Order Execution Policy

State Street Bank International GmbH, London branch

State Street Bank International GmbH, London branch (‘SSB Intl. GmbH London branch’) provides trading services in securities lending, foreign exchange derivatives and money markets funds within State Street Global Markets, a division of State Street Corporation, one of the world's leading providers of financial services to institutional investors.

When executing or transmitting your order(s) we take all reasonable steps to provide you with the best possible result on a consistent basis by taking into account any specific instructions\(^1\) we receive from you and a range of execution factors in accordance with the principles described in this Order Execution Policy (‘Policy’).

1. Scope

Our obligation to consistently provide you with the best possible result in accordance with this Policy applies in respect of any order you may give us in any financial instrument as defined by the Markets in Financial Instruments Directive (‘MiFID’), regardless of whether the execution takes place on a venue in the European Economic Area, an equivalent venue in a third country or on an over-the-counter basis.

This Policy only applies where we have categorised you as a ‘professional client’ and owe you a contractual or agency obligation. The duty to provide best execution does not apply to transactions involving ‘eligible counterparties’ and therefore where we have categorised you as such in respect of such business this Policy will not apply; specific transactions and services are identified in section 6 below. SSB Intl. GmbH London branch does not deal with ‘retail clients’.

\(^1\) See Section 4 below.
2. Execution factors

When executing and/or transmitting your orders we will take into account different execution factors including, but not limited to:

- Price;
- Costs;
- Speed;
- Likelihood of execution;
- Likelihood and reliability of settlement;
- Size;
- Nature of an order; and
- Other relevant considerations, including but not limited to:
  - Liquidity (relative order size or financial instruments underlying liquidity);
  - Market Impact;
  - Nature of the available execution venue (regulated versus unregulated market venue); and
  - Nature of the financial instrument.

Our traders use their experience and judgment to determine the importance of each of these factors on a case by case basis to assist in achieving the best possible result on a consistent basis in respect of your orders.

3. Execution criteria

In determining the relative importance of the execution factors, when we are executing and/or transmitting orders on your behalf, we will take into account the following execution criteria:

- The extent to which we believe you are relying upon us to provide you with the best possible result;
- The characteristics of your order(s);
- The characteristics of the financial instrument;
- The characteristics of the available execution venues; and
- If your order is subject to any specific instructions that you have given us.
4. **Specific client instructions**

Whenever you have given us a specific instruction regarding an order or an aspect of an order, we will execute or transmit such order or aspect thereof following your specific instruction. We will then apply this Policy and take reasonable steps to obtain the best possible result for the elements of the order not subject to or limited by your instructions.

In the event that we feel that your instructions may have become unduly limiting to the execution of your order, such as where market conditions have changed, we would aim to discuss this with you and agree a suitable course of action.

5. **Relative importance of the execution factors**

While price is generally a key factor, the overall value to a client of a particular transaction may be affected by the other factors listed above. The relative importance of each of the factors will differ depending on:

- The characteristics of your order;
- The characteristics of the financial instruments to which the order relates, as certain instruments are easier to execute than others;
- The characteristics of the execution venue(s) to which we are able to direct and execute your order and the conditions for safe settlement associated with those venues; and,
- Consideration of potential market impact, taking into account any instructions you might give us on participation levels and having analysed the liquidity and relative size of the order.

6. **Asset-class specific arrangements**

   a. **Securities lending transactions**

      i. **Agency Lending Program**

SSB Intl. GmbH London branch or its duly appointed delegate(s), as applicable, typically receives, routes and executes your agency lending orders on an over-the-counter ('OTC') basis acting as your agent against one of a panel of borrowers which you have approved. Under the contractual arrangements in place between us you have provided SSB Intl. GmbH London branch with your consent to delegate certain activities to SSB Intl. GmbH London branch affiliates. As such, trading desk(s) of State Street Bank and Trust Company (or its affiliates) in London and other jurisdictions handle your order(s) for the purpose of effecting transactions with counterparties that SSB Intl. GmbH London branch does not have direct access to.
Additionally, where liquidity for a particular security permits we may also execute your orders on a relevant trading venue specializing in securities lending transactions².

The majority of lending transactions arise from a specific request to borrow securities from one or more approved borrowers to SSB Intl. GmbH London branch. These requests are matched against the securities available in your lending program. When determining whether or not to enter into a potential lending transaction our traders will first refer to the terms of your lending program and any specific instructions you may have given before using their own discretion and professional experience to assess the relevant execution factors in order to assist them in achieving the best possible result. Typically this will involve a prioritisation of the price and cost factors over factors such as size because our traders will look to maximise the potential return on capital of the lending transaction.

Finally, while the nature of the securities lending business means that the majority of your orders will be executed on an OTC basis as described above, we may expose your order to one of the small selection of trading venues specializing in securities lending transactions of which we are members or have direct access arrangements. Any decision to execute your order on a trading venue will be determined in a similar manner to that described above but with particular consideration of the market demand of the specific security you have made available in your lending program and your securities lending parameters.

   ii. Enhanced custody program

SSB Intl. GmbH London branch enters into all securities lending transactions as part of its Enhanced Custody Program with you as a principal to the trade and on the basis that you are an ‘eligible counterparty’. All such business is deemed by us to be ‘eligible counterparty business’ and therefore not subject to this Policy.

   b. Foreign Exchange

   i. Direct FX

SSB Intl. GmbH London branch executes all of your Direct FX orders in foreign exchange derivatives on an OTC basis acting as a principal to the trade following a request from you for a quote (‘Request for Quote’ or ‘RFQ’). Depending on the way, in which you have determined to communicate your RFQ, you will contact a SSB Intl. GmbH London branch Sales Trader or a SSB Intl. GmbH Frankfurt branch Sales Trader.

² See Appendix 1 below for details of SSB Intl. GmbH London branch’s execution venues.
Upon receiving an RFQ from you, and where you are both a ‘professional client’ and we reasonably believe that you are relying upon us to provide the best possible result or you have made us aware at the outset that you are relying upon us to this effect, our Sales Traders will seek a price from one of our Traders by providing them with relevant information about your order (i.e. type of contract, currency pair, notional and maturity). The price provided by the Trader will be based upon their assessment of the market in that currency pair at the time and considerations around SSB Intl. GmbH London branch’s market and counterparty risk. The Sales Trader will give you the opportunity to accept or reject the price offered and may provide commentary as to the wider market in order to support the value proposition of price offered to you taking into account your order, however precise details of pricing remain proprietary to SSB Intl. GmbH London branch in order to permit us to manage our market risk.

Finally, in respect of any orders in foreign exchange which do not constitute a financial instrument (i.e. spot contracts and certain forward contracts), the obligation for best execution under MiFID does not apply and therefore this Policy will not be applicable.

ii. Other FX services, including Indirect FX

SSB Intl. GmbH London branch provides a range of other FX services, in particular the Indirect FX\(^3\) service which is made available to custody clients of SSB Intl. GmbH London branch or its affiliates. Such services are typically linked to security settlement and dividend and interest income repatriation and almost exclusively involve deliverable contracts executed in accordance with your standing instructions or on the basis of individual trade advices.

Consequently, while certain forward contracts may be executed from time-to-time by SSB Intl. GmbH London branch under this service, such contracts will not constitute a financial instrument for the purposes of MiFID and accordingly the obligation for best execution under MiFID, and therefore this Policy does not apply. SSB Intl. GmbH London branch may however owe a separate contractual obligation and you should refer to your contractual agreements with us and ‘The Client Guide’ made available to all custody clients.

c. Money Market Funds

On your behalf, SSB Intl. GmbH London branch executes orders for units in money market funds chosen by you, via State Street’s Fund Connect® electronic trading platform, on the terms, and subject to the conditions, of the Fund Connect Services agreement. SSB Intl. GmbH London branch does not undertake to provide any ‘investment advice’ (as such term is defined in MiFID) or any legal, regulatory, tax or accounting advice.

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3 Indirect FX is only made available to investment managers acting behalf of and for the benefit of institutional investor clients whose assets are under custody with State Street.
You may submit an order for the subscription or redemption of shares in a money market fund through Fund Connect and instruct SSB Intl. GmbH London branch to execute such orders. Subscription orders will not be processed until the appropriate cash has been received into the Client’s cash account before the defined cut-off time. Redemption orders will not be processed unless sufficient units are available in the Client’s securities account before the defined cut-off time. We will provide you with confirmation of each transaction we execute on your behalf.

7. Other important matters

a. Use of third-parties and affiliates

In order to gain access to certain markets where we do not have a membership or other direct access arrangements, we may need to transmit your order to an affiliated or third party firm for execution on our behalf. We will exercise our judgment, skill and experience to determine the appropriateness and suitability of the relevant affiliate or third party firm.

The choice of third-party and affiliate firms will be determined by an ongoing assessment of their ability to support our best execution obligations to you and a combination of the following considerations which will depend on the market we aim to access:

- Execution capabilities and range of accessible venues in target markets;
- Range of electronic execution and order handling capabilities;
- Credit ratings and quality of settlement arrangements;
- Status of the third-party or affiliate as:
  - an official market maker or other market specialist; and/or
  - a known specialist in the market, sector or instrument.

Client orders executed using such arrangements are subject to monitoring and review in order to assess both the outcome of the order against this Policy and the overall performance of the third-party or affiliate firm.

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4 Please refer to section 8.
b. Delegated activities

SSB Intl. GmbH London branch currently delegates and may, in its discretion, in the future delegate to SSB Intl. GmbH London branch affiliates certain activities including the execution of transactions with market counterparties. In accordance with contractual arrangements in place, SSB Intl. GmbH London branch shall be liable for the acts and omissions of such delegates.

c. Execution of orders outside a regulated market or Multilateral Trading Facility (‘MTF’)

From time-to-time we may determine that it is beneficial to your order to execute all or part of it outside of a regulated market or MTF. Provided that the financial instrument to which your order relates can be traded outside of such venues, and provided that you have given us your express prior consent, which is obtained during the onboarding process and periodically renewed thereafter; when we believe that it is consistent with this Policy and in your best interests to do so we will execute your orders outside of regulated markets and MTF.

d. Order aggregation and allocation

When executing and/or transmitting your orders we may combine your orders with those of other clients of SSB Intl. GmbH London branch, which may include affiliated companies. We will only do this where we reasonably believe that it is in the overall best interest of each client.

With respect to executing your orders for money market funds, SSB Intl. GmbH, London branch:

- aggregates all subscription orders received from you through Fund Connect with all other subscription orders received from other clients through Fund Connect which remain unexecuted and will submit the aggregated subscription order to the relevant money market fund or its agent; and
- aggregates all redemption orders received from you through Fund Connect with all other redemption orders received from other clients through Fund Connect which remain unexecuted and will submit the aggregated redemption order to the relevant money market fund or its agent.

In the limited circumstances where SSB Intl. GmbH London branch or an affiliate may need to trade on its own account, such as when trading out of errors associated with client orders, we would not combine your orders with those orders.
8. Monitoring and oversight

SSB Intl. GmbH London branch closely monitors the effectiveness and performance of its execution arrangements and delivery of best execution to its clients in respect of this Policy. The relevant trading desks perform regular monitoring using a variety of methods to assess performance pre-trade, during trading and post-trade, and this includes the use of appropriate third-party analytics. In addition to front-office monitoring, the compliance department conducts regular independent monitoring and challenges findings and outcomes when required through the course of their program.

Oversight of best execution matters is provided under the auspices of the SSB Intl. GmbH London branch Governance Committee which receives regular reports on the performance and effectiveness of SSB Intl. GmbH London branch’s order execution arrangements and its obligations under this Policy from both the relevant trading desks and compliance.

9. Procedural arrangements

This Policy and our order execution arrangements are reviewed at least annually by the relevant trading desks, Compliance and senior management, but may be updated more frequently when required, such as where we identify a material change which may affect our ability to deliver best execution on a consistent basis. In the event that any material changes are made to this Policy or to our execution arrangements we will notify you accordingly.

Finally, you may request that we demonstrate adherence to this Policy in respect of any order(s) we execute on your behalf. Such requests should be made in writing and directed to:

- Head of SSGM EMEA Compliance
  State Street Bank International GmbH, London branch
  20 Churchill Place
  Canary Wharf
  London E14 5HJ
  United Kingdom

Effective date: August 2017
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Appendix I – Execution Venues

State Street Bank International GmbH, London branch

The following list sets out the various arrangements State Street Bank International GmbH, London branch (‘SSB Intl. GmbH London branch’) may use in each in market and asset-class to execute your orders. The precise venues and arrangements will be selected in accordance with SSB Intl. GmbH London branch’s Order Execution Policy, subject to any preferences you may indicate and specific jurisdictional requirements. References to ‘direct access’ include venues where SSB Intl. GmbH London branch is either a member/participant or has direct market access, or similar electronic arrangements, through a third-party that is itself a member.

This list may change from time to time, please consult your SSB Intl. GmbH London branch representative for details of our most current capabilities and to discuss your execution requirements further.

1. European venues

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<tr>
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<th>Direct Access</th>
<th>Third-party broker</th>
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<td>United Kingdom</td>
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<tr>
<td>EBS Brokertec Europe</td>
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<td>Equilend Europe</td>
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<tr>
<td>Thomson Reuters Matching MTF</td>
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All execution venues listed are available through State Street Bank International GmbH, London branch as of August 2017. Venues are subject to periodic review and change.

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