

IDENTITY OF EXECUTION VENUES AND BROKERS
QUALITY OF EXECUTION REPORT
Sanlam Private Investments (UK) Ltd

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.

There may be various reasons for executing client orders undertaken as part of a number of possible contractual relationships with a client, namely discretionary, advisory or execution-only. In order to meet these distinct needs, we have investigated and considered a number of execution strategies and trading entities and venues in order to facilitate the most appropriate choice.

Sanlam has both professional and retail clients. We always strive to obtain the best outcome for our clients. Hence, Sanlam may exercise its judgment in the best interest of our clients, given the different needs and requirements. This report presents the trading entities for the firm's collective investment scheme professional clients only. The small number of segregated professional client accounts that the firm has are included in the Retail Client report.

The Firm placed client 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 all of our brokers are subject to the same Best Execution rules and 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 by the brokers and any potential changes to the list of approved brokers are 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.

Class of Instrument	Equities – Shares & Depository Receipts - Professional				
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	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Bloomberg Tradebook	61.7%	44.8%	100%	0%	0%
Sanlam Securities UK Limited	21.2%	45.5%	100%	0%	0%
Sanford C. Bernstein Ltd	13.1%	8.7%	100%	0%	0%
Sanford C. Bernstein Ltd (Hong Kong)	2.6%	0.5%	100%	0%	0%
Redburn (Europe) Ltd	1.3%	0.3%	100%	0%	0%

We consider a number of execution strategies and trading entities 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.

Class of Instrument	Debt instruments - Professional				
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	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Deutsche Bank AG	35.2%	25.5%	100%	0%	0%
Royal Bank of Scotland	29.8%	27.9%	100%	0%	0%
Jefferies International	23.4%	18.1%	100%	0%	0%
JP Morgan	6.0%	6.4%	100%	0%	0%
Barclays	2.0%	2.5%	100%	0%	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 aspects of trading Fixed Income. Generally, we use Multi-Lateral Trading Facilities (MTFs) as they provide a better price discovery function.