

Abbey Sharedealing

Best execution policy



Introduction

Regulations require that we operate, communicate and monitor a 'best execution policy' to explain how we deal with your orders and to ensure that we provide you with information concerning that policy.

We may execute transactions ourselves or pass the order to another person (such as a broker), who will execute it. In this statement we refer to both these activities as 'executing orders'.

Outline of policy

Under our policy, we will consider various characteristics of the financial instrument concerned: price, costs, speed and likelihood of execution and settlement, the size of the order, the possible execution venues available, liquidity, the settlement currency and any other consideration relevant to the execution of the order. We will then decide which execution venue will provide the best possible result for you. For retail clients, we are required to balance these factors so that we are able to deliver the best possible result in terms of the total amount payable or receivable (i.e. both the price of the instrument and any execution costs payable by the client).

Thus, in executing your orders, we will generally give the highest priority to total consideration, representing the price of the financial instrument and the costs related to execution, and only take into account other factors where we determine they are instrumental in delivering the best possible results in terms of the amount payable or receivable.

For most client orders, the choice of execution venue will involve no extra charges, but if there are any we will choose the venue with the best total outcome for you.

In determining the best possible result for you, we will not compare the results that would be achievable for you under our policy with the results that might be achieved for you by another firm on the basis of their execution policy.

Our regulatory obligation to provide you with 'best execution' does not mean that we owe you any fiduciary responsibilities over and above the strict regulatory requirements placed upon us or as otherwise specifically agreed with us.

Whilst regulations require us to take reasonable steps to satisfy ourselves that the arrangements we have in place will provide you with the best possible result on a consistent basis, we cannot guarantee that we will be able to provide you with 'best execution' for every order in relation to which we act on your behalf.

You should note that if you give any specific instructions with your order we will follow those instructions. You should be aware that this may prevent us from taking the steps we have designed and implemented to obtain best execution in relation to the matters covered by your instructions.

We are required to execute all orders in accordance with our policy, in due turn of receipt and in accordance with the 'best execution' rules of the FSA. All instructions to deal will be carried out as soon as possible during normal market hours for the relevant venue.

Any orders accepted outside market hours will be dealt with as soon as practicable on the following business day and you may not receive the opening market price. You should note that the volatility in share price may be greater during the initial period of trading after the market opens. We will exercise professional judgement in order to comply with our best execution obligations in such cases.

Execution venues

The table below shows the venues we use. The use of electronic dealing in UK equities means that best execution is achieved for the majority of client orders extremely quickly and at no additional cost. (Orders in this type of instrument normally constitute more than 90% of our business.)

We anticipate that your orders will generally be executed on a venue that is an EU Regulated Market (RM) or Multilateral Trading Facility (MTF – a system that brings together multiple parties such as retail investors or other investment firms and enables them to buy and sell financial instruments). However, there may be circumstances in which a better outcome could be achieved by dealing outside of an RM or MTF, for example with a firm which is classed as a Systematic Internaliser (SI – an investment firm which, on an organised, frequent and systematic basis, deals on its own account by executing orders outside of an RM or MTF), and our policy therefore provides for this possibility. We will seek your express consent prior to executing your order outside of an RM or MTF in each case, unless you have already given us your consent to our doing so in relation to your orders generally.

Types of instrument	Venues considered
Equities, bonds and warrants:	
UK equities and warrants	London Stock Exchange, PLUS
Exchange traded funds	London Stock Exchange, PLUS
UK government and corporate bonds and PIBS	London Stock Exchange
Overseas equities and warrants and overseas government bonds (not listed on LSE or PLUS)	Off-market
Covered warrants	London Stock Exchange
Unit trusts and OEICs	Individual fund managers

Please note that this is not an exhaustive list but comprises those execution venues on which we place significant reliance. Execution may occur on other venues from time to time provided those venues are consistent with our best execution policy.

We believe that, in general terms, the best liquidity is provided for retail orders on the LSE or PLUS and which will depend on the price of the instrument at the time. For those instruments where there is only one venue, we will monitor best execution by reference to the prices provided by the market makers concerned and any other available price data.

When trading in overseas securities, execution of orders could be restricted to those market makers able to provide the necessary settlement and foreign exchange solutions. On these occasions, best execution is monitored by reference to the prices provided by the market makers concerned and any available local market price data.

We reserve the right to execute orders otherwise than as listed above where we deem it appropriate to do so in accordance with our policy.

We are required to obtain your prior consent to our policy when we execute the transaction ourselves.

You will be deemed to provide such consent when you instruct us to act on your behalf in relation to an order.

Execution policy – monitoring and review

Each year we will review this execution policy to ensure both that it is suitable in terms of achieving best execution for you, and that it is properly implemented. This will also be done if there are any material changes to circumstances. If any significant change to this policy or our order execution arrangements is made, for whatever reason (including material changes to the execution venues we use), we will notify you.

We will also monitor our effectiveness in achieving best execution of your orders on a regular basis by comparing a representative sample of the trades we execute against similar orders executed by other firms using data provided by the relevant exchange(s) or market data vendors. If, in certain circumstances, the data is not available we will use whatever other information is available.

Santander is able to provide literature in alternative formats. The formats available are: large print, Braille and audio CD. If you would like to register to receive correspondence in an alternative format please give us a call and ask the adviser to fill in the 'SDST Customer Registration' form.

Abbey Stockbrokers Limited is authorised and regulated by the Financial Services Authority (FSA registration number 154210), is a member of the London Stock Exchange and is an HM Revenue & Customs approved PEP and ISA Manager. Registered Office: Kingfisher House, Radford Way, Billericay, Essex CM12 0GZ. Registered in England number 02666793. Abbey Stockbrokers Limited is a subsidiary of Santander UK plc.

Santander UK plc. Registered Office: 2 Triton Square, Regent's Place, London NW1 3AN, United Kingdom. Registered Number 2294747. Registered in England. www.santander.co.uk. Telephone 0870 607 6000. Calls may be recorded or monitored. Authorised and regulated by the Financial Services Authority except in respect of its consumer credit products for which Santander UK plc is licensed and regulated by the Office of Fair Trading. FSA registration number 106054. Santander and the flame logo are registered trademarks.

LFE0757 SP 11 T



This item can be recycled.