



SARASIN  
& PARTNERS

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# Annual disclosure of information required by Regulatory Technical Standard 28 of the MIFID II regulation

April 2018

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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 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. This report should be read in conjunction with our published Execution Policy, and sets out to explain how we have achieved best execution for our clients.

Sarasin & Partners LLP provide portfolio management services for retail and professional clients. In executing orders on behalf of clients, no distinction is made between client types, and therefore all clients are treated equally and may be aggregated together (unless otherwise specified by a client agreement).

As per our Execution Policy, we only placed orders with approved counterparties. Sarasin does not receive any payments, discounts, rebates or non-monetary benefits as a result of its trading relationships, and does not trade with any affiliates except as carried out under client direction.

When placing orders, Sarasin will consider a range of execution factors. While the execution factors may vary on any given order, the general execution factors and their importance for a given asset class are described below with the trading metrics of each asset class.

The centralised dealing team manages the regular oversight of quality of executions provided by our counterparties, and all trades are reviewed for best execution. Compliance monitoring provides additional control to this activity. Review and oversight are informed by data appropriate to each asset class, such as independent Transaction Cost Analysis (TCA) reports and records of competing quotes.

# 1 Equities – shares and depositary receipts

Notification if < 1 average trade per business day in the previous year

N

Top 5 execution venues	Proportion of volume traded as a percentage of total in that class	Proportion of orders traded as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Deutsche Bank	60.79%	7.82%	N/A	N/A	0%
Instinet	7.46%	6.73%	N/A	N/A	0%
HSBC Bank	5.97%	44.42%	N/A	N/A	0%
UBS	5.29%	23.25%	N/A	N/A	0%
Bank of America Merrill Lynch	4.13%	1.42%	N/A	N/A	0%

## Execution factors:

**Price, cost** and **size** are generally the most important factors for equity products. However, other factors such as likelihood of execution and settlement may also become important, especially for more illiquid stocks, and therefore may take priority on certain trades.

An independent TCA provider is used to analyse transaction factors such as cost and market impact. This assists in our analysis of the execution we have achieved.

# 2 Debt instruments – bonds

Notification if < 1 average trade per business day in the previous year

N

Top 5 execution venues	Proportion of volume traded as a percentage of total in that class	Proportion of orders traded as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
RBS	26.32%	8.36%	N/A	N/A	0%
BGC Brokers L.P (Mint Partners)	10.86%	28.07%	N/A	N/A	0%
Barclays	6.78%	5.95%	N/A	N/A	0%
Morgan Stanley	6.00%	8.59%	N/A	N/A	0%
HSBC Bank Plc	4.86%	6.03%	N/A	N/A	0%

## Execution factors:

**Price, cost** and **size** are generally the most important factors for bonds. We utilise an RFQ mechanism for bond trading. This allows us to simultaneously ask a minimum of three brokers for a quote. In selecting which counterparties to ask, we will assess a number of factors such as, indicative prices and execution hit and miss rate. If the order is deemed large in nature or illiquid, then the number of counterparties we request a quote from, might be reduced, to minimize information leakage.

### 3 Debt instruments – money market instruments

Notification if < 1 average trade per business day in the previous year

Y

Top 5 execution venues	Proportion of volume traded as a percentage of total in that class	Proportion of orders traded as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Lloyds Bank Plc	37.15%	42.22%	N/A	N/A	0%
ICAP Securities Ltd	26.68%	26.67%	N/A	N/A	0%
Abbey National Treasury Services Plc	17.92%	17.78%	N/A	N/A	0%
Santander Global Banking and Markets	8.80%	8.89%	N/A	N/A	0%
Tradition London Clearing Ltd	4.73%	2.22%	N/A	N/A	0%

#### Execution factors:

**Price, cost, size and credit risk and exposure** are generally the most important factors for money market instruments. Sarasin will consider the best market price available that also allows adherence with credit risk and counterparty exposure. In some circumstances these factors may result in Sarasin not trading at the best available price. The internal Risk Committee monitors counterparty risk.

### 4 Currency derivatives – swaps, forwards and other currency derivatives

Notification if < 1 average trade per business day in the previous year

N

Top 5 execution venues	Proportion of volume traded as a percentage of total in that class	Proportion of orders traded as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
The Bank of New York Mellon	96.50%	66.77%	N/A	N/A	0%
BNP Paribas	1.91%	12.10%	N/A	N/A	100%
Banque J. Safra Sarasin SA	0.91%	15.06%	N/A	N/A	100%
Northern Trust	0.38%	2.75%	N/A	N/A	0%
RBC	0.12%	0.69%	N/A	N/A	100%

#### Execution factors:

**Price and settlement** are the factors considered for FX forward transactions. Sarasin trades FX Forward transactions with its core global custodian, The Bank of New York Mellon in order to mitigate risk and streamline operational efficiencies. We conduct ongoing review and supervision of our chosen counterparty.

Where the client directs trades, this is typically towards their own global custodian, with whom they have made their own contractual arrangements, including cost.

## 5 Equity derivatives – options and futures admitted to trade on a trading venue

Notification if < 1 average trade per business day in the previous year

N

Top 5 execution venues	Proportion of volume traded as a percentage of total in that class	Proportion of orders traded as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs	95.79%	73.46%	N/A	N/A	0%
Bank of America Merrill Lynch	2.30%	13.70%	N/A	N/A	0%
UBS	1.59%	6.51%	N/A	N/A	0%
HSBC Bank Plc	0.09%	2.57%	N/A	N/A	0%
JP Morgan	0.08%	1.03%	N/A	N/A	0%

### Execution factors:

**Price, cost** and **size** are generally the most important factors for exchange-traded derivatives (ETD). Sarasin uses a central clearing counterparty but maintains trading relationships with a broad spread of brokers, providing considerable flexibility when seeking price transparency and liquidity. Depending on the size of the order, we may use an RFQ mechanism where we receive simultaneous quotes from a minimum of three counterparties.

## 6 Securitized derivatives – warrants and certificate derivatives

Notification if < 1 average trade per business day in the previous year

Y

Top 5 execution venues	Proportion of volume traded as a percentage of total in that class	Proportion of orders traded as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Barclays	100.00%	100.00%	N/A	N/A	0%

### Execution factors:

**Price** is generally the most important factor for certificated derivatives. Multiple brokers are simultaneously asked for a quote, with the best price being chosen. All quotes are stored and random sampling is conducted by the compliance team to ensure the best price was selected on the point of execution.

## 7 Contracts for difference

Notification if < 1 average trade per business day in the previous year

N

Top 5 execution venues	Proportion of volume traded as a percentage of total in that class	Proportion of orders traded as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Deutsche Bank	42.34%	13.70%	N/A	N/A	0%
Goldman Sachs	33.74%	68.63%	N/A	N/A	0%
HSBC Bank	16.61%	11.99%	N/A	N/A	0%
Bank of America Merrill Lynch	7.23%	5.58%	N/A	N/A	0%
SG Securities Paris SA	0.07%	0.09%	N/A	N/A	0%

### Execution factors:

**Price** is generally the most important factor for CFD products. Multiple brokers are simultaneously asked for a quote, with the best price being chosen. All quotes are stored and random sampling is conducted by the compliance team to ensure the best price was selected on the point of execution.

## 8 Exchange traded products

Notification if < 1 average trade per business day in the previous year

N

Top 5 execution venues	Proportion of volume traded as a percentage of total in that class	Proportion of orders traded as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
UBS	55.48%	20.93%	N/A	N/A	0%
HSBC Bank	25.03%	13.95%	N/A	N/A	0%
Instinet	10.06%	41.86%	N/A	N/A	0%
KCG	9.43%	23.26%	N/A	N/A	0%

### Execution factors:

**Price, cost and size** are generally the most important factors for equity products. However, other factors such as likelihood of execution and settlement may also become important, especially for more illiquid stocks, and therefore may take priority on certain trades.

An independent TCA provider is used to analyse transaction factors such as cost and market impact. This assists in our analysis of the execution we have achieved

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