

For customers

Best execution report 2017 –

Scottish Equitable plc and Aegon Investment Solutions Limited

Our platform offers the opportunity to invest into a number of different assets:

- Around 3,170 collective investments.
- Aegon's insured funds.
- A selection of listed securities for example equities, exchange-traded funds (ETFs) and investment trusts through stockbroker Winterflood Securities Ltd (Winterflood).

For the purpose of achieving 'best execution', or getting the best possible price for clients when carrying out trades, we treat all clients as Retail. This means for 'best execution', we consider the price and costs of the investment to be the most important factors for obtaining the best possible outcome, the 'total consideration'.

You can find our current [Order execution policy](#) and [Order execution policy summary](#) on our website.

Collective investments and our insured funds

We allow customers to invest in a range of collective investments including Undertakings for the Collective Investment of Transferable Securities (UCITS), non-UCITS, non-UCITS Retail Schemes (NURS), Société d'investissement à Capital Variable (SICAV) and unit trusts. The receiving and transmitting of orders for investments in collective investments are always made directly with the respective authorised fund manager (AFM) or authorised corporate director (ACD).

The AFM/ACD determines the price by reference to the value of assets held by the fund and costs in line with the fund prospectus and regulations. Best execution is therefore limited as the AFM/ACD determines the price by reference to value of assets held by the fund and costs in line with the fund prospectus and regulations.

We typically aggregate individual client orders into bulk trades. We're comfortable with this approach to trading which enables great operational efficiency and isn't expected to work to the disadvantage of an individual customer.

Listed securities

Winterflood is a market maker offering execution services to retail brokers and institutional clients. They're part of the Close Brothers Group, a leading UK merchant banking group providing lending, deposit taking, wealth management services and securities trading.

Winterflood provides the following operational activities for us:

- Client order placement and dealing services.
- Settlement, distribution and contract note provisions.
- Corporate action notification service.

Each year we review whether the arrangements provide the best possible results for our customers and whether we need to make changes to our existing executions arrangements.

Winterflood's financial strength, credit ratings and contractual service level arrangement (SLA) performance indicates there's no requirement to change the stockbroker partner at this time.

Year	2017	Example securities
Class of instrument	K ¹	Exchange-traded products (ETFs, exchange-traded commodities)
Notification if <1 average trade per business day in the previous year	Yes	

Top five execution venues ranked in terms of trading volumes	Proportion of volume traded 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
8BRUP6V1DX3PIG2R0745 (Winterflood)	100%	100%	n/a	n/a	100%

Year	2017	Example securities
Class of instrument	A ¹	Equity – listed equity, investment trusts, real estate investment trust (REIT)
Notification if <1 average trade per business day in the previous year	Yes	

Top five execution venues ranked in terms of trading volumes	Proportion of volume traded 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
8BRUP6V1DX3PIG2R0745 (Winterflood)	100%	90.6%	n/a	n/a	100%

¹ [Commission Delegated Regulation \(EU\) 2017/576 8 June 2016](#)

Review process

In order to achieve the best possible result for our customers, each day we undertake a comprehensive review of the submission and execution of trades with Winterflood:

1. We review trade activity – including price and costs
2. We review any failed trade activity prior to receipt at Winterflood and post receipt.

Winterflood provide us a monthly 'Execution Quality Report' (EQR). We review the following information:

- Trade venue
- Trade price
- Number of executed trades on monthly basis

On a quarterly basis our Platform Investment Decision Group (PIDG) review both the daily activity and Winterflood's monthly EQR. We provide feedback, recommendations and challenges to Winterflood through a quarterly service review. In addition, the service level agreement within the contract is also reviewed.

Finally, the second Markets in Financial Instruments Directive (MiFID II) requires us to publish this report yearly.



aegon.co.uk



@aegonuk



Aegon UK



Aegon UK