

1. General Information

1.1 Purpose of the Policy

This Order Execution Policy provides information on how Swedbank AB publ. (referred to as "Swedbank", "we" or "us") seeks to provide best execution when operating in the European Economic Area, in accordance with the revised Markets in Financial Instruments Directive 2014/65/EU ("MiFID II"). The Order Execution Policy is available on our website: <https://www.swedbank.se/privat/spara-och-placera/mifid/basta-orderutforande/index.htm>

You are considered to have given consent to this Order Execution Policy, where after receiving this policy, you submit an order to Swedbank for execution.

This document is a translation of the Swedish original. The Swedish version shall be the sole authentic version and, in the event of discrepancies, shall prevail.

1.2 What is best execution?

Best Execution is the requirement to take "all sufficient steps" to obtain the best possible result when executing client orders or when transmitting orders to other entities for execution. To do this, firms should take into account a range of execution factors and determine their relative importance based on the characteristics of their clients, the types of financial instruments for which they receive orders, and the markets in which they operate.

Aside from the explicit Best Execution requirements explained in this policy, we have an overriding duty to act honestly, fairly and professionally in accordance with the best interests of our clients. It is in accordance with this duty that we, even for activities or products that are technically outside of the Best Execution regime, always endeavour to act in the best interests of our clients.

Swedbank always reserves the right to reject an order if the order does not conform to applicable legislation, regulations, market rules or generally accepted practices on the securities market, or where Swedbank, for any other reason, believes that there is special cause to do so.

1.3 Scope of Order Execution Policy

INVESTMENT SERVICES

The Best Execution requirements apply to the following investment services.

Execution of orders on behalf of clients

Providing the investment service "execution of orders on behalf of clients" means that the investment firm acts to conclude agreements to buy or sell financial instruments on behalf of clients. There is normally no intermediary between the investment firm acting on the client's behalf and the execution venue.

According to MiFID II, a firm that deals on own account with clients is considered to be executing client orders and is therefore subject to Best Execution requirements. Dealing on own account means trading against proprietary capital resulting in the conclusion of transactions in financial instruments. Execution of client orders also includes the conclusion of agreements to sell financial instruments, issued by Swedbank, at the moment of their issuance.

Reception and transmission of client orders

Providing the investment service reception and transmission of client orders means that the investment firm receives the client order and passes it on to another firm for execution. This can, for example, be the case when the investment firm is not a member of the trading venue where the instruments that the client wishes to buy or sell are admitted to trade.

Please note that, in this policy, the term "execution of orders" is also used to include the service reception and transmission of client orders, unless stated otherwise.

Portfolio Management

The investment service "portfolio management" means managing portfolios in accordance with mandates given by clients on a discretionary client-by-client basis where such portfolios include one or more financial instruments. The orders which result from the portfolio manager's decision to deal on the client's behalf can either be placed with another investment firm for execution or be executed by the firm itself.

CLIENTS

This policy applies to both retail and professional clients. Clients should have received a formal notification from us informing them of their client categorisation. Unless otherwise stated, this policy applies to clients in the same way regardless of whether they are an elective professional client (via an opt-up or opt-down mechanism) or a per se retail or professional client.

The obligation to provide best execution does not extend to eligible counterparties. Accordingly, this policy does not apply to eligible counterparties, unless we agree to provide best execution.

PRODUCT SCOPE

The Best Execution requirements are applicable to the execution of client orders in financial instruments, as defined by MiFID II in Annex I Section C "Financial Instruments". This includes securities, such as shares, bonds, units in funds and structured products; as well as financial contracts, such as options, forwards, futures and swaps, whether publicly listed or not, and emission allowances.

FX spot transactions are not regarded as financial instruments according to MiFID II. However, we will seek to apply equivalent execution standards to FX spot transactions as part of best practices.

Over The Counter ("OTC") products are financial instruments which are (i) not admitted to trade or (ii) not traded on a trading venue (i.e. Regulated Market "RM", Multilateral Trading Facility "MTF" or Organized Trading Facility "OTF"). MiFID II requires

firms which execute orders or take decisions to deal in OTC products, including bespoke products, to check the fairness of the price proposed to the client by gathering market data used in the estimation of the price of such products and, where possible, by comparing with similar and comparable products.

1.4 Application of best execution

When executing client orders, we may act in different capacities. Often a distinction is made between acting as agent or principal.

AGENCY OR AGENCY-STYLE TRADING

When Swedbank acts in an agency capacity, we trade in our own name on behalf of the client (Sw. kommission). This is commonly the case when we execute clients orders on a trading venue. Best Execution obligations apply when we act as agent for the client.

Swedbank may sometimes act as riskless principal when executing client orders, and best execution generally applies in these cases as well. Riskless principal is a trade in a financial instrument that involves two orders, with the execution of one of these orders dependent upon the receipt or execution of the other.

PRINCIPAL TRADING

Transactions based on a request for quote or the acceptance of an offer made by Swedbank to buy or sell a financial instrument are not typically considered "execution of an order on behalf of a client" and therefore no best execution obligation applies. However, best execution can apply to principal trading if the client are placing a legitimate reliance on us to protect its interests in relation to the execution of the transaction.

Legitimate reliance test

In order to determine whether the client is placing legitimate reliance on us to protect the client's interests when negotiating transactions or when we receive orders from the client on a principal basis, we take the following four considerations into account:

1. Which party initiates the transaction – If the client is the initiating party, it is less likely that the client is placing legitimate reliance on Swedbank;
2. Market practice – When it is convention in the relevant market for buyers to ask for quotes from several investment firms, there is likely no expectation to receive best execution;
3. Relative levels of transparency within the market – When pricing information is transparent and it is reasonable that the client has access to such information, it is less likely that the client will be placing legitimate reliance on Swedbank; and
4. The information provided by us and any agreement reached – Where any agreements or arrangements with the client (including this policy) do not indicate that the client will place legitimate reliance on Swedbank or that Swedbank has agreed to provide best execution, then it is less likely that the client is placing legitimate reliance on Swedbank.

In many cases, these considerations will be met when trading with retail clients, i.e. retail clients will normally have a legitimate reliance that they will receive best execution.

Examples

Circumstances where the client may be considered to be placing a legitimate reliance on Swedbank may include, but are not limited to:

- trades where Swedbank is given discretion on how and when to execute the client's order either on an agency, riskless principal or principal basis;
- cases in which the client is seeking to exit a complex structured trade and it would be reasonable to consider that the client is unable to shop around;

The obligation to provide best execution will generally not apply where the client:

- are seeking a quote in competition and have the ability to shop around for alternative prices;
- specify the price/quote and the trade is executed on risk;

1.5 Execution factors and their relative importance

EXECUTION FACTORS

As part of taking "all sufficient steps" to obtain the best possible result for the client, we consider the following execution factors and their relative importance:

- Price – this is the price at which a financial instrument is executed;
- Costs – this includes implicit costs such as the possible market impact, explicit external costs e.g. exchange or clearing fees, and explicit internal costs which represent Swedbank's own remuneration through commission or spread;
- Speed – time taken to execute a client transaction;
- Likelihood of execution and settlement – the likelihood that we will be able to complete a client transaction;
- Size – the size of the transaction executed for a client, accounting for how this affects the price of execution; and
- Nature of the transaction or any other consideration relevant to the execution of the transaction – given that the particular characteristics of a client transaction can affect how execution is performed and the impact on the market.

Generally, the most important execution factor for our clients will be the price at which the relevant financial instrument is executed. However, in more illiquid markets, the primary execution factors may vary. Under such circumstances, likelihood of execution will become increasingly important.

RETAIL CLIENTS – TOTAL CONSIDERATION

Where Swedbank executes an order on behalf of a retail client, the best possible result shall be determined in terms of the total consideration, i.e. the price of the financial instrument and the costs relating to execution. Other factors may be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the retail client.

PROFESSIONAL CLIENTS – RELATIVE IMPORTANCE OF EXECUTION FACTORS

For professional clients, we take the following into account when we prioritise the individual factors:

- the characteristics of the client order;
- the characteristics of the financial instruments;
- the characteristics of the execution venues to which that order can be directed.

SPECIAL CIRCUMSTANCES

There may also be circumstances in which Swedbank may want to deviate from how we generally prioritise between the execution factors. This could, for example, be the case for large orders or orders in illiquid instruments where other factors such as certainty of execution and market impact are deemed more important, or in cases where market conditions such as severe market disruptions do not enable us to follow the general rules set forth in this policy.

1.6 Specific Client Instructions

Where a client provides Swedbank with a specific instruction on how all or part of their order should be executed, the relevant execution will be effected in accordance with such instruction. The specific instruction from a client will have precedence over what is stated in this policy.

Warning: A specific instruction from the client may therefore have the consequence that Swedbank will not follow all of the procedures set forth in this policy to obtain the best possible result for the execution of the client's order.

If the client has given a specific instruction which applies only to one part or one aspect of an order, Swedbank has fulfilled its best execution obligations in regards to that aspect of the order when we have followed the instruction. However, for the part of the order that is not covered by the specific instruction of the client, Swedbank remains bound by its obligation to take all sufficient steps to obtain the best possible result. Examples of such client instructions could be the selection of a specific execution venue or the use of a specific algorithm or execution of an order over a particular timeframe.

Swedbank may refuse to follow a client instruction where the instruction would contravene applicable legislation, regulations, market rules or generally accepted practices on the securities market, or where Swedbank, for any other reason, believes that there is special cause to do so.

1.7 Monitoring and review of Policy

MONITORING

In order to ensure that the intended outcomes in this Order Execution Policy can be successfully achieved on an ongoing basis, Swedbank monitors not only the execution quality obtained but also the quality and appropriateness of the execution arrangements and policies.

Swedbank will annually, for each class of instrument, publish a summary of the analysis and conclusions drawn from our monitoring of the quality of execution obtained on the execution venues where we have executed client orders in the previous year.

REVIEW AND INFORMATION ON MATERIAL CHANGES

Swedbank will review, at least on an annual basis, this Order Execution Policy as well as our order execution arrangements. Swedbank will notify clients with whom we have an ongoing client relationship of any material changes to the order execution arrangements or this Order Execution Policy. A material change shall be a significant event that could impact parameters of best execution, such as cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

The addition or removal of execution venues or brokers is generally not considered a material change unless it is one of the main venues/brokers on which the investment firm relies for execution for a certain class of financial instrument. Non-material changes will only be published on our website.

1.8 Disturbance in the Market or Trading Systems

In the event of disturbances in the market or in Swedbank's own systems, e.g. due to outages or deficient access in technical systems, it may in our opinion be impossible or inappropriate to execute orders in any of the ways stated in this policy. Swedbank will thereupon undertake all reasonable measures in order to otherwise achieve the best possible result for the client.

If an execution venue cancels or changes prices to an order executed on the relevant execution venue, the client will be bound by the these measures, regardless if Swedbank earlier has confirmed the order and the order has been executed.

2. Execution methods and selection of Execution venues

2.1 Methods for Executing Client Orders

In order to obtain best execution for our clients, we may use one or a combination of different methods of execution. In practice, this will depend on the type of market and the financial instrument. See the asset class-specific section (3) for more information on how different types of instruments are executed.

EXECUTION ON OR OUTSIDE OF A TRADING VENUE

Execution on trading venue

We may execute orders directly on one or several trading venues or, if we are not a member of a trading venue, we may execute orders indirectly through a third-party investment firm (e.g. broker).

Execution outside of a trading venue

Swedbank may execute orders outside trading venues, also referred to as OTC. These transactions can be executed against our own account or against a third party. Under some circumstances, we may also cross clients' orders.

EXECUTION THROUGH THIRD PARTIES (BROKERS OR AFFILIATES)

Swedbank sometimes uses other investment firms to execute client orders, i.e. transmit the client's order to a third party for execution. This is, for example, the case when we are not members of the trading venue where the financial instruments are traded. The broker may in turn transmit the order to another broker. It is also possible for the broker to execute the transaction outside of a trading venue. When executing client orders by transmitting them to third parties, we will ensure that the third party provides best execution.

DIRECT ELECTRONIC ACCESS

Direct Electronic Access ("DEA") gives the client control over the execution of the financial instrument; hence, Swedbank will not have the responsibility to ensure best execution.

DIFFERENT TYPES OF ORDERS

Order

An order is a binding instruction from a client to an investment firm to purchase or sell a financial instrument. The client may specify the length of time for which the order is valid. If a client places a limited order that cannot be executed immediately, Swedbank will decide whether or not the order shall be placed in the market.

Request For Quote ("RFQ")

An RFQ is an invitation to provide an executable offer to buy or sell a specific financial instrument. Sufficient information must be provided to allow the recipient, if it so chooses, to provide an executable quote in response.

Swedbank can also offer what are known as streamed quotes. In these cases, the client will receive a quote that is continuously updated, for a limited period of time. This is common for instrument types where the price of the instrument is updated frequently, such as FX derivatives.

Actionable Indication of Interest ("AIOI")

An Actionable Indication of Interest is a binding expression to trade from one counterparty to another in a specific financial instrument which contains all the necessary information to agree on a trade, such as price, volume and whether it is a buy or a sell order.

Package order

A "package order" is an order priced as a single unit in two or more financial instruments for the purpose of executing a package transaction.

ORDER HANDLING PROCESS

Orders can be placed either manually or electronically. Electronic orders are transmissions of client instructions to trade via the internet bank or the messaging protocol FIX. Manual orders are client instructions to trade that typically originate from phone calls or instant messaging.

Electronic orders are sent for execution immediately unless they require manual handling due to the nature or size of the order. Orders placed manually and orders requiring manual handling will be handled manually by Swedbank's personnel.

Swedbank will execute client orders promptly, efficiently and fairly. Comparable client orders are executed in the order in which they are received, provided that this is not rendered impossible by the nature of the order or prevailing market conditions, or where otherwise dictated by the client's interests.

AGGREGATION AND ALLOCATION OF ORDERS

Swedbank may aggregate a client order with other client orders or a transaction for Swedbank's own account if it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated. The aggregation could, however, turn out to be disadvantageous in relation to a specific order.

An aggregated order that has been executed will be allocated on the average price. Where an aggregated order has only been partly executed, the share allocation will be proportionate to the relative size of the order. Where a customer order has been aggregated with a transaction for Swedbank's own account and the aggregated order is only partially executed, the allocation will normally give priority to the customer, unless the aggregation with Swedbank's order was necessary to execute the order with as good conditions as possible. In such a case, the allocation shall be proportionate to the size of the orders.

UNITS IN COLLECTIVE INVESTMENT UNDERTAKINGS NOT ADMITTED TO TRADING

Swedbank will execute orders regarding units in collective investment undertakings that are not admitted to trading on a regulated market or MTF by sending the order to the relevant collective investment undertaking's management company (or equivalent) for execution in accordance with the collective investment undertaking's rules (or equivalent). For more information regarding pricing, reference is made to the relevant collective investment undertaking's management company.

2.2 Selection of Execution Venues/Brokers

EXECUTION VENUES

When executing client orders in financial instruments, we may use one of the following categories of execution venues.

EXECUTION VENUES

Trading venues

Regulated market
Multilateral Trading Facility
Organized Trading Facility

Over The Counter

Systematic Internaliser ("SI")
Market Maker
Other Liquidity Provider

Selection of execution venues

Swedbank selects execution venues which enable us to provide best execution to clients on a continuous basis, taking the execution factors and other relevant factors into account. The quality of execution venues is assessed by the aggregated value achieved by these factors. Below is a list of important factors; this list should be regarded as an example of the most important factors, and the quality aspect should, over time, not be restricted to this list. The measurement is done with regard to the execution venue and with regard to the instrument.

The most important factors are: the execution venue's market share, likelihood of execution, cost of execution (covering both implicit and explicit costs), latency to the venue, and venue features. Market coverage in multiple listed instruments is important, but the addition of a new execution venue must be considered in respect of possible enhancement of the quality of execution.

When selecting a broker, Swedbank evaluates whether it can deliver the best possible result for our clients. In this evaluation, we consider whether the entity itself is subject to Best Execution requirements or whether the entity will undertake to comply with the Best Execution requirements, and whether the entity can demonstrate that it delivers a high level of execution quality for the kind of orders that we place with or transmit to the firm.

Swedbank will at least annually review our execution venues and brokers and assess the execution quality obtained.

Systematic Internaliser

A systematic internaliser is a firm which "on an organized, frequent and substantial basis" deals on own account when executing client orders outside a trading venue. There are quantitative thresholds which determine whether these criteria are fulfilled, but firms may also opt in as SIs.

More information on how Swedbank acts as SI is provided through our commercial policy. The commercial policy and a list of the instruments for which Swedbank is SI can be found on

<https://www.swedbank.se/privat/spara-och-placera/mifid/basta-orderutforande/index.htm>

Market makers and other liquidity providers

Investment firms that trade on own account on behalf of clients without being an SI may fall under the definition of "market maker" or "other liquidity provider".

According to MiFID II, a market maker "means a person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial instruments against that person's proprietary capital at prices defined by that person".

Other liquidity providers "include firms that hold themselves out as being willing to deal on own account, and which provide liquidity as part of their normal business activity, whether or not they have formal agreements in place or commit to provide liquidity on a continuous basis".

List of execution venues and brokers

Swedbank's list of execution venues and brokers can be found on <https://www.swedbank.se/privat/spara-och-placera/mifid/basta-orderutforande/index.htm>

3. Asset Class-specific Information

3.1 Cash Equities

Products in scope

Cash equity instruments include:

- Equities – common stock, rights, preference shares and depositary receipts
- Securitized Derivatives
 - warrants and certificate derivatives
 - other securitized derivatives

How we apply Best Execution

For the majority of cash equity executions, the obligation to provide best execution will apply. In particular, it applies where we execute an order as agent or riskless principal on behalf of a client. Swedbank also owes a duty of best execution where the client commits to a trade that is not immediately executable and the execution can be booked to the clients account, without the need to re-confirm the price, size or any other factor(s). In these cases, the client leaves discretion with us as to the manner of execution and exact terms of the resulting transaction. Examples of where we owe best execution include market orders, limit orders, market on open/close and fill or kill orders.

Prioritization of Execution Factors

Equities

1. Price
2. Likelihood of Execution
3. Size
4. Speed
5. Costs
6. Other Considerations

Securitized derivatives

1. Price
2. Likelihood of Execution
3. Size
4. Costs
5. Speed
6. Other Considerations

3.2 Exchange-Traded Products

Products in scope

Exchange-traded products include:

- Exchange-traded funds ("ETF")
- Exchange-traded notes ("ETN")
- Exchange-traded commodities ("ETC")

How we apply Best Execution

For the majority of executions in exchange-traded products, the obligation to provide best execution will apply. In particular, Swedbank owes a duty of best execution where the client commits to a trade that is not immediately executable and the execution can be booked to the clients account, without the need to re-confirm the price, size or any other factor(s). In these cases, the client leaves discretion with us as to the manner of execution and exact terms of the resulting transaction. This also applies where we execute an order as agent or riskless principal on the clients behalf. Examples of where we owe best execution include market orders, limit orders, market on open/close, and fill or kill orders.

Prioritization of Execution Factors

Exchange-traded products:

1. Price
2. Size
3. Speed
4. Costs
5. Likelihood of Execution
6. Other Considerations

3.3 Equity Derivatives

Products in scope

Equity derivatives include:

- Equity options and equity futures admitted to trading on a trading venue
- Equity swaps and other equity derivatives
- Convertible bonds

How we apply Best Execution

For the majority of equity derivatives executions, the obligation to provide best execution will apply. In particular, Swedbank owes a duty of best execution where the client commits to a trade that is not immediately executable and the execution can be booked to the clients account, without the need to re-confirm the price, size or any other factor(s). In these cases, the client leaves discretion with us as to the manner of execution and exact terms of the resulting transaction.

Prioritization of Execution Factors

Equity derivatives:

1. Price
2. Likelihood of Execution
3. Size
4. Speed
5. Costs
6. Other Considerations

3.4 Rates

Products in scope

Rates include:

- Interest rates derivatives (including cross-currency swaps)
 - Futures and options admitted to trading on a trading venue
 - Swaps, forwards, and other interest rates derivatives
- Debt instruments
 - Bonds (government, sovereign and covered bonds)
 - Money markets instruments

How we apply Best Execution

Swedbank services client demand by trading interest-rate products on a principal or riskless principal basis. Swedbank owes a duty of best execution when the client commits to a trade that is not immediately executable, leaving discretion with us as to the manner of execution and exact terms of the resulting transaction, and the execution can be booked to the clients account, without the need to re-confirm the price, size or any other factor(s); or where we execute an order as agent or riskless principal on the clients behalf.

Prioritization of Execution Factors

Liquid Rates instruments

1. Price
2. Size
3. Speed
4. Likelihood of Execution
5. Costs
6. Other Considerations

Illiquid Rates instruments

1. Size
2. Price
3. Likelihood of Execution
4. Speed
5. Costs
6. Other Considerations

Benchmarking

Wherever possible, prices are benchmarked against external and internal reference prices to ensure that best execution is achieved on a consistent basis. A fair price for rate instruments is calculated by analyzing the relevant rate curves for that particular instrument; these can be foreign and domestic government bonds and other relevant instruments.

3.5 Credits

Products in scope

Credits include:

- Credit derivatives
 - Futures and options admitted to trading on a trading venue
 - Credit default swaps and other credit derivatives
- Debt instruments
 - Corporate bonds

How we apply Best Execution

Swedbank services client demand by trading credit products on a principal or riskless principal basis. Swedbank owes a duty of best execution when the client commits to a trade that is not immediately executable, leaving discretion with us as to the manner of execution and exact terms of the resulting transaction, and the execution can be booked to the clients account, without the need to re-confirm the price, size or any other factor(s); or where we execute an order as agent or riskless principal on the clients behalf.

Prioritization of Execution Factors

Liquid Credit instruments

1. Price
2. Speed
3. Size
4. Likelihood of Execution
5. Costs
6. Other Considerations

Illiquid Credit instruments

1. Likelihood of Execution
2. Price
3. Size
4. Speed
5. Costs
6. Other Considerations

Benchmarking

Wherever possible, prices are benchmarked against external and internal reference prices to ensure that best execution is achieved on a consistent basis. A fair price for various credit instruments is calculated by analyzing the relevant credit curves for that particular instrument.

3.6 Foreign Exchange ("FX") derivatives

Products in scope

FX derivatives include:

- Currency derivatives
 - Swaps, forwards, options and other currency derivatives
 - Non-deliverable forwards, options and swaps

How we apply Best Execution

FX transactions are executed across three trading mediums:

- As principal via Swedbank's voice trading facilities ("Voice Trading");
- As principal through multibank electronic FX platforms; and
- As principal through our single-dealer platform FX Trade

Swedbank will largely trade as principal when executing transactions in FX, but some transactions could be executed on a riskless principal basis. Swedbank owes a duty of best execution when the client commits to a trade that is not immediately executable, leaving discretion with us as to the manner of execution and exact terms of the resulting transaction, and the execution can be booked to the clients account without the need to re-confirm the price, size or any other factor(s); or where we execute an order as riskless principal on the clients behalf.

For clients using the single-dealer platform FX Trade, we owe best execution. Prices may, however, vary between different clients depending on their creditworthiness and other factors.

Pricing of FX Transactions

When Swedbank executes FX transactions via Voice Trading or FX Trade, the price offered by us is an "all-in" price. This means that the price takes into account, among other things, the currency, size of the order and market conditions (such as liquidity and volatility). Such prices may also include a discretionary margin applied by us to cover relevant business costs, such as cost of capital and credit costs. Apart from these elements, we may also modify prices for risk management purposes to encourage trades that result in a reduction of risk in our trade portfolio. For these reasons, the prices that two different clients receive at the same time may differ.

Prioritization of Execution Factors

Liquid FX Forwards and FX Swaps

1. Price
2. Speed
3. Size
4. Costs
5. Likelihood of Execution
6. Other Considerations

Illiquid FX Forwards and FX Swaps

1. Size
2. Costs
3. Likelihood of Execution
4. Price
5. Speed
6. Other Considerations

When a client uses FX Trade electronic platform

1. Price
2. Size
3. Costs
4. Speed
5. Likelihood of Execution
6. Other Considerations

Liquid FX Options

1. Price
2. Size
3. Speed
4. Likelihood of Execution
5. Costs
6. Other Considerations

Illiquid FX Options

1. Size
2. Price
3. Speed
4. Likelihood of Execution
5. Costs
6. Other Considerations

Benchmarking

Wherever possible, price streams are benchmarked against external and internal reference prices to ensure that best execution is achieved on a consistent basis. A fair price for various FX instruments is calculated by analyzing the relevant rate curves and volatility curves for that particular instrument.

3.7 Securities Financing Transactions

Products in scope

This chapter provides further details regarding the application of Best Execution requirements in relation to Securities Financing Transactions ("SFT"), which include:

- repurchase transactions;
- securities or commodities lending and securities or commodities borrowing;
- buy-sell back transactions or sell-buy back transactions; and
- margin lending transactions

SFTs are not financial instruments but they concern financial instruments. These transactions are priced as a package i.e. the individual transactions are not priced separately.

Prioritization of Execution Factors

Repurchase transactions, buy-sell back transactions and sell-buy back transactions

1. Price
2. Speed
3. Size
4. Credit worthiness
5. Likelihood of Execution
6. Costs
7. Other Considerations

Borrowing and lending of securities

1. Price
2. Likelihood of Execution
3. Credit worthiness
4. Size
5. Speed
6. Costs
7. Other Considerations