

## BANQUE HAVILLAND BEST EXECUTION POLICY (THE “POLICY”)

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### 1. PURPOSE

The purpose of this policy is to inform the clients (each a “Client”) that when Banque Havilland (Switzerland) S.A. (the “Bank”) executes an order in financial instruments for the benefit of the Client, it takes all sufficient measures to enable the Client to obtain the best results in terms of execution of his orders.

A reference to “Asset Class” in this Policy is a reference to one of the following types of financial instruments

1. Equities, depositary receipts & ETFs
2. Debt instruments
3. Listed derivatives
4. Currency derivatives
5. Contract for difference
6. Funds
7. Structured products

### 2. GENERAL BEST EXECUTION PRINCIPLES

When the Bank: (i) executes orders on the Client’s behalf; (ii) receives and transmits orders on the Client’s behalf; or (iii) places orders with entities for execution that result from decisions by the Bank to deal in financial instruments on the Client’s behalf when providing portfolio management services to the Client, the Bank will take all sufficient steps to achieve the best possible result for the Client orders - this is called “best execution”. This means that the Bank will apply procedures that are designed to obtain the best possible result for the Client order.

In the absence of specific instructions from the Client, the Bank will consider the following execution factors to determine the manner in which the Client order will be executed:

1. Price - this is the price a financial instrument is executed at;
2. Costs-this includes implicit as well as explicit costs;

3. Speed of execution - this refers to the time it takes to execute the Client’s order;

4. Likelihood of execution or settlement-this is the likelihood that the Bank will be able to complete a Client’s order;

5. Size of the order–the size of the order may affect the price of execution;

6. Nature of the order-elements that define the order (e.g. market price);

7. Any other consideration relevant to the efficient execution of the order.

In the absence of express instructions from the Client, the 1 Bank will determine at its own discretion the factors and their relative importance that the Bank needs to take into account for the purpose of providing the Client with the best execution using the below criteria:

- the characteristics of the Client;
- the characteristics and nature of the Client order, including whether any specific instructions are given;
- the characteristics of the financial instruments that are the subject of that order (including if any securities financing transactions are involved);
- the characteristics of the execution venues to which that order can be directed (including the ability of the venue to manage complex orders, the creditworthiness of the venue and the quality of any related clearing and settlement facilities).

This Policy should not be interpreted to mean that the Bank must obtain the best possible result on every single occasion.

The Bank’s policy, in providing the Client with best execution, is, so far as possible, to exercise the same standards and operate the same processes across all the different markets and financial instruments on which the Bank executes the orders. However, the diversity in those markets and instruments and the kind of orders that the Client may place with the Bank means that different factors will have to be

taken into account when the Bank assesses the nature of its execution policy in the context of different instruments and different markets. For example, there is no formalised market or settlement infrastructure for over-the-counter transactions. 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, the Bank's choice of execution venue may be limited, even to the fact that there may only be one platform/market upon which the Bank can execute the order of the Client.

The Bank's obligation to provide the Client with "best execution" does not mean that the Bank owes the Client any fiduciary or contractual responsibilities over and above the specific regulatory obligations placed upon it or as may be otherwise agreed between the Bank and the Client.

### **3. CLIENT ORDER HANDLING**

When carrying out Client orders, the Bank will:

- ensure that orders executed on behalf of Clients are promptly and accurately recorded and allocated.
- carry out otherwise comparable Client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the Client require otherwise.
- inform the Client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

When the Bank is responsible for overseeing or arranging the settlement of an executed order, the Bank will take all reasonable steps to ensure that any Client financial instruments or Client funds received in settlement of that executed order are promptly and correctly delivered to the account of the appropriate Client.

The Bank will not misuse information relating to pending Client orders, and will take all reasonable steps to prevent the misuse of such information by any of its relevant persons.

### **4. BUNDLED ORDERS**

In certain cases, the Bank may aggregate orders for professional Clients. The Bank will do so only where it is satisfied that (i) the aggregation of the orders will not work overall in the disadvantage of any Client and (ii) provided that the Bank will have previously informed the Client of the risks of disadvantages of the aggregation in respect of a particular order.

### **5. SHORT SALE**

The Bank may refuse any order where the Client does not have sufficient securities (order of sale) on the Client's account opened in the books of the Bank.

### **6. SPECIFIC INSTRUCTIONS OF CLIENT**

Where the Client provides the Bank with a specific instruction in relation to the order, or any particular aspect of the order, including, but without limitation, an instruction to execute the order on a particular exchange, the Bank will execute the order in accordance with the Clients' instructions. However, please note that when the Client provides the Bank with a specific instruction this may prevent the Bank from following some or all of the steps laid down in the Policy (below), that are designed to obtain the best possible result for the execution of the order of the Client. In following the Clients' instructions, the Bank will be deemed to have taken all steps to provide the best possible result in respect of the order or aspect of the order covered by the Client's specific instruction.

### **7. CLIENTS CHOOSE AN EXECUTION VENUE**

As the Bank will determine at its own discretion the execution venue that will provide the Client with the "best possible execution", the Bank does not invite the Client to choose the execution venue. 2

### **8. LIMITED ORDERS AND OVER THE COUNTER EXECUTION**

If in the case of a limited order on an exchange-traded financial instrument, the transaction is not executed immediately or in full due to market conditions, the order remains accessible to other market participants during its term of validity in order to facilitate the execution as fast as possible, except if the Client has specific instructions to do so otherwise.

When executing orders or taking decisions to deal in OTC products including bespoke products, the Bank will ensure the fairness of the price proposed and gather market data used in the estimation of the price of such product and, where possible, compare prices with similar or comparable products. When the order is executed over the counter, counterparty risks and settlement risks might arise.

### **9. REMUNERATION OF THE BANK**

As compensation for the execution of the Client order, the Bank will charge the transactions fees specified in the Bank's Fee Schedule. Any modification to the indicated fees

will be communicated to the Client in accordance with the General Terms and Conditions of the Bank.

The Bank does not receive third party payments from the execution venues.

## **10. RECEIVING AND TRANSMITTING ORDERS OR PLACING ORDERS**

Subject to any specific instructions received from the Client, when the Bank: (i) transmits orders received from the Client to another dealer/the Bank's affiliate for execution; or (ii) places orders with other entities for execution that result from decisions by the Bank to deal in financial instruments on behalf of the Client, the Bank is under an obligation to take all sufficient steps to obtain the best possible result for the Client. The Bank will choose such intermediary with due care, competence and diligence. The Bank will either determine the ultimate execution venue for the Client order on the basis of its order execution policy as described above and then give specific instructions to an intermediary, or the Bank will satisfy itself that the intermediary has arrangements in place to enable them to comply with the Bank's obligation to the Client. Where the Bank transmits orders to, or places orders with, other brokers/affiliates, the Bank monitors the standard of execution being provided by it and, where appropriate, corrects any deficiencies.

Annex 2, execution venues for the execution of orders, indicates the list of execution venues that the Bank trusts the most to fulfil its requirements to take all sufficient steps to obtain in most cases the best possible outcome for the execution of the orders of the Client.

## **11. INFORMATION REQUESTED BY THE CLIENT**

The Bank agrees to respond clearly and within a reasonable time when the Client makes a reasonable and proportionate request for information about the Policy or arrangements and how they are reviewed.

## **12. POLICY SUMMARY**

A summary of this Policy is transmitted to Clients in the General Terms and Conditions of the Bank.

## **13. MONITORING AND REVIEW**

The Bank monitors the effectiveness of the Bank's order execution arrangements and order execution policy in order to identify and, where appropriate, correct any deficiencies.

Changes to this Policy will be notified to the Client in accordance with the General Terms and Conditions of the Bank.

Please note that a hard copy of the Annex 1 and 2 will be provided to the Client upon request.

## **14. DEFINITIONS**

**Execution venue:** an execution venue is a regulated market, a multilateral trading facility (MTF), an organized trading facility (OTF), a systematic internaliser (SI) or an entity that provides a similar service in a third country to the services performed by any of the foregoing.

**Intermediary:** an intermediary is a company to which the Bank transmits orders for execution and which either executes it on an execution venue or transmits the order to another intermediary for execution.

**Multilateral trading facility (MTF):** an MTF is a multilateral system, operated by an investment firm or a market operator, which brings together multi third-party buying and selling interest in a specific financial instrument.

**Organised trading facility (OTF):** an OTF is a multilateral trading system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds and other OTC products are able to interact.

**Regulated market (RM):** A RM is a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments in the system. In contrast to OTFs, RMs must execute transactions on a non-discretionary basis.

**Systematic internaliser (SI):** an SI is an investment firm which, on an organized, frequent, systematic and substantial basis, deals on own account when executing client orders outside a RM, an MTF or an OTF without operating a multilateral system.

**Trading venue:** A trading venue is a regulated market, a multilateral trading facility or an organized trading facility.

## ANNEX 1: SPECIFIC BEST EXECUTION PRINCIPLES PER ASSET CLASS

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The Bank follows the below general principles when orders are given in relation to the following classes of financial instruments:

### EQUITIES, DEPOSITARY RECEIPTS AND ETFs

#### SCOPE OF ASSET CLASS

These asset class specific principles provide further detail with regard to the application of best execution in relation to equity instruments, depositary receipts and ETFs.

These principles constitute an appendix to the overarching Policy and should be read in conjunction with that document.

#### EXECUTION VENUES SELECTED BY THE BANK

The execution of an order will be done through an execution venue chosen by the Bank in compliance with these principles.

The Bank does not have access to Regulated Markets and uses intermediaries to process the order. The Bank transmits the order to the intermediary who in turn executes such order in its own name on an execution venue.

The Bank's principal execution venues covered by this section are set out in Annex 2 of the Policy.

#### PRIORITISATION OF EXECUTION FACTORS

The best execution factors that the Bank will consider when choosing an execution venue are the following in descending order of importance:

Price Cost Speed Size

When executing orders in the above-mentioned asset class, the two primary factors for best execution are price and cost. Speed and size may also play an important role depending on market condition.

#### TYPES OF ORDERS

The Bank accepts the following standard types of orders:

**Market Price:** The order will be dependent on the market conditions without prior indication of price.

**Limit Price:** The buyer or the seller indicates the price above or below which he does not wish to carry out the order.

**Stop loss:** The execution of the trade is triggered when the stock trades below or above a certain price, and will be executed at the next available price.

**Stop Limit:** A Stop-Limit order will be triggered after a given stop price has been reached. Once the Stop-Limit has been triggered, the Stop-Limit order becomes a limit order to buy

or sell at the limit price or better.

#### TRANSMISSION OF ORDER

Orders placed through manual (e.g. phone orders or instant messaging) or electronic means will be dealt with via the trading desk who will determine the strategy on handling the Client order, based on the prioritisation of execution factors above and taking into account any particular criteria or instructions provided. Orders that are large in scale or for illiquid instruments (instruments with a low daily traded volume) may be executed on a discretionary basis. This is done in the interest of the order's best execution.

#### OVER THE COUNTER ORDERS

The financial instruments referred to in this section are not dealt on an 'Over The Counter' basis (outside a trading venue).

## DEBT INSTRUMENTS

### SCOPE OF ASSET CLASS

These asset class specific principles provide further detail with regard to the application of best execution in relation to debt instruments.

These principles constitute an appendix to the overarching Policy and should be read in conjunction with that document.

### EXECUTION VENUES SELECTED BY THE BANK

The execution of an order will be done through an execution venue chosen by the Bank in compliance with these principles.

New trading platforms for bonds (i.e., "Multilateral Trading Facility" or "MTF") will enable transactions to be executed on a non-regulated market in a transparent manner.

In exceptional cases, the Bank may execute a Client bond order outside of an MTF. The Bank's principal execution venues covered by this section are set out in Annex 2 of the Policy.

### PRIORITISATION OF EXECUTION FACTORS

The best execution factors that the Bank will consider when choosing the execution venue are the following in descending order of importance:

Price Size Speed

Whilst the Bank has provided these in order of relative priority in the sections below, a variety of criteria will be taken into account in assessing the prioritisation of execution factors. This includes appropriate consideration on a transaction by transaction basis. Criteria for consideration include the characteristics of each individual transaction such as Client preferences, market conditions, when the transaction is received and the size of the trade. Generally, the most important execution factor for the Banks' Clients will be the price the relevant financial instrument is executed at. However, in more illiquid markets, the primary execution factors may vary, as such, likelihood of execution may become the primary execution factor.

### TYPES OF ORDERS

The Bank accepts the following standard types of orders:

Market Price: The order will be dependent on the market conditions without prior indication of price.

Limit Price: The buyer or the seller indicates the price above or below which he does not wish to carry out the order.

## TRANSMISSION OF ORDER

Orders placed through manual (e.g. phone orders or instant messaging) or electronic means will be dealt with via the trading desk who will determine the strategy on handling the Client order, based on the prioritisation of execution factors above and taking into account any particular criteria or instructions provided.

Orders that are large in scale may be executed by the Bank on a discretionary basis. This is done in the interest of the order's best execution and ensures a price in line with the market conditions.

### OVER THE COUNTER ORDERS

The financial instruments referred to in this section are usually not traded outside a trading venue: the orders will be routed through an MTF, allowing participants to gather and transfer a variety of securities that may not have an official market. In some exceptional circumstances, the Bank may trade outside of an MTF.

## EXCHANGE TRADED DERIVATIVES

### SCOPE OF ASSET CLASS

These asset class specific principles provide further detail with regard to the application of best execution in exchange traded derivatives admitted to trading on a trading venue. This section covers exchange traded commodity derivatives, exchange traded equity derivatives and exchange traded interest rates derivatives.

As the financial instruments covered in this chapter are listed on stock exchanges, orders received by the Bank will systematically be executed on the relevant stock exchange.

These principles constitute an appendix to the overarching Policy and should be read in conjunction with that document.

### EXECUTION VENUES SELECTED BY THE BANK

The Bank does not have access to Regulated Markets and uses intermediaries to process the order. The Bank transmits the order to the intermediary who in turn executes such order in its own name on an the Regulated Market.

The Bank's principal execution venues covered by this section are set out in Annex 2 of the Policy.

### PRIORITISATION OF EXECUTION FACTORS

The best execution factors that the Bank will consider when choosing the execution venue are the following in descending order of importance:

## Speed Price Size

Even if the Bank has prioritized the execution factors in the current section, a variety of criteria will be considered in assessing the prioritization of execution factors for each transaction. Criteria for consideration include the characteristics of each individual order such as market conditions, when the order is received and the size of the order. In more illiquid markets and under specific conditions, the above prioritization may be amended such as likelihood of execution becomes the most important factor.

### TYPES OF ORDERS

The Bank accepts the following standard types of orders:

**Market Price:** The order will be dependent on the market conditions without prior indication of price.

**Limit Price:** The buyer or the seller indicates the price above or below which he does not wish to carry out the order.

**Stop loss:** The execution of the trade is triggered when the stock trades below or above a certain price, and will be executed at the next available price.

**Stop Limit:** A Stop-Limit order will be triggered after a given stop price has been reached. Once the Stop-Limit has been triggered, the Stop-Limit order becomes a limit order to buy or sell at the limit price or better

### TRANSMISSION OF ORDER

Orders placed through manual (e.g. phone orders or instant messaging) or electronic means will be dealt with via the trading desk who will determine the strategy on handling the Client order, based on the prioritisation of execution factors above and taking into account any particular criteria or instructions provided.

### OVER THE COUNTER ORDERS

As the financial instruments covered in this chapter are listed on stock exchanges, orders received by the Bank will systematically be executed on the relevant stock exchange. No order will be executed OTC.

## CURRENCY DERIVATIVES

### SCOPE OF ASSET CLASS

These asset class specific principles provide further detail with regard to the application of best execution in relation to currency derivatives, more specifically, OTC swaps, forwards and options.

These principles constitute an appendix to the overarching Policy and should be read in conjunction with that document.

### EXECUTION VENUES SELECTED BY THE BANK

The Bank will always trade as principal when executing orders in currency derivatives.

### PRIORITISATION OF EXECUTION FACTORS

The best execution factors that the Bank will consider are the following in descending order of importance:

Price Size Speed

Even if the Bank has prioritized the execution factors in the current section, a variety of criteria will be considered in assessing the prioritization of execution factors for each transaction. Criteria for consideration include the characteristics of each individual order such as market conditions, when the order is received and the size of the order. In more illiquid markets and under specific conditions, the above prioritization may be amended such as likelihood of execution becomes the most important factor.

### TYPES OF ORDERS

The Bank accepts the following standard types of orders:

**Market Price:** The order will be dependent on the market conditions without prior indication of price.

**Limit Price:** The buyer or the seller indicates the price above or below which he does not wish to carry out the order.

**Stop loss:** The execution of the trade is triggered when the stock trades below or above a certain price, and will be executed at the next available price.

**Stop Limit:** A Stop-Limit order will be triggered after a given stop price has been reached. Once the Stop-Limit has been triggered, the Stop-Limit order becomes a limit order to buy or sell at the limit price or better.

### TRANSMISSION OF ORDERS

Orders placed through manual (e.g. phone orders or instant messaging) or electronic means will be dealt with via the trading desk who will determine the strategy on handling the Client order, based on the prioritisation of execution factors above and taking into account any particular criteria or instructions provided. The Bank will replicate the order on an execution venue based on the prioritisation of execution factors above.

### OVER THE COUNTER ORDERS

Currency derivatives are traded over the counter. As the Bank trades currency derivatives on a principal basis, the execution venue will always be the Bank. The Bank will look to hedge their risks with the Systematic Internaliser of its network providing the best execution.

## CONTRACTS FOR DIFFERENCE (CFDS)

### SCOPE OF ASSET CLASS

These asset class specific principles provide further detail with regard to the application of best execution in relation to Contracts for difference.

These principles constitute an appendix to the overarching Policy and should be read in conjunction with that document.

### EXECUTION VENUES SELECTED BY THE BANK

Contracts for differences are traded OTC. The Bank will always trade as principal when executing orders in contract for differences and will represent the sole execution venue.

### PRIORITISATION OF EXECUTION FACTORS

The best execution of a contract for difference will be monitored through the execution of the underlying asset considering the execution factors listed in this paragraph. The best execution factors that the Bank will consider are the following in descending order of importance:

Price Speed Cost

When executing orders in the above mentioned asset class, the primary factors for best execution is price. Speed also plays an important role if the price for a particular financial instrument is expected to decline.

### TYPES OF ORDERS

The Bank accepts the following standard types of orders:

Market Price: The order will be dependent on the market conditions without prior indication of price.

Limit Price: The buyer or the seller indicates the price above or below which he does not wish to carry out the order.

Stop loss: The execution of the trade is triggered when the stock trades below or above a certain price, and will be executed at the next available price.

Stop Limit: A Stop-Limit order will be triggered after a given stop price has been reached. Once the Stop-Limit has been triggered, the Stop-Limit order becomes a limit order to buy or sell at the limit price or better.

### TRANSMISSION OF ORDER

Orders placed through manual (e.g. phone orders or instant messaging) or electronic means will be dealt with via the trading desk who will determine the strategy on handling the Client order, based on the prioritisation of execution factors above

and taking into account any particular criteria or instructions provided.

### OVER THE COUNTER ORDERS

CFD is dealt on an 'Over The Counter' basis, that is, with a Bank as counterparty.

## FUNDS

### SCOPE OF ASSET CLASS

These asset class specific principles provide further detail with regard to the application of best execution in relation to funds.

These principles constitute an appendix to the overarching Policy and should be read in conjunction with that document.

### EXECUTION VENUES SELECTED BY THE BANK

By default, the Bank executes the orders with the Bank's fund Transfer Agent (TA). Funds can only be subscribed and redeemed with the TA and at one specific price; the fund's net asset value (NAV). As there is no discretion with regards to the execution venue and / or the price, the Bank will execute Client orders with the respective TA.

The cut-off time is the time until which the TA accepts the fund for execution on the next NAV date. If the TA receives the order after the cut-off time, the execution price may not be the one of the next NAV but rather the one after that.

A delay may occur if the instrument is not known by the Bank or if the relationship with the TA is not set up yet. Under certain circumstances, the opening of an account with a TA may take several days.

## STRUCTURED PRODUCTS

### SCOPE OF ASSET CLASS

These asset class specific principles provide further detail with regard to the application of best execution in relation to structured products (i.e. dual currency investments).

These principles constitute an appendix to the overarching Policy and should be read in conjunction with that document.

### EXECUTION VENUES SELECTED BY THE BANK

The execution of an order will be done through an execution venue chosen by the Bank in compliance with these principles. The liquidity of these financial instruments is often very low

and a market involving various interested parties cannot be guaranteed, The issuer of the product is often the only in counterparty for the specific product.

The Bank's principal execution venues covered by this section are set out in Annex 2 of the Policy.

### **PRIORITISATION OF EXECUTION FACTORS**

The best execution factors that the Bank will consider when choosing the execution venue are the following in descending order of importance:

Likelihood of execution and settlement

Price

Cost

The most important execution factor will generally be the price of the relevant asset class. However, as can be seen above, for more illiquid markets, the primary execution factors differ. As a consequence, the likelihood of execution will become the primary execution factor.

### **TYPES OF ORDERS**

The Bank accepts the following standard types of orders:

Market Price: The order will be dependent on the market conditions without prior indication of price.

Limit Price: The buyer or the seller indicates the price above or below which he does not wish to carry out the order.

### **TRANSMISSION OF ORDER**

Orders placed through manual (e.g. phone orders or instant messaging) or electronic means will be dealt with via the trading desk who will determine the strategy on handling the Client order, based on the prioritisation of execution factors above and taking into account any particular criteria or instructions provided.

### **OVER THE COUNTER ORDERS**

All of the financial instruments referred to in this paragraph are dealt on an 'Over The Counter' basis, that is, with a Bank as counterparty.



## ANNEX 2: EXECUTION VENUES AND INTERMEDIARIES SELECTED BY THE BANK

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Below is a list of execution venues chosen to fulfill the Bank's obligation to take all sufficient steps to obtain in most cases the best possible outcome for the execution of orders of the Bank's Clients.

### EQUITIES, DEPOSITARY RECEIPTS & ETFs

UBS  
BNP  
Banque Havilland Luxembourg S.A. (Group)  
CIC  
CS  
Oddo  
Vontobel

### DEBT INSTRUMENTS

Bloomberg - MTF  
UBS  
BCGe  
BCV  
Banque Havilland Luxembourg S.A. (Group)  
BNP  
Bridport  
CIC  
CS  
Danske Bank  
Deutsche Bank  
DNB ASA  
KBC  
Natixis  
Oddo  
Rabobank  
Sarasin  
Société Générale  
ZKB

### EXCHANGE TRADED DERIVATIVES

Banque Havilland Luxembourg S.A. (Group)

### CURRENCY DERIVATIVES (OTC SWAPS, FORWARDS AND OPTIONS)

Banque Havilland SA (Group)  
CS  
KBC  
UBS

### CONTRACT FOR DIFFERENCE

Banque Havilland Luxembourg S.A. (Group)

### COMMODITY DERIVATIVES

Banque Havilland Luxembourg S.A. (Group)

### FUNDS

Banque Havilland Luxembourg S.A. (Group)  
Banque de Luxembourg  
CIC  
CS  
Julius Baer  
LGT  
LLB  
Pictet  
Sarasin  
UBS  
BCV

### STRUCTURED PRODUCTS (I.E. DUAL CURRENCY INVESTMENTS)

Banque Havilland Luxembourg S.A. (Group)  
Leonteq  
Société Générale  
BNP  
Deutsche Bank  
Rabobank

BANQUE HAVILLAND (SUISSE) S.A.

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