

# Order Execution Policy – Global Markets

## State Street Bank International GmbH

State Street Bank International GmbH ("**SSBI**") provides trading services in securities lending, foreign exchange derivatives, money market funds and currency management services within State Street Global Markets, a division of State Street Corporation ("**State Street**"), one of the world's leading providers of financial services to institutional investors.

This Order Execution Policy (this "**Policy**") has been designed to:

1. Provide clients with information on the arrangements implemented by SSBI to manage the execution of client orders as required by a) the revised Markets in Financial Instruments Directive 2014/65/EU ("**MiFID II**"), the Commission Delegated Regulation (EU) 2017/565 and implementing measures as transposed into national laws and b) regulations or similar laws and regulations in, among other jurisdictions:
  - Germany: § 82 Securities Trading Act ("**WpHG**");
  - Switzerland: where SSBI provides services on a cross-border basis to Swiss domiciled clients, similar regulatory requirements apply under Art. 17 and 18 of the Federal Act on Financial Services ("**FinSA**") and Art. 20 and 21 of the Federal Services Ordinance ("**FinSO**");
  - Provide clients with information on the arrangements implemented by SSBI to manage the aggregation and allocation of client orders as required by MiFID II and the Commission Delegated Regulation (EU) 2017/565 as well as implementing measures as transposed into national laws and regulations in Germany: § 69 WpHG.

To the extent applicable, SSBI is required to take all sufficient steps on a consistent basis to obtain the best possible result for clients when executing orders (or receiving and transmitting orders) taking into account factors such as price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

Aside from a duty to avoid deliberate breach of fiduciary responsibilities, fraud or bad faith, SSBI does not owe any fiduciary responsibilities as a result of the matters set out in this Policy, over and above the specific regulatory obligations placed upon SSBI, or as contractually agreed with SSBI clients.

Capitalised terms used in this Policy are defined in Appendix I.

### Scope

#### a. Legal Entity

This Policy only applies to services in Financial Instruments offered by the State Street Global Markets division of SSBI, acting as agent or principal, which include the reception and transmission of orders and execution of orders on behalf of clients.

#### b. Financial Instruments

This Policy only applies with respect to financial instruments within the scope of WpHG and FinSA/FinSO. Financial Instruments include, but are not limited to: transferable securities (such as shares and bonds), money market instruments, units in collective investment undertakings, exchange-traded and over-the-counter ("OTC") derivatives, whether cash or physically settled, including futures, options and swaps.

Financial Instruments do not include spot FX; however this Policy includes spot FX transactions that are ancillary to a transaction in Financial Instruments.

#### c. Clients

This Policy only applies to clients whom SSBI has classified as Professional Clients.

This Policy does not apply to the execution of orders on behalf of Eligible Counterparties/Institutional Clients<sup>1</sup> or to Retail Clients as SSBI does not offer services of the Global Markets division to Retail Clients.

### Policy Details

#### 1. Legitimate reliance

Based upon the application of the four-fold cumulative test, SSBI identifies the exceptions where Professional Clients are placing reliance on SSBI as follows:

- **Which party initiates the transaction:** Where a client places a request for price with SSBI on an unsolicited basis, this may indicate that such client is not placing reliance upon SSBI;
- **Questions of market practice and the existence of a convention to 'shop around':** Where there is an established market practice for a client to obtain multiple quotes following a

<sup>1</sup> The client categorization "Eligible Counterparty" under WpHG corresponds to the client categorization "Institutional Client" under FinSA

request for price, and such client has the ability to, or indeed does, “shop around”, it may be less likely that such client is placing legitimate reliance upon SSBI;

- **The relative levels of price transparency within a market:** Where SSBI reasonably believes a client has access to a similar level of transparency to that of SSBI on market price and liquidity, this may indicate that such client is not placing reliance upon SSBI;
- **The information provided by SSBI and any agreement reached:** Where SSBI's arrangements<sup>2</sup> and agreements with a client do not indicate or suggest a degree of reliance, SSBI shall not consider the client to be placing reliance on SSBI.

Following the four-fold cumulative test:

- Where SSBI has established that the client does not place any legitimate reliance on SSBI for the execution of the client's order and therefore the obligation to deliver best execution does not apply, SSBI shall act honestly, fairly and professionally in accordance with the client's best interests.
- Where SSBI has established that the client is a Professional Client and such client is placing reliance on SSBI, then sections 2, 3 and 4 of this Policy will apply.

## 2. Execution factors

The execution factors that SSBI will consider as part of all sufficient steps to obtain the best possible result for its clients include, but are not limited to: price, costs, speed, likelihood and reliability of execution and settlement, size, nature, local laws and regulations or any other consideration relevant to the execution of an order.

## 3. Relative importance of the execution factors

When executing orders or taking a decision to deal in OTC products including bespoke products, SSBI will check the fairness of the price proposed to the client, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products.

While price is generally a key factor, the overall value to a client of a particular transaction or service may be affected by the execution factors listed above and/or the strategy that the client is seeking to employ. The relative importance of each of the factors will differ depending on those objectives, and, in

<sup>2</sup> For example, SSBI responds to a client request by providing a quote; the validation of this quote is at the client's discretion and the client is not relying on SSBI to accept or reject the proposed quote

determining the relative importance of the execution factors, SSBI will prioritise the following best execution criteria:

- Any specific instructions that the client has provided;
- The characteristics of the client's order<sup>3</sup>;
- The characteristics of the Financial Instrument to which the order relates;
- The characteristics of the execution venue(s)<sup>4</sup> to which the order can be directed.

#### 4. Specific client instructions

##### a. Securities Lending, Foreign Exchange and Money Market Funds

Whenever a client has given SSBI a specific instruction regarding an order or an aspect of an order, SSBI will execute or transmit such order or aspect thereof following the client's specific instruction.

**Specific instructions from a client may prevent SSBI from taking the steps that it has designed and implemented to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.**

In executing an order in accordance with a client's specific instruction, SSBI will have satisfied the obligation to deliver best execution under this Policy with regards to such order or aspect thereof.

SSBI will then apply this Policy and take sufficient steps to obtain the best possible result for the elements of the order not subject to or limited by the client's instruction.

If, in the opinion of SSBI, the client's instruction may have become unduly limiting to the execution of the client's order, such as where market conditions have changed, SSBI shall discuss this with the client and agree an appropriate course of action.

##### b. Currency Management

The client's currency management agreement ("**CMA**") sets forth the terms on which SSBI provides its currency management services and contains the contractual arrangements between SSBI and the currency management client. The CMA includes a specific client instruction for SSBI to use one or more principal Foreign Exchange dealers to execute the Foreign Exchange transactions on behalf of the client.

<sup>3</sup> Including where the order involves a securities financing transaction (SFT)

<sup>4</sup> Execution venue(s) includes a regulated market, a multi-lateral trading facility (MTF), an organised trading facility (OTF), a systematic internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the function performed by any of the foregoing

The currency management process is frequently a result of original estimates provided by a client's data agent. These estimates are subsequently replaced with finalised or actual subscription and redemption figures, which require subsequent cancellations and rebooks of the Foreign Exchange transactions. This process is operationally difficult for principal dealers to facilitate and may limit the number of principal dealers that a client may select as a counterparty to Foreign Exchange trades.

In addition, the CMA may contain targeted rates to be applied to the Foreign Exchange transactions. Typically, clients select to have certain aspects of the hedging strategy executed at a pre-selected targeted benchmark rate, whilst having other aspects of the hedging strategy, such as rollovers and rebalances, executed at the same or different targeted benchmark rate, such as bid/offer, or the market rate quoted by the principal dealer chosen for the Foreign Exchange transaction. SSBI, as agent, will attempt to obtain any targeted benchmark rates that the client requests under the client's CMA, but does not under any circumstances guarantee that any Foreign Exchange transaction entered into on their behalf will be executed, in whole or in part, at the target benchmark rate. If, however, SSBI, as agent, achieves the target benchmark rate on any particular Foreign Exchange transaction, it will be deemed to have satisfied its duty of best execution to the client in respect of that particular Foreign Exchange transaction. SSBI as agent should not be viewed as having a duty of best execution that requires it to obtain an exchange rate that is more favourable to the client than the target benchmark rate identified in their contractual arrangements.

Unless otherwise agreed in the client CMA, SSBI will not seek to obtain multiple quotes from the panel of principal Foreign Exchange dealers that the client has authorised in their CMA with respect to the currency management services. If the Foreign Exchange transaction entered into on their behalf with a principal Foreign Exchange dealer is intended to be based on a published benchmark rate, SSBI will compare the executed rate against the published benchmark rate. If the Foreign Exchange transaction entered into on their behalf with a principal Foreign Exchange dealer is intended to be a market rate, SSBI will seek to compare any quote obtained from such principal Foreign Exchange dealer against the streaming indicative rates provided by Bloomberg or another appropriate information source to validate the reasonableness of the quoted exchange rate.

Where SSBI has been explicitly directed to request that more than one approved principal Foreign Exchange dealer (as listed in the CMA and as may be amended from time to time, each an "**Approved Counterparty**") provide an executable price for a trade as part of a competitive bidding process, those requests will be routed to at least two Approved Counterparties. If there are more than two Approved Counterparties then SSBI will make use of the execution factors listed in this Policy, including aggregated historical transaction cost analysis, to determine the Approved Counterparties to which a request for an

executable price will be sent. Such determination may or may not result in all Approved Counterparties being requested to provide an executable price. Based on the executable prices provided by the Approved Counterparties, SSBI will select the Approved Counterparty that has provided the best price and will execute the trade with that Approved Counterparty. If two or more of the Approved Counterparties offer the same price which is also the best price, SSBI will select the Approved Counterparty that was the first to offer such best price.

Whenever the client has given SSBI a specific instruction regarding an order or an aspect of an order, SSBI will execute such order or aspect thereof following their specific instruction. SSBI will then apply this Policy and take sufficient steps to obtain the best possible result for the elements of the order not subject to or limited by their instructions.

If, in the opinion of SSBI, the client's instruction may have become unduly limiting to the execution of the client's order, such as where market conditions have changed, SSBI shall discuss this with the client and agree an appropriate course of action.

### 5. Asset-class specific arrangements

#### a. Agency Lending Program

SSBI or its duly appointed delegate(s), as applicable, typically receives, routes and executes clients' agency lending orders on an OTC basis acting as clients' agent against one of a panel of borrowers which clients have approved. Under the contractual arrangements in place the client has provided SSBI with its consent to delegate certain activities to State Street Bank and Trust Corporation ("**SSBTC**") London branch. As such, trading desk(s) of SSBTC (or its Affiliates) in London and other jurisdictions handle clients' order(s) for the purpose of effecting transactions with counterparties that SSBI does not have direct access to.

Additionally, where liquidity for a particular security permits, SSBI may also execute clients' orders on a relevant Execution Venue specializing in securities lending transactions<sup>5</sup>.

The majority of lending transactions arise from a specific request to borrow securities from one or more approved borrowers to SSBI. These requests are matched against the securities available in the client's lending program. When determining whether or not to enter into a potential lending transaction State Street's traders will first refer to the terms of client's lending program and any specific instructions the client 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

<sup>5</sup> See Appendix III

involve a prioritization of the price and cost factors over factors such as size because the traders will look to maximise the potential return on capital of the lending transaction.

In the context of the Agency Lending Program SSBI may, instead of the execution factors previously mentioned, take into account the following execution factors: value of the securities loan, collateral criteria (including cash or non-cash collateral type), term or duration of the transaction, jurisdiction of the client and/or the borrower, securities lending limits or parameters (including markets, available securities, approved borrowers and duration), relative stability of the client portfolio or any asset, transaction and custody costs, and the credit quality and netting status of a client or borrower.

SSBI may identify and use key data sources and other market intelligence tools to facilitate Agency Lending Program trading executions.

The various execution factors will not usually be of equal importance. The priority of any of these factors over one another will depend upon any specific client instructions and prevailing market conditions. SSBI will use its commercial judgment and experience in light of available market information to achieve the best balance across a range of, at times, conflicting execution factors. Several of the execution factors are interchangeable and one could take precedence over another at various times. SSBI may determine, in its discretion, that one such execution factor takes precedence over another execution factor in order to achieve the best possible result for the client.

While the nature of the securities lending business means that the majority of clients' orders will be executed on an OTC basis as described above, SSBI may expose the order to one of the small selection of Execution Venues specializing in securities lending transactions of which SSBI is a member or has direct access arrangements. Any decision to execute client's order on an Execution Venue will be determined in a similar manner to that described above but with particular consideration of the market demand of the specific security the client made available in its lending program and the client's securities lending instruction.

SSBI may, where the client has specifically authorised and instructed this, execute transactions to invest a client's cash collateral pertaining to an Agency Lending Program transaction into money market fund instruments of a State Street Affiliate. In such cases, SSBI may consider any best execution obligation as having been satisfied given that the client will be treated as providing specific instructions in relation to such a transaction.

Where a client's cash collateral pertaining to an Agency Lending Program transaction is invested into instruments on a separately managed basis, including where a client has elected to reinvest cash

collateral through the State Street peer repo program, pursuant to the client's prescribed investment guidelines, any investment activity in relation to such investments would be undertaken in accordance with the policy of the relevant State Street Affiliate carrying out cash collateral reinvestment under a delegation from SSBI authorised by the client.

## **b. Foreign Exchange**

SSBI Principal FX services comprise Direct FX and Indirect FX services and they are intended for Professional Clients who wish to negotiate and trade directly with SSBI or Professional Clients whose assets are under custody at State Street and want to manage their FX requirements with SSBI, typically based on standing instructions.

In both services, SSBI acts as the counterparty and deals as principal to the trade.

### ***i. Direct FX***

SSBI's Direct FX services (including eFX) are offered to clients who wish to execute Foreign Exchange transactions with SSBI either based on their requests for price or on their orders<sup>6</sup>.

SSBI responds to clients' requests for price via Multilateral Trading Facilities<sup>7</sup> or on an OTC basis and responds to clients' orders on an OTC basis.

Depending on how the client has determined to communicate with SSBI, such client will contact a Sales Trader at SSBI or SSBTC London branch.

### ***ii. Transmission of orders***

Certain clients may request SSBI to transmit orders for execution to SSBTC London branch. These orders are covered by a separate document titled 'Order Execution Policy – Global Markets – State Street Bank and Trust, London branch'.

### ***iii. Indirect FX***

SSBI Indirect FX<sup>8</sup> services are offered to clients in accordance with the guidelines set out in the Investment Manager Guide.

<sup>6</sup> Market Order, Limit Order, Algo Order

<sup>7</sup> See Appendix II

<sup>8</sup> Indirect FX is only made available to clients whose assets are under custody with State Street



Such services are typically linked to security settlement, dividend as well as interest income repatriation and almost exclusively involve deliverable contracts executed in accordance with the client's standing instructions or on the basis of individual trade instructions.

### c. Money Market Funds

State Street Global Markets allows clients to place orders for the subscription or redemption of shares in a money market funds and for the subscription or redemption of units in exchange traded funds (primary market only) via State Street's Fund Connect® electronic trading portal, on the terms, and subject to the conditions, of the relevant GlobalLink Product agreement - Fund Connect® Buy-side user agreement. Clients may use Fund Connect to communicate orders for money market funds in respect of their own account with the fund provider (the "**Direct Model**") or a State Street omnibus account with the fund provider (the "**Omnibus Model**"). In all instances, investment fund units are purchased or redeemed directly from the investment manager of the relevant investment fund or their transfer agent. Consequently, the execution venue is pre-determined by the ordered investment fund and there is no secondary market activity in these instruments or other means of purchasing, selling or redeeming them by SSBI.

SSBI does not undertake to provide any 'investment advice' (as such term is defined in WpHG) or any legal, regulatory, tax or accounting advice in respect of either the Direct or Omnibus Models.

**Direct Model.** The client may submit an order for the subscription or redemption of shares in a money market fund directly to the corresponding execution venue (relevant money market fund or its agent) through the Fund Connect® infrastructure.

**Omnibus Model.** SSBI, acting as agent, executes orders for units in money market funds chosen by the client on the client's behalf. 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 and redemption orders will not be processed unless sufficient units are available in the client's securities account before the defined cut-off time. SSBI will provide the client with confirmation of each transaction SSBI transmits for execution on the client's behalf.

### d. Currency Management

Subject to compliance with applicable laws and regulations and any contractual limitations, where SSBI enters into a contractual relationship with the client to perform the currency management services, it delegates the performance of its contractual obligations to SSBTC Boston pursuant to an outsourcing agreement but remains fully responsible to you for the actions of SSBI under this Policy. This Policy

should be read in conjunction with the most recent Currency Management Services Description of Services and Conflicts of Interest document, provided from time to time, and your CMA.

The currency management services offered by SSBI include client-directed portfolio hedging and share class hedging, although in certain circumstances may involve a combination of the two offerings or other ancillary execution services (including execution-only services).

**Portfolio Hedging:** Implementation of a client-directed hedging strategy that is designed by the client to mitigate some or all of the foreign currency risk inherent in an internationally diversified asset portfolio.

**Share Class Hedging:** Implementation of a client-directed hedging strategy that is designed by the client to deliver across some or all of the share classes of a particular fund (e.g., shares denominated in a currency other than the base currency of the particular fund) investment returns that are broadly similar to the investment return in the base currency of the fund.

**Combined Services:** SSBI is also able to implement a client-directed hedging strategy that involves portfolio hedging at the share class level.

In the context of the provision of the Currency Management services, SSBI will take into account the client-directed currency management strategy and any specific instructions received from the client in addition to the execution factors previously discussed.

Where the client has been notified of any amendment to this Policy, they will be deemed to have accepted those amendments by continued use of SSBI's Currency Management services.

## 6. Execution venues

To respond to clients' requests, SSBI utilises a number of Execution Venues, including Regulated Markets, Multilateral Trading Facilities, Organised Trading Facilities, Systematic Internalisers, Market Makers and Affiliates.

The client's order that is executed using such arrangements is subject to monitoring and review, in order to reassess both the outcome of the order against this Policy and the overall performance of the third-party firm or the Affiliate.

In the case of currency management services, clients orders may be executed by an affiliate or third party firm on behalf of SSBI. SSBI typically requires that its designated counterparties use the FXConnect® electronic trading platform, which is operated by SSBTC or one of its affiliates, to trade

with SSBI. This trading platform is integrated directly into SSBI's processing system and allows SSBI to retain trade files as documentation.

## **7. Delegated activities**

SSBI currently delegates and may, in its discretion, in the future delegate to SSBTC's Affiliates certain activities including the execution of transactions with market counterparties. In accordance with contractual arrangements in place, SSBI shall be liable for the acts and omissions of such delegates.

## **8. Execution of a client order outside of a Trading Venue**

SSBI will execute orders outside of a trading venue provided that:

- The Financial Instrument to which the client's order relates can be traded outside of such Trading Venue, and
- The client has given SSBI express prior consent: (i) as part of an onboarding process; (ii) by signing any agreement, including any currency management agreement, which includes the provision of such prior express consent; or (iii) by having signed any agreement incorporating a currency management order execution policy current at the time of signing such agreement, and
- SSBI believes that it is consistent with this Policy and it is in the client's best interests.

SSBI can provide additional information relating to trading outside a Trading Venue, upon request.

Note: As mentioned in more detail in section 6, in the context of the investment services which are subject to this Policy client orders may be executed outside of a trading venue.

## **9. Order aggregation and allocation**

Where SSBI aggregates a client order or transaction, this shall be undertaken in accordance with Article 68 of the Delegated Regulation (EU) 2017/565. The appropriate order aggregation policy shall provide for the fair allocation of aggregated orders and transactions.

### **a. Securities lending transactions**

When SSBI executes securities lending transactions on behalf of a client as described in this Policy, such transactions may be carried out in aggregation with transactions for other clients provided that it is unlikely that the aggregation of such transactions will work to the overall disadvantage of any such client whose transaction is to be aggregated. The effect of aggregation may work to a client's disadvantage in relation to a particular transaction. Where orders are aggregated this will occur in accordance with the relevant regulatory rules, and records will be maintained as required by those rules. Such

aggregation will typically occur where borrower demand for certain securities cannot be met from one client and is satisfied by further loans from one or more clients selected in accordance with the process set out below. Collateral will be allocated to the relevant clients in accordance with their pro-rated participation in aggregated loan.

The securities loan transactions executed by SSBI as agent will be transacted in accordance with laws and regulations applicable to SSBI and in accordance with and subject to any applicable terms and conditions set forth in any securities lending authorization agreement or other contractual arrangements agreed to with each client in the State Street agency securities lending program. State Street, as agent on behalf of clients, has trading relationships with a number of borrowers and, subject to any lender (client) driven restrictions, has some discretion to allocate lending opportunities for clients among approved borrowers. State Street may, for example, allocate an in demand or “special” security to one borrower, rather than another borrower so long as in the judgment of State Street, acting as lending agent, the commercial value of the securities loan entered into with that borrower is expected to be at least as favourable to the relevant lending client as that offered by any other borrower in our agency securities lending program to whom such securities loan might have been extended at the time of the original loan request.

State Street generally relies on an automated queue model to allocate securities loan opportunities among all of its lending clients.

The automated queue model is, in effect, designed to allocate new securities loan opportunities to the next lending client in the queue holding the relevant security and for which there are no applicable borrower or lender driven restrictions. For example, if a lending client sells a security that is out on loan, the automated queue model is designed to avoid recalling the outstanding securities loan and to reallocate that securities loan opportunity to the next lending client identified in the queue that holds the relevant security. Each securities lending client’s place in the queue is determined solely by past lending activity by, and opportunities available to, that client, giving effect in all cases to any borrower or lender driven restrictions (including with regard to pricing).

State Street also will allow for exceptions to its queue allocation process to the extent it determines, in its discretion, such exceptions are appropriate to ensure the efficient and effective operation of the securities lending program as a whole or to, among other things, address liquidity requirements or investment commitments and opportunities that may arise with respect to specific lending clients.

Further, more detailed information regarding the queue allocation process is available in the State Street Agency Securities Lending Program Description of Risks and Conflicts of Interests document which is made available to all clients.

## **b. Foreign Exchange**

### ***i. Direct FX***

SSBI may handle open orders of other clients or its own proprietary activity ahead of or at the same time as or on an aggregated basis with the client's particular foreign exchange transaction request. For example, orders can be aggregated in case of multiple clients executing a limit order within the same thresholds – where those orders must still be executed promptly and fairly relative to other client orders. SSBI does not have any obligation to give priority to one type of open order over any other type that it has received from a client<sup>9</sup>.

### ***ii. Indirect FX***

When executing and/or transmitting orders submitted by an investment manager on behalf of underlying clients, SSBI may aggregate those orders. For example, under Security Settlements and Holdings Foreign Exchange Service ("**SSH**"), foreign exchange transaction requests that are submitted for execution to State Street Global Markets ("**SSGM**") by an investment manager are priced on a "net" basis by investment manager and by currency pair based on all foreign exchange transaction requests submitted by that investment manager across all funds in the relevant region<sup>10</sup>.

## **c. Money Markets**

SSBI does not aggregate subscription or redemption orders received from clients. Each order is individually submitted to the relevant money market fund or its agent.

## **d. Currency Management**

When executing clients' orders, SSBI may aggregate those orders with those of other currency management clients. SSBI will only do this where it reasonably believes that it is in the overall best interest of each client. This process will likely result in one or more underlying funds or accounts with a Foreign Exchange transaction in the opposite direction to the overall net position at that time receiving

<sup>9</sup> Please refer to the State Street Principal Foreign Exchange Services Description of Services and Certain Conflicts of Interest for more details.

<sup>10</sup> Please refer to the Investment Management Guide for more details.

more favourable pricing than might otherwise be the case if the Foreign Exchange transaction were priced on an individual transaction basis at that time.<sup>11</sup>

Upon receipt of a partial fill, each client will receive a fill proportionate to its percentage of the aggregated order.

Where State Street requests a counterparty to work an aggregated order as opposed to taking the risk price, it is possible the counterparty will execute the aggregated order at more than one price. In this case, the counterparty will provide State Street one average price for the entire order calculated from the variously priced fills of the aggregated order. Every client will receive this average price.

## 10. Monitoring and Oversight

### a. Monitoring

Where applicable, SSBI monitors the effectiveness and performance of its execution arrangements and delivery of best execution to its clients in respect of this Policy.

### b. Client Reporting

SSBI will respond to reasonable and proportionate client requests for information regarding performance in handling the client's orders where a best execution obligation exists.

### c. Regulatory Reporting

In accordance with MiFID II, SSBI is required to make certain execution quality data and information on its top five execution venues publicly available and will comply with the obligations:

- Information on execution venue and financial instruments;
- Price;
- Costs;
- Likelihood of execution;
- Additional information for continuous auction order book and continuous quote driven execution venues; and
- Additional information for request for quote execution venues.

<sup>11</sup> For further discussion of order aggregation, please see the most recent Currency Management Services Description of Services and Conflicts of Interest document.

#### **d. Governance**

SSBI has established internal governance processes to assess its execution arrangements, order handling, and execution monitoring and reporting infrastructure. Governance Committees will meet regularly to assess the effectiveness of these arrangements and to determine any changes or enhancements that may be required. Where this results in a material change, this will be communicated to clients via updating this Policy.

#### **11. Procedural Arrangements**

This Policy and SSBI order execution arrangements are reviewed at least annually by the relevant trading desks, Compliance department and senior management, but may be updated more frequently when required, such as where SSBI identify a material change which may affect its ability to obtain on a consistent basis the best possible results for SSBI's clients.

In the event that any material changes are made to this Policy or to SSBI execution arrangements SSBI will notify the client accordingly.

Clients have the right to request more information on this Policy and such request may be directed as detailed below. The client may request that SSBI demonstrate adherence to this Policy in respect of any order or request for price directed by such client to SSBI. Such requests should be made in writing and directed to:

*State Street Bank International GmbH*

*Compliance Management*

*Brienner Straße 59*

*80333 München*

*Germany*

**Effective date:** January, 2025

## **Legal and regulatory notices and disclaimer**

**The products and services outlined herein are only offered to professional clients or eligible counterparties through State Street Bank International GmbH, authorised by Deutsche Bundesbank and the German Financial Supervisory Authority.**

This document and information provided herein does not constitute investment, legal, regulatory, tax or accounting advice and is not a solicitation to buy or sell securities nor to enter into any transaction, nor is it intended to constitute any binding contractual arrangement or commitment by State Street Bank International GmbH to provide securities services nor any other financial services. Prospects, clients or counterparties should be aware of the risks of participating in trading equities, fixed income, and foreign exchange instruments, derivative instruments and/or in investments in illiquid or emerging markets. Derivatives generally involve leverage and are therefore more volatile than their underlying cash investments. Prospects, clients or counterparties should be aware that products and services outlined may put their capital at risk. Further, past performance is no guarantee of future results and, where applicable, returns may increase or decrease as a result of currency fluctuations.

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## Appendix I

### Capitalised Terms

**"Affiliate"** means any company in which State Street Corporation, or any successor company or parent company of State Street Corporation, has a material influence, including, without limitation, subsidiaries and joint ventures.

**"Algo Order"** means the automated pre-set rules to execute an order electronically.

**"Direct FX"** means the State Street FX service aimed at trading FX directly with clients.

**"Eligible Counterparties"** means an entity that is authorised or regulated to operate in the financial markets and that is not given investment advice.

**"Federal Reserve Board"** means the Federal Reserve Board with its registered address at 20<sup>th</sup> Street and Constitution Avenue N.W., Washington, DC 20551, United States of America.

**"Financial Conduct Authority"** means the Financial Conduct Authority with its registered address at 12 Endeavour Square, London E20 1JN, United Kingdom.

**"Financial Instruments"** include but are not limited to: transferable securities (such as shares and bonds), money market instruments, units in collective investment undertakings, exchange-traded and OTC derivatives, whether cash or physically settled, including futures, options and swaps.

**"Foreign Exchange"** means FX Spot, Deliverable and Non-Deliverable FX Forwards and FX Swaps.

**"German Financial Supervisory Authority"** or "BaFIN" means the Bundesanstalt für Finanzdienstleistungsaufsicht with its registered address at Marie-Curie-Str. 24-28, 60439 Frankfurt, Germany.

**"Indirect FX"** means the State Street FX service related to security settlement and dividend and interest income repatriation, and almost exclusively involving deliverable contracts executed in accordance with the client's standing instructions or on the basis of individual trade instructions.

**"Institutional Clients"** means a per se institutional client or an elective institutional client in accordance with Art. 4 and 5 of FinSA.

**“Investment Manager Guide”** means the documentation with such title (including associated documentation) issued by State Street and available to State Street client on the website [www.my.statestreet.com](http://www.my.statestreet.com).

**“Limit Order”** means an order placed by the client to buy or sell a set amount of a financial instrument at a specified price or better.

**“Markets in Financial Instruments Directive 2014/65/EU”** or **“MiFID II”** means the recast Markets in Financial Instruments Directive (2014/65/EU) and its implementing measures.

**“Market Order”** means an order placed by the client to buy or sell a set amount of a financial instrument at a current market prices.

**“Multilateral Trading Facility(ies)”** or **“MTF”** means a multilateral system, operated by an investment firm or a market operator, and which brings together multiple third-party buying and selling interests in financial instruments - in the system and in accordance with non-discretionary rules - in a way that results in a contract.

**“Organised Trading Facility(ies)”** or **“OTF”** means a multilateral system that is not a RM or MTF. Within an OTF, multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in a way that results in a contract. Equities are not permitted to be traded through an OTF.

**“Professional Clients”** has the meaning set out in § 67 WpHG (Wertpapierhandelsgesetz – German Securities Trading Act) or Art. 4 and 5 of FinSA.

**“Prudential Regulation Authority”** means the Prudential Regulation Authority with its registered address at 20 Moorgate, London EC2R 6DA, United Kingdom.

**“Regulated Markets”** or **“RM”** means 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 and in accordance with its non-discretionary rules in a way that results in a contract, in respect of the Financial Instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with Title III of the Markets in Financial Instruments Directive (MiFID) (Article 4(1)(14), MiFID).

**“Retail Clients”** has the meaning set out in § 67 WpHG (Wertpapierhandelsgesetz – German Securities Trading Act) or Art. 4 and 5 of FinSA.

**“State Street Bank International GmbH”** or **“SSBI”** is authorised by the Deutsche Bundesbank and the German Financial Supervisory Authority.

**“State Street Corporation”** or **“State Street”** is an American worldwide financial services company headquartered in Boston, United States of America.

**“State Street Global Markets”** or **“SSGM”** is the marketing name and a registered trademark of State Street Corporation used for its financial markets business and that of its affiliates.

**“Systematic Internaliser”** or **“SI”** means an investment firm which, on an organised, frequent systematic and substantial basis, deals on own account when executing client orders outside a Regulated Market, an MTF or an OTF without operating a multilateral system.

**“Trading Venue”** means an MTF, OTF or RM.

## Appendix II

### Foreign Exchange Execution Venues

NON-EXHAUSTIVE LIST

Platform	Reg. Classification
360T	EU MTF
Bloomberg	EU MTF UK MTF
Currenex	UK MTF
FXConnect	UK MTF
EBS (CME)	EU MTF

List as of **January 2025** and subject to periodic review and change.

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## Appendix III

### Securities Lending Execution Venues

The following list sets out the various arrangements SSBI may use in each market and asset-class to execute the client's orders. The precise venues and arrangements will be selected in accordance with SSBI's Order Execution Policy, subject to any preferences the client may indicate and specific jurisdictional requirements.

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

#### NON-EXHAUSTIVE LIST

<b>EquiLend Europe Limited (UK)</b>
<b>EquiLend Limited (Ireland)</b>
<b>GLMX LLC</b>

List as of **January 2025** and subject to periodic review and change.

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End of Record

Information Classification: General