

## SARACEN FUND MANAGERS LIMITED

### RTS 28 Report for the period ending 31 December 2020

The RTS data table, available on our website in an Excel file, identifies the top five execution venues in terms of trading volumes for executed client orders placed by Saracen Fund Managers Ltd (SFM). The presentation of this data is compliant with the specifications set out in Commission Delegated Regulation (EU) 2017/576 of 8 July 2016 (also known as Regulatory Technical Standard (RTS) 28).

As SFM only trades in equities, one table has been prepared, representing a distinct tick size liquidity band (1 & 2). The tick size liquidity bands for equities have been categorized based on the average daily number of trades. There is no trading activity for SFM during 2020 in tick size liquidity bands 3 to 6.

Set out below is a summary of the analysis and conclusions drawn from SFM's detailed monitoring of the quality of execution obtained on the execution venues where client orders were completed during 2020. SFM carries out the service of investment management and places orders with other entities for execution. SFM does not execute client orders directly against an execution venue. References to 'venue' in this report refer to the broker with whom orders are placed for execution.

<b>Requirement under Article 3(3)</b>	<b>Response</b>
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a)an explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;	
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	SFM continually strives to take all sufficient steps to obtain the best possible result for clients, considering all execution factors. The relative importance of each execution factor may vary for each trade.
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	For SFM price is the main factor, along with likelihood of execution. Price means the gross price i.e. including charges levied by the execution venue.
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	SFM seeks to minimise execution costs by negotiating commission costs but only to the extent that it does not impact the level of service provided. The cost of using an execution venue varies depending on the service being provided and the characteristics of the financial instrument.
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	Speed depends on the circumstances of the client e.g. a requirement to fund redemptions, and the time at which the order is placed e.g. the number of trading hours remaining before the market closes but will typically be subordinate to price. Prioritising speed could be detrimental to price but occasionally may be necessary due to circumstances.
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	When placing orders for execution the choice of venue will largely depend on the characteristics of the financial instrument, e.g. jurisdiction.
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A dilution levy charge may also be applied, depending on the size of the order. Before instructing an order, SFM will try to obtain an understanding as to the probability of whether a charge will be levied. If this is the case, SFM will assess whether the order may be split into several smaller orders over a longer period. Consideration will be given to the client's circumstances and the current market environment.

SFM does not consider the likelihood of settlement to be a material factor influencing execution as SFM's portfolios comprise securities issued by companies listed on the London Stock Exchange or Alternative Investment Market (AIM). SFM deals through reputable counterparties that are themselves authorised and regulated and through whom settlement problems are very rarely experienced.

b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders; SFM does not have any close links, conflicts of interests or common ownerships with respect to any execution venues used to execute orders.

(c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received; SFM does not have any arrangements with any execution venues regarding payments made or received, discounts or rebates.

d) an explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred; SFM decided that from 3.1.2018, all deals would be placed either through Instinet or Morgan Stanley. An agreement was put in place with Morgan Stanley to cover any specialised areas e.g. Asia, that would not be covered by Instinet. SFM decided to use Instinet for most of deals (indeed it turned out to be for all deals in 2020) as Instinet is an execution only broker thus preventing any conflict of interest with any research provider under the MiFID II rules on paying for research and the unbundling of dealing commission.

e) an explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements; SFM only currently only executes orders for professional clients.

(f) an explanation of whether other criteria were given precedence over immediate price and cost when executing retail SFM does not execute orders for retail clients.

client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client;

(g) an explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575 [RTS 27];

All brokers that SFM uses to place client orders for execution must agree to provide best execution and provide a copy of their best execution policy before we will add them to our approved broker list. SFM monitors the quality of execution regularly to ensure this is being achieved. Consistently failing to provide best execution may result in a broker being removed.

For the year ended 31/12/2020, the quality of execution obtained from the execution venues used to place client orders for execution was monitored by comparing data obtained on the execution factors for each trade executed against performance criteria set by SFM. The fund managers also assess the quality of execution provided by the broker on receipt of confirmation of each trade.

SFM will continue to monitor the effectiveness of its Order Execution Policy and arrangements at least annually (and whenever any material changes are proposed) to identify, and where appropriate, correct any deficiencies.

(h) where applicable, an explanation of how the investment firm has used output of a consolidated tape provider.

This is not applicable to SFM.