

Santander Asset Management UK Ltd

2020 - RTS28

April 2021



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**Data represents orders executed through the period January to December 2020*

1. Introduction

Santander Asset Management UK Limited (SAM UK' or 'we') is required to provide, on an annual basis, disclosures regarding the quality of its execution against its chosen execution venues for each of the asset classes it invests in for and on behalf of its clients. Please find below our disclosure statement for the year to 31 December 2020.

SAM UK recognises the importance of achieving the best possible result when carrying out trades for its clients or funds. Its centralised dealing desk executes or transmits client orders in accordance with SAM UK's Order Execution Policy. SAM UK's best execution obligations apply to both professional and retail clients and to all financial instruments dealt in the course of carrying out its investment management business. It is a multi-factored test, with a requirement for SAM UK to take all sufficient steps to obtain, on a consistent basis, the best possible result for its clients through its Order Execution Policy. We apply these principles to all clients.

During 2020, an oversight meeting (The Order Execution Forum) was held on a monthly basis in order to review, discuss and challenge the execution quality of client trades and ensure that the Order Execution Policy remains appropriate for our client trade flows. The Order Execution Forum reports as a sub-committee of the Investment Governance Committee with membership including the Head of Investment Risk, Head of Dealing, Head of Compliance and other senior investment, compliance, and risk employees.

Note

- a) 'Passive order' means an order entered into the order book that provided liquidity (for example, coming in between bid price and offer price; submitting an order to an exchange which does not match an existing resting order).
- b) 'Aggressive order' means an order entered into the order book that took liquidity (for example, by lifting an offer price or hitting a bid price; submitting an order to an exchange which is immediately matched with an existing resting order).

The European Securities and Markets Authority (ESMA) has clarified that these terms are unlikely to be relevant in the context of order transmission/placement by portfolio managers and, as such, the passive/aggressive fields would usually not need to be completed in this disclosure for firms like SAM UK. The only exception would be where such a firm attaches a specific instruction to the order instructing the execution venue broker to execute the order passively or, as the case may be, aggressively.

Passive/aggressive distinction is only relevant where the execution venue in question maintains the type of order book that enables members of a trading venue to trade both passively and aggressively. So, in the context of this disclosure, the distinction would not be relevant to over-the-counter, request for quote (RfQ) based trading or for trades on trading venues that are RfQ platforms (where there is no such choice).

- c) 'Directed order' means an order where a client has specified which execution venue a trade should be placed prior to the execution of the order.

**Data represents orders executed through the period January to December 2020*

2. Equity

Table 2a.

Class of Instrument	Equities - Shares & Depositary Receipts Tick size liquidity bands 5&6 (from 2000 trades per day)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	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 passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs	45%	64%	N/A	N/A	N/A
Jefferies International Limited	18%	12%	N/A	N/A	N/A
Liquidnet	11%	8%	N/A	N/A	N/A
Barclays Bank Ireland PLC	6%	3%	N/A	N/A	N/A
Credit Suisse Group AG	4%	2%	N/A	N/A	N/A

**Data represents orders executed through the period January to December 2020*

Table 2b.

Class of Instrument	Equities - Shares & Depositary Receipts Tick size liquidity bands 3&4 (from 80 to 1999 trades per day)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	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 passive orders	Percentage of aggressive orders	Percentage of directed orders
Liquidnet	26%	24%	N/A	N/A	N/A
Peel Hunt	13%	15%	N/A	N/A	N/A
Numis	13%	9%	N/A	N/A	N/A
Goodbody Stockbrokers	10%	5%	N/A	N/A	N/A
Investec Bank	10%	10%	N/A	N/A	N/A

**Data represents orders executed through the period January to December 2020*

Table 2c.

Class of Instrument	Equities - Shares & Depositary Receipts Tick size liquidity bands 1&2 (from 0 to 79 trades per day)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	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 passive orders	Percentage of aggressive orders	Percentage of directed orders
Liquidnet	19%	22%	N/A	N/A	N/A
Numis Securities	19%	13%	N/A	N/A	N/A
Peel Hunt	17%	22%	N/A	N/A	N/A
Investec Bank	16%	12%	N/A	N/A	N/A
Stifel Nicolas Europe Ltd	6%	3%	N/A	N/A	N/A

**Data represents orders executed through the period January to December 2020*

Table 2d.

Class of Instrument	Equities - Shares & Depositary Receipts Tick size liquidity bands (unknown)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	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 passive orders	Percentage of aggressive orders	Percentage of directed orders
Goodbody Stockbrokers UC	100%	100%	N/A	N/A	N/A

Comments:

- The overall results were consistent with the execution factors in our Order Execution Policy. Price, speed, liquidity, costs, and size where possible, were given the highest relative importance. Qualitative factors such as broker relationships were reviewed and monitored but were not necessarily the primary execution factor.
- For Equities - Shares & Depositary Receipts, Santander Corporate Investment Banking (CIB) is an approved counterparty. SAM UK is under no obligation to show any preferential treatment to this counterparty – all approved counterparties are treated in an identical manner.
- No specific arrangements are in place with any execution venues, regarding payments made or received, discounts, rebates or non-monetary benefits received.
- No changes in the list of execution venues listed in the firm's Order Execution Policy occurred for the year of 2020.
- We do not differentiate how we treat different categories of clients.
- We do not execute retail client orders.
- We utilise a third-party Transaction Cost Analysis (TCA) provider to assist us in analysing the execution received. We also analyse data on our trading to assist us in reviewing the execution arrangements in place, such as broker responses, liquidity-sourcing (particularly bands 1&2 and 3&4) and pricing.

**Data represents orders executed through the period January to December 2020*

3. Debt Instruments

Table 3a.

Class of Instrument	Debt Instruments				
Notification if <1 average trade per business day in the previous year	Y				
Top five venues ranked in terms of volumes (descending order)	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 passive orders	Percentage of aggressive orders	Percentage of directed orders
Morgan Stanley Europe SE	57%	33%	N/A	N/A	N/A
Merrill Lynch International	21%	25%	N/A	N/A	N/A
Citigroup Global MK Europe	19%	17%	N/A	N/A	N/A
Goldman Sachs International	2%	17%	N/A	N/A	N/A
Credit Suisse	0%	4%	N/A	N/A	N/A

**Data represents orders executed through the period January to December 2020*

Table 3b.

Class of Instrument	Bonds				
Notification if <1 average trade per business day in the previous year	Y				
Top five venues ranked in terms of volumes (descending order)	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 passive orders	Percentage of aggressive orders	Percentage of directed orders
Bloomberg LP	100%	100%	N/A	N/A	N/A

**Data represents orders executed through the period January to December 2020*

Table 3c.

Class of Instrument	Money Market				
Notification if <1 average trade per business day in the previous year	Y				
Top five venues ranked in terms of volumes (descending order)	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 passive orders	Percentage of aggressive orders	Percentage of directed orders
Morgan Stanley Europe SE	40%	39%	N/A	N/A	N/A
Citigroup Global Markets Ltd	38%	36%	N/A	N/A	N/A
JP Morgan AG	17%	19%	N/A	N/A	N/A
Merrill Lynch International	5%	6%	N/A	N/A	N/A

Comments:

- The overall results were consistent with the execution factors in our Order Execution Policy. Price, liquidity, and size where possible, were given the highest relative importance. Qualitative factors such as broker relationships were reviewed and monitored but were not necessarily the primary execution factor.
- For debt instruments, Santander Corporate Investment Bank (CIB) is an approved counterparty. SAM UK is under no obligation to show any preferential treatment to this counterparty – all approved counterparties are treated in an identical manner.
- No specific arrangements are in place with any execution venues, regarding payments made or received, discounts, rebates or non-monetary benefits received.
- No changes in the list of execution venues listed in the firm's Order Execution Policy occurred for the year of 2020.
- We do not differentiate how we treat different categories of clients.
- We do not execute retail client orders.
- We utilise a third-party Transaction Cost Analysis (TCA) provider to assist us in analysing the execution received. We also analyse data on our trading to assist us in reviewing the execution arrangements in place, such as broker responses and pricing.

**Data represents orders executed through the period January to December 2020*

4. Exchange Traded Products

Table 4a.

Class of Instrument	Exchanged Traded Products				
Notification if <1 average trade per business day in the previous year	N				
Top five venues ranked in terms of volumes (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Morgan Stanley & Co International	28%	18%	N/A	N/A	N/A
Jane Street Financial Ltd	21%	17%	N/A	N/A	N/A
Goldman Sachs	19%	11%	N/A	N/A	N/A
Flow Traders Amsterdam	18%	20%	N/A	N/A	N/A
Susquehanna International	6%	10%	N/A	N/A	N/A

Comments:

- The overall results were consistent with the execution factors in our Order Execution Policy. Price and size where possible, were given the highest relative importance. Qualitative factors such as broker relationships were reviewed and monitored but were not necessarily the primary execution factor.
- No close links, conflicts of interest, nor common ownership exists with respect to any execution used by SAM UK to execute transactions in Exchange Traded Products.
- No specific arrangements are in place with any execution venues, regarding payments made or received, discounts, rebates or non-monetary benefits received.
- No significant changes in the list of execution venues listed in the firm's Order Execution Policy occurred for the year of 2020.
- We do not differentiate how we treat different categories of clients.
- We do not execute retail client orders.
- We utilise a third-party Transaction Cost Analysis (TCA) provider to assist us in analysing the execution received. We also analyse data on our trading to assist us in reviewing the execution arrangements in place, such as broker responses and pricing.

**Data represents orders executed through the period January to December 2020*

5. Currency Derivatives

Table 5a.

Class of Instrument	Currency Derivatives				
Notification if <1 average trade per business day in the previous year	Y				
Top five venues ranked in terms of volumes (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Morgan Stanley International	68%	43%	N/A	N/A	N/A
Goldman Sachs	23%	43%	N/A	N/A	N/A
UBS International	10%	14%	N/A	N/A	N/A

**Data represents orders executed through the period January to December 2020*

Table 5b.

Class of Instrument	Swaps, Forwards and other Currency Derivatives				
Notification if <1 average trade per business day in the previous year	Y				
Top five venues ranked in terms of volumes (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs	60%	31%	N/A	N/A	N/A
UBS Europe SE	20%	29%	N/A	N/A	N/A
JP Morgan International	13%	25%	N/A	N/A	N/A
Merrill Lynch International	7%	11%	N/A	N/A	N/A
Barclays Bank	0%	3%	N/A	N/A	N/A

Comments:

- Given the nature of our business, the results are consistent with the process set out in our Order Execution Policy. Price and liquidity, where possible, were given the highest relative importance. Qualitative factors such as broker relationships were reviewed and monitored but were not necessarily the primary execution factor.
- For Currency Derivatives, Santander Corporate Investment Bank (CIB) is an approved counterparty. SAM UK is under no obligation to show any preferential treatment to this counterparty – all approved counterparties are treated in an identical manner.
- No specific arrangements are in place with any execution venues, regarding payments made or received, discounts, rebates or non-monetary benefits received.
- HSBC were added to the list of execution venues listed in the firm's Order Execution Policy which occurred for the year of 2020 in an aim to achieve improved pricing and liquidity.
- We do not differentiate how we treat different categories of clients.
- We do not execute retail client orders.
- We utilise a third-party Transaction Cost Analysis (TCA) provider to assist us in analysing the execution received. We also analyse data on our trading to assist us in reviewing the execution arrangements in place, such as broker responses and pricing.

**Data represents orders executed through the period January to December 2020*

6. Equity Derivatives

Table 6a.

Class of Instrument	Equity Derivatives - Futures and Options				
Notification if <1 average trade per business day in the previous year	N				
Top five venues ranked in terms of volumes (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs International	54%	79%	N/A	N/A	N/A
JP Morgan Securities PLC	31%	9%	N/A	N/A	N/A
UBS International	14%	1%	N/A	N/A	N/A
Susquehanna International Securities	1%	7%	N/A	N/A	N/A
HSBC	1%	3%	N/A	N/A	N/A

**Data represents orders executed through the period January to December 2020*

Table 6b.

Class of Instrument	Equity Derivatives – Swaps & Other Equity Derivatives				
Notification if <1 average trade per business day in the previous year	N				
Top five venues ranked in terms of volumes (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs International	77%	76%	N/A	N/A	N/A
JP Morgan Securities PLC	16%	16%	N/A	N/A	N/A
Morgan Stanley International	4%	3%	N/A	N/A	N/A
UBS Europe SE	3%	3%	N/A	N/A	N/A
Merrill Lynch International	0%	1%	N/A	N/A	N/A

Comments:

- Given the nature of our business, the results are consistent with the process set out in our Order Execution Policy. Price and liquidity, where possible, were given the highest relative importance. Qualitative factors such as broker relationships were reviewed and monitored but were not necessarily the primary execution factor.
- For Equity Derivatives, Santander Corporate Investment Bank (CIB) is an approved counterparty. SAM UK is under no obligation to show any preferential treatment to this counterparty – all approved counterparties are treated in an identical manner.
- No specific arrangements are in place with any execution venues, regarding payments made or received, discounts, rebates or non-monetary benefits received.
- HSBC were added to the list of execution venues listed in the firm's Order Execution Policy which occurred for the year of 2020 with the aim to achieve improved pricing and liquidity.
- We do not differentiate how we treat different categories of clients.
- We do not execute retail client orders.
- We utilise a third-party Transaction Cost Analysis (TCA) provider to assist us in analysing the execution received. We also analyse data on our trading to assist us in reviewing the execution arrangements in place, such as broker responses and pricing.

**Data represents orders executed through the period January to December 2020*

7. Interest Rate Derivatives

Table 7a.

Class of Instrument	Interest Rate Derivatives - Futures and Options				
Notification if <1 average trade per business day in the previous year	Y				
Top five venues ranked in terms of volumes (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs	100%	100%	N/A	N/A	N/A

**Data represents orders executed through the period January to December 2020*

Table 7b.

Class of Instrument	Interest Rate Derivatives – Swaps, Forwards & Other Interest Rate Derivative				
Notification if <1 average trade per business day in the previous year	Y				
Top five venues ranked in terms of volumes (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs	100%	100%	N/A	N/A	N/A

Comments:

- Given the nature of our business, the results are consistent with the process set out in our Execution Policy. Price and liquidity, where possible, were given the highest relative importance. Qualitative factors such as broker relationships were reviewed and monitored but were not necessarily the primary execution factor.
- For Interest Rate Derivatives, Santander Corporate Investment Bank (GIB) is an approved counterparty. SAM UK is under no obligation to show any preferential treatment to this counterparty – all approved counterparties are treated in an identical manner.
- No specific arrangements are in place with any execution venues, regarding payments made or received, discounts, rebates or non-monetary benefits received.
- HSBC were added to the list of execution venues listed in the firm's Order Execution Policy which occurred for the year of 2020 in the aim to achieve improved liquidity and pricing.
- We do not differentiate how we treat different categories of clients.
- We do not execute retail client orders.
- We utilise a third-party Transaction Cost Analysis (TCA) provider to assist us in analysing the execution received. We also analyse data on our trading to assist us in reviewing the execution arrangements in place, such as broker responses and pricing.

**Data represents orders executed through the period January to December 2020*

8. Collective Investment Schemes

Table 8a.

Class of Instrument	Collective Investment Schemes				
Notification if <1 average trade per business day in the previous year	N				
Top five venues ranked in terms of volumes (descending order)	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Allfunds Bank S.A. London Branch	100.00%	100.00%	N/A	N/A	N/A

Comments:

- The overall results were consistent with the execution factors in our Order Execution Policy. Price and liquidity where possible were given the highest relative importance.
- For order placement in Collective Investment Schemes, we utilise Allfunds Bank S.A. as a conduit to external Mutual Fund companies and their respective administrators.
- No specific arrangements are in place with any execution venues, regarding payments made or received, discounts, rebates or non-monetary benefits received.
- No changes in the list of execution venues listed in our Order Execution Policy occurred for the year 2020.
- We do not differentiate how we treat different categories of clients.
- Collective Investment Schemes trades are executed at Net Asset Value (NAV) rather than market price, with the exception of Exchange Traded Funds which are subject to Best Execution filtering through Transaction Cost Analysis (TCA).

**Data represents orders executed through the period January to December 2020*



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