

**IDENTITY OF EXECUTION VENUES AND BROKERS
QUALITY OF EXECUTION
Sanlam Private Investments (UK) Ltd
Retail Clients**

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. Specifically, best execution for retail client orders is assessed on the basis of "total consideration" which is the sum of the price and the costs incurred by clients. This report includes orders arising from discretionary, advisory and execution-only business undertaken for segregated clients' accounts. The majority of these are retail clients' accounts but a small number are professional client accounts. In 2017, the Firm did not have the operational capacity to differentiate how it handled orders between retail client and professional client accounts within our segregated account business. We have now enhanced our processes and will be able to differentiate between retail client and professional client orders in our reports from 2018 onwards.

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 - Retail				
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
Sanlam Securities UK Limited	69.7%	13.5%	100%	0%	0%
Winterflood Securities Limited	26.5%	86.4%	100%	0%	0%
Sanford C. Bernstein Ltd (Hong Kong)	3.8%	0.1%	100%	0%	0%

We consider a number of execution strategies and trading entities/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. Costs
4. Size and nature of the order
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 - Retail				
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
Winterflood Gilts Limited	73.8%	88.0%	100%	0%	0%
CIBC World Markets PLC	8.9%	3.5%	100%	0%	0%
Guy Butler	7.2%	2.0%	100%	0%	0%
Sanlam Securities UK Limited	6.1%	3.4%	100%	0%	0%
Winterflood Securities Limited	1.5%	0.3%	100%	0%	0%

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

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

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.

Class of Instrument	Currency derivatives - Retail				
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
AFEX Limited	100.0%	100.0%	100%	0%	0%

We trade Forward FX for stock hedging purposes 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

Class of Instrument	Other securitized derivatives – Retail				
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
Catley Lakeman Securities	90.4%	79.6%	100%	0%	0%
CIBC World Markets PLC	2.8%	0.9%	100%	0%	0%
Credit Suisse Securities Ltd	2.1%	12.7%	100%	0%	0%
UBS Limited	0.7%	5.7%	100%	0%	0%
Sanlam Securities UK Limited	0.5%	0.4%	100%	0%	0%

We are responsible for the issuer selection, evaluating best execution on behalf of our clients and selecting the issuers that deliver the best possible result in respect of the execution of structured products.

For primary offerings, we will generally compare multiple bids. In most cases, the issuer selection is a result of best deal economics. In the majority of situations, secondary offerings are required to be executed with the same dealer which facilitated in the initial issuance of the products. The execution factors we took into consideration were:

1. Product availability
2. Price
3. Cost
4. Liquidity

Class of Instrument	Exchange traded products (exchange traded funds, exchange traded notes and exchange traded commodities) - Retail				
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
Sanlam Securities UK Limited	84.9%	11.7%	100%	0%	0%
Winterflood Securities Limited	13.8%	88.2%	100%	0%	0%
Bloomberg Tradebook	1.3%	0.1%	100%	0%	0%

We tend to trade liquid and vanilla ETFs, therefore the execution factors considered were as follow:

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

Class of Instrument	Other Instruments - Retail				
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
M&G Group	10.0%	3.0%	100%	0%	0%
Sanlam Asset Management (Ireland) Limited	9.7%	6.2%	100%	0%	0%
Fidelity International	8.0%	8.3%	100%	0%	0%
Jupiter Asset Management	4.5%	3.6%	100%	0%	0%
Invesco Asset Management Limited	4.4%	3.9%	100%	0%	0%

As per MiFID II's RTS 28 "Appendix I - Asset Classes for Annual Reporting definition", the class "Other Instruments" includes convertible bonds, collective investment schemes (CIS), private assets and Security Financing Transactions (SFTs).

The table above represents our trades in CIS. For orders in collective investment schemes (e.g. Unit Trusts, OEICs) we will place the order directly with the relevant fund manager/platform provider and/or the operator of the collective investment scheme, which consider as best execution.