

Order Execution Policy Disclosure Statement For Clients



Introduction

Under the legislation of the Isle of Man and Jersey, and under UK MiFID II regulations for London branch accounts, which aim to introduce a common standard of investor protection, we are required to establish and implement an order execution policy.

This order execution policy (the "Policy") sets out our order execution arrangements and how we aim to obtain the best possible outcome when executing transactions on your behalf, or when receiving and transmitting orders on your instruction. The Policy applies to all orders received and executed on your behalf. It must be read in conjunction with our terms and conditions.

The obligation under MiFID II is for firms to take all "sufficient steps", which means that we have strengthened our controls to enable us to identify any potential deficiencies that would prevent us from achieving best execution for our clients on a consistent basis. When arranging execution of orders on your behalf in relation to financial instruments falling within the scope of MiFID II, we will take all sufficient steps to achieve what is called "best execution" of your orders. This means that we have the policy in place as well as procedures that are designed to obtain the best possible result for your orders, subject to and taking into account any specific instructions from you, the nature of your orders and the nature of the markets and products concerned.

Set out below is information on the execution factors that we will take into account when arranging execution of orders on your behalf.

Scope

This Policy sets out our execution methodology, which aims to meet the regulatory obligation to execute orders on terms most favourable to the client and to ensure that arrangements with brokers with whom we place orders are sufficient to achieve best execution.

The execution factors that will be taken into account when Nedbank Private Wealth decides to use a particular broker:

- Price
- Costs (e.g. execution venue fees and clearing and settlement fees)
- Speed
- Size of trade
- Likelihood of execution and settlement
- Size and nature of the order
- Market impact
- Any other relevant consideration (e.g. stock liquidity).

Part one: the quality of execution

Nedbank Private Wealth does not execute client orders directly, but will receive and transmit, or route, all orders to one of a number of brokers on your behalf.

When receiving, transmitting or routing orders on your behalf in relation to financial instruments, we take all sufficient steps to achieve what is called "best execution" of the orders. We will follow our policies and procedures which are designed to obtain the best possible execution result, subject to and taking into account the nature of your orders, the priorities you place upon us to fulfil those orders and the market in question.

We will take into consideration a range of different factors which include not just price, but also the cost of the transaction, the need for timely execution, the liquidity of the market (which may make it difficult to execute an order), the size of the order and the nature of the financial transaction, and whether it is executed on a regulated market or over the counter. We will ordinarily determine best possible results in terms of price and costs, however the price may not be as favourable a price as we are able to obtain for transactions of the kind and size concerned when dealing on our own account. Our commitment to provide you with best execution does not mean that we owe you any fiduciary responsibilities over and above the specific regulatory obligations placed upon us, or as may be otherwise contracted between us.

For execution-only clients, we will also take into account the nature of the dealing service you require from us and the specific and general instructions you give us, which may prioritise how we fulfil your orders.

We are therefore not obliged to consider the suitability of the product based on our knowledge of you and taking into consideration your risk appetite. We will process the investment assuming you have made an informed decision on the basis of your own research, having independently reviewed the product literature or illustrations. We will not perform any reviews on the continuing suitability, performance, or risk of the investment once the transaction has been processed. For further details on the reduction in investor protection, please contact us.

Part two: monitoring order execution

We will assess, on a regular basis, the quality of execution offered by those brokers through whom we arrange execution of your orders to determine whether we need to change our execution arrangements.

Where a duty to achieve best execution applies, in the absence of specific instructions from you, we will select the most appropriate brokers for the purpose of arranging execution of your orders taking into full account the following factors ("Execution Factors"):

1. The execution factors relevant to the order, including those set out in Part One above;
2. What we reasonably assess to be your best interests in terms of executing your orders; and
3. Such other factors as may be appropriate, including the ability of the broker to manage complex orders.

While we will take all sufficient steps to satisfy ourselves that we have processes in place that can reasonably be expected to lead to the delivery of best execution of your orders, we cannot guarantee that we will always be able to provide best execution of every order executed on your behalf.

The diversity in markets and instruments, and the nature of the orders that you may place with us, mean that different factors will have to be taken into account when we assess the nature of our execution policy. In some markets, price volatility may mean that the timeliness of execution is a priority, whereas in other markets, that have low liquidity, the fact of execution may itself constitute best execution. In other cases, our choice of brokers may be limited (even to the extent that there may only be one broker through whom we can arrange execution of your orders) because of the nature of your order or your requirements.

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How are orders executed?

The following provides a general guide to the way in which we transact orders for commonly traded financial instruments:

1. UK equities (including investment trusts), international equities and exchange traded products: Subject to the execution criteria and execution factors mentioned earlier, and allowing for any specific client instructions, we will determine how best to execute the order. This would usually be via an electronic DMA (Direct Market Access) system provided by one of our brokers. For larger or more complex orders, which may need to be worked over a period of time, we would telephone the instruction through to one of our brokers.
2. Collective investment schemes: Transactions in collective investment schemes are transmitted directly to the authorised fund administrator of the scheme or through an electronic platform.
3. Debt securities (such as government bonds and corporate bonds): Orders are placed by telephone with one of our brokers.
4. Structured products: Transactions in structured products are transmitted directly to the product provider or a specialist broker.
5. Other asset classes: Transactions in any other asset classes will be undertaken allowing for the execution factors mentioned earlier in the document, but may be limited due to liquidity of the instrument.

The brokers used will be drawn from the list set out in Part Three below, and will be determined largely by the nature and type of financial instrument.

Part three: brokers

In determining the brokers chosen for routing investment orders on behalf of clients, we place importance on specific client instructions, price, costs, speed and likelihood of execution and settlement, geographical market, reputation and service. We also take into account the characteristics of the order, the characteristics of the financial instrument and the characteristics of the brokers where the order can be directed. Different brokers cover different categories of investments and different markets.

The following is a list of brokers on whom we place reliance in meeting our obligation to take all sufficient steps to obtain, on a consistent basis, the best possible outcome for the execution of client orders (including the relevant asset classes):

- Bridport & Co Limited (Fixed Income, Equities, ETFs)
- Citigroup Global Markets Limited (Equities, ETFs)
- Nedbank Limited (Fixed Income)
- Oppenheimer Europe Limited (Jersey Branch) (Fixed Income)
- Stifel Nicolaus Europe Limited (Equities, ETFs)
- Winterflood Securities Limited (Equities, ETFs)
- Canaccord Genuity Wealth Limited (London) (Equities)

The list of brokers is not exhaustive and execution may occur through alternative brokers from time to time, provided use of those brokers is consistent with our Policy.

Specific client instructions

When specific instructions are received from a client in respect of an order, or any aspect of an order, we will receive and transmit the order following the client's specific instruction, where it is possible to do so.

Any specific instructions from a client may prevent us from taking the steps that we have designed and implemented in our Policy to obtain the best possible outcome for the execution of those orders in respect of the elements covered by those instructions.

Limit orders and market orders

Limit orders are accepted on a "good for the day" basis only. We do not accept stop loss orders. By leaving a limit order with us, you consent to us not being required to make public the details of your limit order.

Market orders are accepted on a "good for the day" basis only.

Aggregation

Generally we place client orders individually with our brokers, with comparable orders dealt with sequentially. There may be occasions where we aggregate orders but this would only be done in the best interests of all participating clients. There may be occasions, such as if we participate in an Initial Public Offering ("IPO") where we are not able to obtain the full quantity of asset requested. In such situations we will wherever possible allocate assets to all relevant clients on a pro-rata basis.

Impact of market volatility and high dealing volumes

Clients should be aware of the following risks in volatile markets, especially when trading close to the open or close of a trading session:

- A trade may execute at a substantially different price from the quoted bid or offer price, or last reported price at the time of order entry. There may be partial executions or execution of large orders in several transactions at different prices.
- There may be delays in executing orders for financial instruments that we, through our broker, must send to an external market maker, and manually routed or manually executed orders.
- Opening prices may differ substantially from the previous day's close.
- Certain market conditions may prevent the execution of client trades. For example, locked markets, where bid price equals offer price, and crossed markets, where bid price is higher than offer price.
- Price volatility can affect order execution. When clients place a high volume of orders with brokers there may be order imbalances and backlogs, with more time needed to execute the pending orders. These delays can be caused by different factors, including the number and size of orders to be processed, the speed at which current quotations (or last sale information) are provided to us and other firms, and system capacity constraints at the exchange, us and other firms.

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Monitoring and review

We will monitor the effectiveness of our execution arrangements and Policy in order to ensure that it continues to achieve the best possible outcome for our clients. In particular, we will assess, on a regular basis, the brokers we use to determine whether they continue to provide for the best possible outcome for you, and consider whether to amend or add additional brokers to the list, or to make changes to our execution arrangements.

When we are made aware that a material change has occurred with a broker that, in our opinion, impacts on our ability to continue to provide execution services in accordance with this Policy, we may change the broker accordingly.

Where this monitoring reveals that we have fallen short of obtaining the best possible outcome, Nedbank Private Wealth will consider whether this is because we have failed to follow our Policy or, perhaps, the Policy itself is not sufficient and therefore needs to be amended.

Demonstration of execution of orders in accordance with order execution policy

Upon request, we will demonstrate to you that we have achieved execution of orders in accordance with this Policy.

Policy review

Nedbank Private Wealth will conduct an annual review of the Policy and the order execution arrangements, and we will notify you of any material changes to our Policy or execution arrangements by posting an updated version of this document on our website www.nedbankprivatewealth.com. A change is material where its disclosure is necessary to enable you to make a properly informed decision about whether to continue using Nedbank Private Wealth's services.

Consent

This Policy forms part of our Focus Account Terms and Conditions. In agreeing to these terms and conditions by signing the Focus Account Application Form, or by having access to review this Policy via our website, you acknowledge that you have read and accept the Policy and processes which Nedbank Private Wealth has in place for providing execution-only trades and best execution as defined in Part One, and you are confirming your consent to this Policy by asking us to arrange execution of a deal for you. In the absence of any express instructions, Nedbank Private Wealth shall have full discretion to choose a relevant broker from the current list of brokers for executing any order or orders, but in doing so shall assess and balance a range of all relevant factors, including those set out in this Policy which, in its reasonable determination, Nedbank Private Wealth considers relevant to achieving the best result. Nedbank Private Wealth does not receive any remuneration from brokers for the placement of orders.

The value of investments can fall, as well as rise, and you might not get back the original amount invested. Exchange rate changes affect the value of investments. Nedbank Private Wealth is a registered trade name of Nedbank Private Wealth Limited. The parent of Nedbank Private Wealth Limited is Nedbank Group Limited, which is incorporated in South Africa and is regulated by the South African Reserve Bank. The latest audited report and accounts, and details of the credit rating are available at www.nedbankprivatewealth.com. Nedbank Private Wealth Limited is incorporated in the Isle of Man with company number 008785V and is licensed by the Isle of Man Financial Services Authority. Registered office: St Mary's Court, 20 Hill Street, Douglas, Isle of Man. Nedbank Private Wealth Limited is a participant in the Isle of Man Depositors' Compensation Scheme as set out in the Compensation of Depositors Regulations 2010. For full details, please see www.iomfsa.im. The Jersey branch is regulated by the Jersey Financial Services Commission and is a participant in the Jersey Bank Depositor Compensation Scheme. The scheme offers protection for eligible deposits of up to £50,000. Full details of the scheme and banking groups covered are available on www.jra.org.je. The London branch is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registration No: 313189. Your eligible deposits with Nedbank Private Wealth Limited, London branch, are protected up to a total of £120,000 by the Financial Services Compensation Scheme, the UK's deposit guarantee scheme. Any deposits you hold above this limit are unlikely to be covered. Please see www.fscs.org.uk for more details. The UAE representative office in Dubai is licensed by the Central Bank of UAE. Representation in South Africa is through Nedbank Limited. Registered in South Africa. Registration No 1951/000009/06. An authorised financial services and registered credit provider (NCRCP16). C53 04/26