



# State Street Global Markets Canada Inc. (“SSGMC”) -

## Best Execution of Client Orders Disclosure

### **Disclosure Effective Date**

January 2, 2018

### **Last Change Date**

December 1, 2024

State Street Global Markets Canada Inc. (“SSGMC”) has established and maintains policies and procedures that are reasonably designed to achieve best execution when acting for a client further to the Canadian Investment Regulatory Organization (“CIRO”) Rule 3100 Part C – Best Execution of Client Orders. This document sets out information on SSGMC’s best execution and order handling processes.

## **Scope**

SSGMC’s best execution policies and procedures apply to order executions completed for institutional clients and applies to the listed equity securities and Over the Counter (“OTC”) fixed income instruments that we execute on behalf of our clients. SSGMC does not deal with, or service, retail clients.

## **Best Execution Obligation**

SSGMC will take reasonable steps to obtain the best possible results for clients on a consistent basis by taking into account a number of factors, including: price, speed and likelihood of execution, and overall cost of the transaction that may consider the reliability of quotes, liquidity, market-impact, settlement and order size. When determining the relative importance of the execution components, we will use our best judgement and expertise in light of the prevailing market conditions as well as the factors mentioned above.

## **When does the Best Execution obligation apply?**

SSGMC is obligated to take reasonable steps to obtain best execution when executing orders for its clients. We regard ourselves to typically be in receipt of an order and acting on the client’s behalf where clients legitimately rely on SSGMC to protect their interests with respect to the execution components in relation to that transaction. SSGMC may execute orders as agent or on a riskless principal basis. The best execution obligation will not apply in situations in which we are transacting with clients as counterparty and they do not place legitimate reliance on SSGMC to protect their interest in relation to the execution components relevant to that transaction.

## **Specific instructions**

When SSGMC clients provide us with a specific instruction in relation to one or more execution components, we will execute the order in accordance with those instructions so far as reasonably possible. Where the instructions relate to only part of the order, in following those instructions and in applying our processes in respect of the other aspects of the order not covered by the specific instructions, we will be deemed to have taken all reasonable steps to provide best execution in respect to the order.

Where a SSGMC Trader receives order instructions telephonically, they will treat the order as received at the time of the telephonic order and must manually enter the client’s order into its order management system prior to execution. Please note that client instructions sent via e-mail should not be deemed firm orders received by SSGMC until an agent of SSGMC confirms the order. As a result, both of these channels involve a two-step process and could involve delay in processing orders.

Any errors or omissions by a client that results in trading errors will be absorbed by the client. For further clarification, please contact the SSGMC trading desk.

## Multiple Marketplaces

SSGMC is a subscriber to the following Canadian marketplaces:

- TSX
- TSX Venture
- TSX Alpha
- Canadian Securities Exchange (CSE and CSE2)
- NASDAQ CXC (CXC)
- NASDAQ CX2 (CX2)
- NASDAQ CXD (CXD)
- Aequitas NEO Exchange - NEO-N and NEO-L
- Omega ATS
- Lynx ATS

## SSGMC Hours of Operation

For Canadian listed equities, the SSGMC Trading Desk will be available to accept orders between the hours of 8:30 a.m. and 5:00 p.m., Eastern Standard Time ("EST"), Monday through Friday, not including Canadian statutory holidays. Staff may be further available for assistance before and after these hours.

*Marketplaces in Canada hours of business for order execution are as follows, all times EST:*

<u>Marketplace</u>	<u>Trading Hours (EST)</u>
TSX	9:30 a.m. to 4:00 p.m. Extended hours trading: 4:15 p.m. to 5:00 p.m.
TSXV	9:30 a.m. to 4:00 p.m.
Alpha	8:00 a.m. to 5:00 p.m.
NASDAQ CXC	8:30 a.m. to 5:00 p.m.
NASDAQ CX2	8:30 a.m. to 5:00 p.m.
NASDAQ CXD	8:30 a.m. to 5:00 p.m.
CSE	CSE Listed Securities: 9:30 a.m. to 4:00 p.m. Other Listed Securities: 8:00 a.m. to 8:00 p.m.
CSE2	8:00 a.m. to 5:00 p.m.
Omega	8:00 a.m. to 5:00 p.m.
Lynx	8:00 a.m. to 5:00 p.m.
Aequitas NEO	9:30 a.m. to 5:00 p.m.
Aequitas NLB	9:30 a.m. to 4:00 p.m.

Please note that the sequence of markets listed above is not intended to indicate the priority of order routing.

## Order Handling

For market not-held orders outside of standard trading hours SSGMC will route:

1. An order received prior to 9:30 a.m. for execution on the opening rotation of the TSX or TSXV; and
2. An order received after 4:00 p.m. to the TSX or TSXV to execute against the last sale price if volume is available or be held until the next business day for the TSX or TSXV marketplace opening rotation.

Limited coverage may be offered for access to US Markets if they continue to be open for trading after 4pm.

### *Best Execution and Price Improvement Opportunities*

Between the hours of 9:30 a.m. EST and 4:00 p.m. EST, SSGMC considers the "best market" to be the market(s) that provides pre-trade transparency and has the best bid (buy price) or offer (sell price) and/or best historical liquidity and where SSGMC feels the order has the highest probability of execution.

SSGMC achieves best execution by using automated systems. To achieve the best available price, SSGMC will seek out price improvement opportunities in all marketplaces, including alternative Canadian marketplaces using Smart Order Router ("SOR"), Benchmark and Opportunistic algorithmic trading strategies that attempt to provide best execution of a client order. SSGMC can also access dark liquidity via the venues it is a member of that have the ability to provide dark liquidity to its subscribers.

SSGMC does not have arrangements with any marketplace, or intermediary which contemplates a fee payment to SSGMC for each order received from SSGMC through normal course of business.

### **Execution on Foreign Marketplaces**

While not a typical practice, if there are orders for Canadian and non-Canadian listed equities that need to be traded on marketplaces outside of Canada, they may be executed by SSGMC's US broker dealer affiliate, State Street Global Markets, LLC ("SSGMC Affiliate"). SSGMC's Affiliate may execute such orders as either agent or on a riskless principal basis. The fees or commissions charged to SSGMC by its Affiliate for such orders may be reported as a net price.

### **Sending Orders to Another Dealer (Agency Transactions)**

An SSGMC trader may send an order for execution to another dealer. These situations typically present themselves in the event that SSGMC systems are down, or the client has directed SSGMC to trade on a marketplace that SSGMC is not a member. We will use reasonable diligence to route the order to obtain a price as favourable as possible under prevailing market conditions.

### **Order Types**

#### *Working or Not Held Orders*

A "working" or "not held" order is a market or limit order that permits SSGMC to exercise judgment in executing the client's order with respect to both time and price. As such, while still subject to duties of best execution, SSGMC is not required to meet specific execution times or, except in the case of limit orders, execution prices. SSGMC treats all client orders as not held orders unless the client instructs otherwise on a trade-by-trade basis.

#### *Day Orders*

A Day order is an order that is only valid on and for the day it is entered. Day orders will only be valid until the closing of the market on which they are booked – for example, TSX and TSXV day orders will expire at 4:00 p.m., EST. A Day order received prior to the opening of the TSX and TSXV at 9:30 a.m. EST will not route to an alternative marketplace. Instead the order will route into the opening sequence of the TSX or TSXV. The order will expire, if not filled in full, on the market where the last portion of the order remains live when the market has closed for the day. Any remaining unfilled amounts from Day

orders will not be automatically moved to another marketplace after the close of TSX and TSXV. A new order is required to participate in any other marketplace that may still be open for trading.

### *Directed Orders*

A Directed order is an order type that requires SSGMC Traders to adhere to clients' instructions for the order to be routed to a particular exchange, marketplace or broker-dealer (each, a "Venue") for execution, and/or if a client wants a specific trading strategy to be used (e.g. Volume Weighted Average Price, Time-Weighted Average Price, Percentage of Volume, or Market On Close). A client may prefer a particular Venue for a variety of reasons specific to that client. In these instances, SSGMC will implement that instruction without obtaining multiple bids/offers from other venues, which it may otherwise have done to satisfy best execution obligations.

### *Good-Till-Cancelled*

As a default, all client orders, unless otherwise confirmed back to the client as a Good-Till-Cancelled ("GTC") orders, will be considered to be Day orders and expire at the end of the day they were received.

### *Market and Limit*

A Market order is an order to buy or sell that is to be executed immediately within the context of the marketplace.

Limit Orders are orders to buy or sell at a specified price or better. Market and Limit orders received before 9:30 a.m. EST will be entered on TSX or TSXV with the intent to participate in the marketplace opening rotation.

### *Market on Close*

A Market on Close ("MOC") order is intended to trade on the close, at the calculated closing price, of the TSX or TSXV. To participate in the MOC match at 4:00 p.m. the mechanics of the MOC facility is as follows:

- *Pre Imbalance:*
  1. MOC Market orders must be entered between 7:00 a.m. and 3:56/3:57p.m. (Random Freeze Period) and cancels are allowed.
  2. LOC (Limit On Close) orders and cancels are allowed from 7am to 3:50pm.
- *Imbalance Period: 3:50pm to 3:56/3:57pm*
  1. MOC orders are to be entered but cancels and CFO's are not allowed
  2. LOC orders are allowed to be entered but no cancels, however price CFO's are allowed to a more aggressive price
- *Freeze Period: 3:56/3:57 to 4:00pm*
  1. No MOC orders can be entered
  2. LOC orders are allowed but re-pegged\* to 3:59:59 level, No cancels or CFO.  
\*Pegged LOC Order – Re-priced to reference price before the close if more aggressive
- *Extension Period: 4:00 to 4:10pm*
  1. No MOC orders allowed
  2. LOC orders (contra only) allowed.

MOC Market orders must be entered between 7:00 a.m. and 3:56/7p.m. ( Random Freeze Period) and cancels are allowed.

## **Over The Counter/Fixed Income Order Handling**

When executing an OTC/Fixed Income transaction for or on behalf of a customer as agent, we will make a reasonable effort to obtain a price for our client that is fair and reasonable in relation to prevailing market conditions. We will confirm a fair and agreed upon commission is in place with you prior to trading. SSGMC will engage in "riskless principal" transactions in connection with the purchase or sale of fixed income securities on your behalf.

## **REQUEST FOR ADDITIONAL DETAILS**

If you have any questions about this disclosure or wish to request details about your orders and executions, please contact your Sales & Relationship Manager at +1-647-775-6003.