

IDENTITY OF EXECUTION BROKERS
QUALITY OF EXECUTION REPORT
Sanlam Securities 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.

Sanlam has professional clients only. 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.

We have a broker approval process in place and a Conflicts of Interest Policy in order to minimise the risks of disadvantaging our clients. A Dealing Oversight Committee oversees the quality of execution obtained on the execution venues and changes to the list of approved brokers are discussed on a regular basis.

The selection of an execution venue or a broker for an order is driven solely by the factors and inputs as described in our Order Execution Policy.

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

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|--|--|--|-------------------------------|
| 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 |
| Cowen Execution Services Limited (LEI: 213800SS94VGJTFLIG64) | 99.9523% | 99.9018% | 0% |
| WINTERFLOOD SECURITIES LIMITED (LEI: 8BRUP6V1DX3PIG2R0745) | 0.0256% | 0.0736% | 0% |
| NUMIS SECURITIES LIMITED (LEI: 213800P3F4RT97WDSX47) | 0.0195% | 0.0081% | 0% |
| African Alliance Securities Trading (Pty) Limited (LEI: 378900AFAFEE2BE14D17) | 0.0025% | 0.0163% | 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.

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|--|--|--|-------------------------------|
| Client Type | PROFESSIONAL | | |
| Class of Instrument | DEBT INSTRUMENTS | | |
| 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 |
| BRIDPORT & CO (JERSEY) LTD (LEI: 2138001S6PWXXBKX9S40) | 83.0309% | 50.0000% | 0% |
| MEINL BANK Aktiengesellschaft (LEI: 529900HB1QYCTDSDTQ54) | 13.6737% | 7.6923% | 0% |
| GUY BUTLER LIMITED (LEI: 213800AG2H8MB5FGJ538) | 2.0030% | 30.7692% | 0% |
| WINTERFLOOD GILTS LIMITED (LEI: 213800BD519H2YV9R748) | 1.2922% | 11.5384% | 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 MTF's as they provide a better price discovery function.

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|---|--|--|-------------------------------|
| Client Type | PROFESSIONAL | | |
| Class of Instrument | EXCHANGE TRADED PRODUCTS | | |
| 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 |
| Cowen Execution Services Limited (LEI: 213800SS94VGJTFLIG64) | 99.1826% | 98.6409% | 0% |
| Commerzbank Aktiengesellschaft (LEI:851WYG NLUQLFZBSYGB56) | 0.7728% | 0.5662% | 0% |
| Susquehanna International Securities Limited (LEI: 635400IAV22ZOU1NFS89) | 0.0445% | 0.7927% | 0% |

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

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|--|--|--|-------------------------------|
| Client Type | PROFESSIONAL | | |
| Class of Instrument | STRUCTURED FINANCE INSTRUMENTS | | |
| 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 |
| Bank Julius Bär & Co. AG (LEI: PNWU800BLT17BBV61Y18) | 100% | 100% | 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 warrants.

The execution factors we took into consideration were:

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

| | | | |
|--|--|--|-------------------------------|
| Client Type | PROFESSIONAL | | |
| Class of Instrument | OTHER SECURITIZED DERIVATIVES | | |
| 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 |
| Cowen Execution Services Limited (LEI: 213800SS94VGJTFLIG64) | 100% | 100% | 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 notes.

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. Liquidity
4. Cost