

DUNDAS GLOBAL INVESTORS

Commentary to accompany our RTS28 reporting for 2018 (1 January to 31 December)

Dundas Partners LLP (Dundas) was established in 2010 to manage equity portfolios for institutional and professional investors. This is the firm's sole business. Clients' money is invested on a discretionary basis in portfolios of listed global equities. In accordance with the European Market in Financial Instrument Directive 2014/65/EU ("MiFID II") Dundas is required to publish the following information on the quality of execution practises and identify the top five trading venues where we have placed client orders for execution. Listed equity is the only class of MiFID II financial instrument that the firm deals in for client portfolios. Dundas does not have any retail clients.

Dundas does not execute clients' orders; orders are placed with brokers for execution. The firm acts as agent and owes a duty of care when placing trades on their behalf. All trading is undertaken on an agency basis. Commission rates are for 'execution-only', i.e. no payment for research or any other service is added or included. No close links, conflicts of interests, or common ownerships exist with respect to any execution venues used to execute orders.

Dundas takes all sufficient steps to obtain the best possible results for clients taking into account price, cost, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order when selecting brokers. Each client order that is transacted by our brokers is inherently unique in its characteristics and market conditions are never constant. Broker selection is made in the pursuit of best execution for clients.

We have selected a small number of brokerage firms whose standards and service meet our requirements. They are subject to annual review or ad-hoc where necessary at the Order Execution and Trading Committee. There have been no changes to the execution venues we use during 2018.

Internal checks post-trade are carried out to confirm completion, allocation and price. This is reviewed formally at the Best Execution and Trading Committee. Our brokers also provide independent external transaction cost analysis on a quarterly basis, which is reviewed to evidence best execution.

Execution Analysis Conclusions:

Trades predominantly executed by brokers via electronic routes generally achieved prices that were close to the market volume weighted average price (VWAP) over the trading period. Where prices deviated from VWAP the deviations were explained by market price and volume rather than any issue with routing logic or technology. All trade execution outcomes were understood and considered acceptable.

When looking at individual broker execution quality in aggregate no broker persistently under-performed peers nor did any persistently out-perform peers. No trades were identified that suggested broker venue selection sacrificed execution quality. There were no instances where the firm's broker selection was influenced by reasons other than the pursuit of best execution. Execution analysis did not result in any broker relationship being terminated on the grounds of poor quality of execution.