Swaps, Forwards and Other Currency Derivatives | | | | |
| Notification if <1 average trade per business day in the previous year | Yes | | | | |
| Top five execution venues 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 a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| BROWN BROTHERS HARRIMAN INVESTOR SERVICES LTD.  213800VABJKY29IV2756  This is the LEI and the legal entity's reference data, enabling identification, are below. | 98.77 | 96.97 | N/A | N/A | N/A |
| BANK OF NEW YORK MELLON  549300ZEO4BKB37E3J03  This is the LEI and the legal entity's reference data, enabling identification, are below. | 1.23 | 3.03 | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |

We trade Forward FX for stock hedging purposes. Brown Brothers Harriman and Bank of New York Mellon 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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 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 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 a percentage of total in that class | Percentage of passive orders | Percentage of aggressive orders | Percentage of directed orders |
| Sanlam Asset Management (Ireland) Ltd  635400KUWYMYXHJIHY79 | 82.47 | 78.6 | N/A | N/A | N/A |
| Investment Fund Services Limited  213800DZI61BLTFP9I46 | 7.59 | 6.55 | N/A | N/A | N/A |
| BlackRock Fund Managers Limited  549300XGPOF48GVY4D26 | 6.31 | 13.1 | N/A | N/A | N/A |
| Legg Mason Investments Europe Limited  549300I4IWZC41Q74S65 | 1.05 | 0.87 | N/A | N/A | N/A |
| Schroder UT Managers  2138002ENGNNMA7WK626 | 1.05 | 0.87 | N/A | N/A | N/A |

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