

# Veritas Investment Management LLP

## RTS 28 – Qualitative Disclosure

Year Ended 31<sup>st</sup> December 2017 – Retail and Professional Clients

Class of Instrument	Equities - Shares & Depositary Receipts				
Notification if <1 average trade per business day in previous year	N				
Top five execution venues ranked in terms of trading volumes (descending orders)	Proportion of volume trades as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Winterflood Business Services 8BRUP6V1DX3PIG2R0753	100%	100%	N/A	N/A	N/A

Class of Instrument	Debt Instruments				
Notification if <1 average trade per business day in previous year	N				
Top five execution venues ranked in terms of trading volumes (descending orders)	Proportion of volume trades as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Winterflood Business Services 8BRUP6V1DX3PIG2R0753	100%	100%	N/A	N/A	N/A

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 previous year	Y				
Top five execution venues ranked in terms of trading volumes (descending orders)	Proportion of volume trades as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Winterflood Business Services 8BRUP6V1DX3PIG2R0753	100%	100%	N/A	N/A	N/A

Class of Instrument	Other (non- exchange traded funds)				
---------------------	------------------------------------	--	--	--	--

Notification if <1 average trade per business day in previous year	N				
Top five execution venues ranked in terms of trading volumes (descending orders)	Proportion of volume trades as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Winterflood Business Services 8BRUP6V1DX3PIG2R0753	100%	100%	N/A	N/A	N/A

Veritas Investment Management LLP (“VIM”) is a discretionary investment manager and outsources its dealing activity; it does not execute client orders itself. VIM has appointed Winterflood Business Services (“WBS”) as the broker in executing client orders.

VIM utilises a custody and administration outsourced service by agreement with SEI Investments (Europe) Limited and SEI Investments (Guernsey) Limited (“SEI”). Under this agreement VIM uses the SEI Wealth Platform (“SWP”) to construct and input its clients’ orders.

SEI acts as an order router for VIM trades, facilitating the passage of trades through its system to Winterflood Business Services (“WBS”), whom VIM has appointed as its broker in executing client orders. Specifically, SEI routes Equity, Bond, Exchange Traded Products and Investment Trust orders to Winterflood Business Services (“WBS”).

SEI routes orders for any Collective Investment Schemes (“CIS”), such as OEICs or Unit Trusts, to the applicable Fund Manager and/or Transfer Agent via its platform network.

When WBS is determining the approach to achieve best execution, it will consider the following factors. These are listed in the order of priority for a typical trade:

- Price and cost
- Likelihood of execution
- Likelihood of settlement
- Size and nature of the Instruction
- Speed of execution
- Market impact.

When executing a trade, WBS does not only consider these factors in isolation, but also considers the trade-off and interplay between them.

VIM does not have any close links, conflicts of interests or common ownerships with respect to any execution venues used to execute orders.

Costs where WBS is dealing may include, but are not limited to, trade execution, stamp duty and any local market charges. These will be added to the cost or deducted from the proceeds of each transaction. These charges are itemized on the client valuation schedule and on contract notes (if clients have elected to receive these).

There are no execution charges for Collective Investment Schemes.

WBS's order execution charges are as follows:

UK securities	0.05% per deal
International securities (excluding Asia)	0.07% per deal
Asian securities	0.12% per deal

Minimum execution fees apply, and these are charged in the trade currency. Section 6 of the VIM Order Execution and Dealing Policy details these rates. VIM does not receive any monetary or non-monetary benefits in relation to trades.

VIM has used the same broker, WBS to execute trades on its behalf throughout the year.

When placing trades in the SWP Platform, VIM does not differentiate between Retail and Professional clients. When WBS place trades in the market it does not treat Retail or Professional client orders in a different way.

When executing orders, unless otherwise specifically instructed, WBS uses price as the primary measure for achieving best execution.

The following execution factors will be considered, and how these may be considered as part of the decision-making process in the context of the details below (listed in order of priority for a typical trade).

- Price - price will be determined with reference to the Trading Venues to which WBS connects and on which the security is traded. WBS use automatic execution technology which will source the best price from a range of retail service providers and market makers. Where an electronic price is not available the order will be dealt manually by the dealing team.
- Cost – for orders where brokerage or exchange fees are applicable, WBS will not seek to pass these on to clients. For international orders, certain costs (e.g. foreign exchange 'FX') may be passed through to the client within the price spread, but WBS deems this to still result in the best overall outcome and hence total consideration for the client. Any relevant commission rates will have been agreed with the client in advance.
- Likelihood of Execution and Settlement - likelihood of execution is very high due to the relationships WBS has forged with its market maker and broker counterparties. Likelihood of settlement is difficult to assess pre-trade, but WBS monitors the settlement performance of each counterparty so there is a historical track record to base this decision on.
- Size - the size of the trade in relation to the liquidity of the security may have significant influence on the Best Execution process and is directly correlated to the market impact (implicit costs).
- Nature - consideration will be given to the liquidity of the security on the order book at the relevant time. Execution may be heavily influenced by the level of on or off order book trading patterns in the security. These factors plus the size of the order will determine the appropriate execution method. This may include the working of an order into the market place using an appropriate benchmark or immediate execution on an outright bid/offer price, for example.
- Speed - the importance of speed of transactions will vary. For example, to reduce the implicit costs associated with market impact, an order might be worked over a day or more. Different order types and specific instructions may also have a bearing on the speed of execution.
- Other Relevant Considerations – careful consideration shall be given not just to each element in isolation, but also to the trade-off and interplay between these factors. For example, size against market impact or speed against price, any of which might also be influenced by a client's specific instruction.

VIM receives Transaction Cost Analysis data for the trades executed from WBS which is prepared using industry standard trade benchmarking software. VIM reviews this data at a regular TCA committee and additionally reviews a statistically significant sample of trades throughout the year to test independently that we have received the best result on client trades.

VIM is satisfied, based on our monitoring and analysis of execution, that the process in place is delivering the best results for our clients.