

**QUALITY OF EXECUTION AND
REGULATORY TECHNICAL
STANDARD 28 REPORT 2019**



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INTRODUCTION

This document contains the annual disclosure of information required by Regulatory Technical Standard 28 of the MIFID II regulation for the year ended 31st December 2019. This disclosure is for the Sarasin Group of companies, which are Sarasin & Partners LLP, Sarasin Asset Management Limited, Sarasin Investment Funds Limited and Sarasin Funds Management (Ireland) Limited (in their capacity as fund management companies of a number of authorised funds), together “Sarasin”. Sarasin Investment Funds Limited and Sarasin Funds Management (Ireland) Limited have appointed Sarasin & Partners LLP (S&P) as investment manager to the funds. These Regulations require asset managers, to disclose their top 5 venues based on trading volumes, along with a summary of the analysis and conclusions made on the quality of execution.

When executing orders, we consider various criteria to determine the relative importance of the execution factors. These include characteristics of the client order; the characteristics of the financial instruments in which we are dealing; and the characteristics of the execution venues to which that type of order can be directed. Orders of Retail and Professional Clients are generally not distinguished for execution as this is not a factor that changes the relative importance of the execution factors on a transaction by transaction basis.

We will carry out transactions in financial instruments by either placing an order with a broker or by dealing directly with a trading venue - which may include a multi-lateral trading facility (MTF), organised trading facility (OTF) or a systematic internaliser (SI)). Where we have traded with execution venues as is the case with Bonds, we have also provided the underlying broker information for completeness.

We can only trade with counterparties who are on Sarasin’s approved list of counterparties. Every counterparty must undergo a thorough assessment to ascertain whether they meet the criteria for approval, using both quantitative and qualitative data, and will be subject to ongoing monitoring. We ensure that all counterparties have arrangements in place that allow us to comply with our obligation to provide the best possible outcome for our clients.

At present, there are no consolidated tape providers established in Europe. Therefore, we have not used consolidated tape provider data in evaluating the quality of execution obtained.

We do not receive any payments, discounts, rebates or non-monetary benefits as a consequence of our trading relationships, except for minor non-monetary benefits as allowed by the FCA. We do not trade with any affiliated entities, unless mandated by clients for certain FX transactions with their nominated Custodian.

To assist in measuring best execution we use independent Transaction Cost Analysis (TCA) reports and data, along with in-house data from other independent sources. Our Best Execution Forum monitors the effectiveness of the execution arrangements.

FIRST LINE OF DEFENCE MONITORING

Equities: For Equity orders, we operate an exception-based approach. Trades that fall outside of tolerance are flagged on a T+1 basis. These tolerance levels have been agreed by the Best Execution Forum. For any exceptions noted, the Dealing Desk will provide a rationale, which is evaluated on a monthly basis by the Best Execution Forum.

Bonds and Listed Derivatives: For derivatives and bonds, we use internal data to ensure competing quotes have been obtained where relevant. Any trades where three brokers were not selected are flagged and discussed on a monthly basis at the Best Execution Forum meeting.

OTC (Swaps/CFDs): To ensure best execution we request quotes from a minimum of three counterparties and select the cheapest financing rate. Details of these quotes are stored and reviewed by the Best Execution Forum. Orders and quotes are communicated with brokers by email and therefore an audit trail is maintained. FX Forwards: Prices are monitored against a benchmark.

SECOND LINE OF DEFENCE MONITORING

The second line teams perform independent monitoring according to a risk-based monitoring plan (or on an ad hoc basis when necessary) to verify the adequacy and effectiveness of the measures and procedures.

1. EQUITIES – SHARES, DEPOSITARY RECEIPTS AND ETFs

Class of Instrument		Equities – Shares & Depositary Receipts: Tick size liquidity band 1 and 2 (from 0-79 trades a day)			
Notification if < 1 average trade per business day in the previous year.	No				
Top 5 Brokers ranked in terms of volume	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in the class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Atlantic Equities LLP (213800327M9B4D9S1553)	21.46%	1.93%	N/A	N/A	0%
HSBC Bank Limited (MP6I5ZYZBEU3UXPYFY54)	14.56%	40.24%	N/A	N/A	0%
UBS AG (BFM8T61CT2L1QCCEMIK50)	11.67%	19.94%	N/A	N/A	0%
Virtu (549300346EFUPFCXJT79)	9.30%	0.22%	N/A	N/A	0%
Instinet Europe Limited (213800MXAKR2LA1VBM44)	8.74%	2.32%	N/A	N/A	0%

Class of Instrument		Equities – Shares & Depositary Receipts: Tick size liquidity band 3 and 4 (from 80-1999 trades per day)			
Notification if < 1 average trade per business day in the previous year.	No				
Top 5 Brokers ranked in terms of volume	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in the class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Atlantic Equities LLP (213800327M9B4D9S1553)	19.28%	1.30%	N/A	N/A	0%
HSBC Bank Limited (MP6I5ZYZBEU3UXPYFY54)	14.81%	3.00%	N/A	N/A	0%
Numis Securities (213800P3F4RT97WDSX47)	11.09%	9.08%	N/A	N/A	0%
UBS AG (BFM8T61CT2L1QCCEMIK50)	9.71%	14.20%	N/A	N/A	0%
HSBC Bank Limited (MP6I5ZYZBEU3UXPYFY54)	8.73%	29.11%	N/A	N/A	0%

Class of Instrument		Equities – Shares & Depository Receipts: Tick size liquidity band 5 and 6 (from 2000 trades per day)			
Notification if < 1 average trade per business day in the previous year.		No			
Top 5 Brokers ranked in terms of volume	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in the class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
RBC Europe Limited (TXDSU46SXBWIGJ8G8E98)	16.99%	2.82%	N/A	N/A	0%
UBS AG (BFM8T61CT2L1QCEMIK50)	16.91%	22.60%	N/A	N/A	0%
HSBC Bank Limited (MP6I5ZYZBEU3UXPYFY54)	14.75%	44.52%	N/A	N/A	0%
Instinet Europe Limited (213800MXAKR2LA1VBM44)	14.61%	6.02%	N/A	N/A	0%
Jefferies International Limited. (S5THZMDUJCTQZBTRVI98) (MP6I5ZYZBEU3UXPYFY54)	8.03%	0.42%	N/A	N/A	0%

Class of Instrument		Equities – Shares & Depository Receipts: Tick size liquidity NULL			
Notification if < 1 average trade per business day in the previous year.		No			
Top 5 Brokers ranked in terms of volume	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in the class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Deutsche Bank AG (7LTFZYICNSX8D621K86)	60.96%	24.74%	N/A	N/A	0%
Goldman Sachs International (W22LR0WP2IHZNBB6K528)	16.38%	52.49%	N/A	N/A	0%
Atlantic Equities LLP (213800327M9B4D9S1553)	5.29%	0.66%	N/A	N/A	0%
UBS AG (BFM8T61CT2L1QCEMIK50)	3.24%	5.10%	N/A	N/A	0%
Instinet Europe Limited (213800MXAKR2LA1VBM44)	2.82%	2.07%	N/A	N/A	0%

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.		No			
Top 5 Brokers ranked in terms of volume	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in the class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Virtu (549300346EFUPFCXJT79)	26.67%	70%	N/A	N/A	0%
Instinet Europe Limited (213800MXAKR2LA1VBM44)	25.98%	4.86%	N/A	N/A	0%
HSBC Bank Limited (MP6I5ZYZBEU3UXPYFY54)	14.71	3.93%	N/A	N/A	0%
UBS AG (BFM8T61CT2L1QCEMIK50)	10.11%	7.88%	N/A	N/A	0%
RBC Europe Limited (TXDSU46SXBWIGJ8G8E98)	7.82%	2.38%	N/A	N/A	0%

Execution Factors listed by importance are:

- Price;
- Cost;
- Size;
- Speed; and
- Likelihood of execution and Settlement.

During the period one broker was added to the equity broker list. None were removed.

2. DEBT INSTRUMENTS – BONDS AND MONEY MARKET INSTRUMENTS

Class of Instrument		Debt Instruments: Bonds			
Notification if < 1 average trade per business day in the previous year.		No			
Top 5 Brokers ranked in terms of volume	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in the class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Bloomberg MTF (TXDSU46SXBWIGJ8G8E98)	100%	100%	N/A	N/A	0%

Class of Instrument		Debt Instruments: Bonds (Underlying broker information for completeness)			
Notification if < 1 average trade per business day in the previous year.		No			
Top 5 Brokers ranked in terms of volume	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in the class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
RBC Europe Limited (TXDSU46SXBWIGJ8G8E98)	14.00%	4.72%	N/A	N/A	0%
HSBC Bank Limited (MP6I5ZYZBEU3UXPYFY54)	11.17%	10.03%	N/A	N/A	0%
Natwest Market PLC (RR3QWICWWIPCS8A4S074)	10.03%	11.91%	N/A	N/A	0%
Barclays Capital (G5GSEF7VJP5I7OUK5573)	6.82%	5.40%	N/A	N/A	0%
BNP Paribas Securities (ROMUWSFPU8MPRO8K5P83)	6.44%	4.69%	N/A	N/A	0%

Class of Instrument		Debt Instruments: Money Market			
Notification if < 1 average trade per business day in the previous year.	No				
Top 5 Brokers ranked in terms of volume	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in the class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ICAP Securities	39.35%	26.92%	N/A	N/A	0%
Nomura International PLC (DGQCSV2PHVF7I2743539)	11.95%	25.96%	N/A	N/A	0%
Lloyds Bank (H7FNTJ4851HGOEXQ1Z70)	9.57%	6.73%	N/A	N/A	0%
Toronto Dominion (PT3QB789TSUIDF371261)	6.03%	5.77%	N/A	N/A	0%
Deutsche bank AG (7LTWFZYICNSX8D621K86)	5.38%	5.77%	N/A	N/A	0%

Execution Factors listed by importance:

- Price
- Cost
- Size; and
- Likelihood of execution and Settlement

One broker was added during the period. This was to provide liquidity for illiquid retail bonds. 2 brokers were removed due to inactivity.

3. CURRENCY DERIVATIVES – SWAPS, FORWARDS AND OTHER CURRENCY DERIVATIVES

Class of Instrument		Currency Derivatives – Swaps, forwards and other currency derivatives			
Notification if < 1 average trade per business day in the previous year.		No			
Top 5 Brokers ranked in terms of volume	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in the class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Bloomberg MTF	98.39%	85.18%	N/A	N/A	0%

Class of Instrument		Currency Derivatives – Swaps, forwards and other currency derivatives			
Notification if < 1 average trade per business day in the previous year.		No			
Top 5 Brokers ranked in terms of volume	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in the class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
The Bank of New York Mellon	99.31%	92.34%	N/A	N/A	0%
RBC Trust Company International	0.61%	6.97%	N/A	N/A	0%
BNP Paribas Securities	0.07%	0.63%	N/A	N/A	0%
ABN AMRO Bank (Luxembourg)	0.11%	0.06%	N/A	N/A	0%

Execution Factors listed by importance:

- Price
- Nature of Order; and
- Settlement

Forward FX trades, which are used for hedging or investment purposes, are either executed with a selected approved counterparty or as instructed by the Client. The majority of trades are carried out over Bloomberg MTF.

No brokers were added or removed

4. EQUITY DERIVATIVES – OPTIONS AND FUTURES ADMITTED TO TRADE ON A TRADING VENUE

Equity Derivatives: Options and Futures admitted to trading on a trading venue					
Class of Instrument					
Notification if < 1 average trade per business day in the previous year.	No				
Top 5 Brokers ranked in terms of volume	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in the class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs International (W22LR0WP2IHZNBB6K528)	88.02%	66.41%	N/A	N/A	0%
Bank of America Merrill Lynch (GGDZP1UYGU9STUHRDP48)	5.66%	14.29%	N/A	N/A	0%
UBS AG (BFM8T61CT2L1QCEMIK50)	3.38%	14.29%	N/A	N/A	0%
HSBC Bank Limited (MP6I5ZYZBEU3UXPYFY54)	2.90%	3.47%	N/A	N/A	0%
Morgan Stanley International (4PQUHN3JPF6FNF3BB653)	0.04%	1.16%	N/A	N/A	0%

Execution Factors listed by importance:

- Price
- Cost
- Size; and
- Likelihood of execution and settlement

No brokers were added. One broker was removed due to inactivity.

5. SECURITIZED DERIVATIVES – WARRANTS AND CERTIFICATE DERIVATIVES

Class of Instrument		Securitized derivatives- Warrants and Certificated Derivatives			
Notification if < 1 average trade per business day in the previous year.		No			
Top 5 Brokers ranked in terms of volume	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in the class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs International (W22LR0WP2IHZNBB6K528)	100%	100%	N/A	N/A	0%

On rare occasions, we may trade in securitized derivatives. Price is generally the most important factor for Certificated Derivatives.

6. CONTRACTS FOR DIFFERENCE

Class of Instrument		Contract for difference			
Notification if < 1 average trade per business day in the previous year.		No			
Top 5 Brokers ranked in terms of volume	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in the class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs International (W22LR0WP2IHZNBB6K528)	55.14%	70.13%	N/A	N/A	0%
Deutsche Bank AG (7LTFWZYICNSX8D621K86)	27.67%	10.84%	N/A	N/A	0%
HSBC Bank Limited (MP6I5ZYZBEU3UXPYFY54)	15.16%	16.73%	N/A	N/A	0%
Bank of America Merrill Lynch (GGDZP1UYGU9STUHRDP48)	2.04 %	2.29%	N/A	N/A	0%

Execution Factors listed by importance:

- Price
- Cost
- Nature of Order; and
- Likelihood of execution and Settlement

No Brokers were added or removed during the period.

GLOSSARY

EQUITY ORDERS

Equity instruments are classified according to their liquidity band as determined by directive 2014/65/EU.

A liquidity band is determined by the number of trades done in an instrument per day.

- EQUITIES - LIQUIDITY BAND 1 AND 2 (FROM 0-79 TRADES PER DAY)
- EQUITIES - LIQUIDITY BAND 3 AND 4 (FROM 80-1,999 TRADES PER DAY)
- EQUITIES - LIQUIDITY BANDS 5 AND 6 (FROM 2,000 TRADES PER DAY)

PASSIVE & AGGRESSIVE ORDERS

The determination of 'passive' and 'aggressive' orders is based on their price in relation to touch at the time they were placed, with an 'aggressive' order being one which crosses touch such as a buy order at a price greater than or equal to the best offer at the time.

Orders for which no market data was available cannot be classified as either 'passive' or 'aggressive' so these percentages may not add up to 100%.

IMPORTANT INFORMATION

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