

State Street Principal Foreign Exchange Services
Description of Services and Certain Conflicts of Interest

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Confidentiality. This document contains confidential and proprietary information of State Street Bank and Trust Company, State Street Bank International GmbH and State Street Brasil S.A. – Banco Comercial (collectively, “State Street”). State Street intends for this document to be for the benefit and internal use of, and distributed only to, actual and potential users of its principal foreign exchange services, or their professional advisors, so that such recipients may obtain a more comprehensive understanding of the services and the actual and potential conflicts of interest associated therewith. Each recipient shall keep this document confidential and shall not, without the prior written consent of State Street, publish, redistribute, make available or otherwise disseminate this document to any other person.

Important Notice – Basis of Dealing. In addition to your specific contractual arrangements with State Street and except as otherwise required by law or regulation in any particular jurisdiction, the following terms and conditions set forth the basis upon which State Street will provide its principal foreign exchange services to you. Your continued use of the principal foreign exchange services offered by State Street constitutes your consent to these terms and conditions, notwithstanding any communication, whether oral or written, by you to State Street to the contrary. For the avoidance of doubt, this document is not intended to exclude any mandatory obligations that State Street may owe to its counterparties under any applicable law or regulation, the terms of which obligations may vary depending on the nature of the relationship with the relevant counterparty and the jurisdiction in which such relationship is established and maintained.

State Street Principal Foreign Exchange Services

Description of Services and Certain Conflicts of Interest

IMPORTANT INTRODUCTION

State Street Bank and Trust Company, State Street Bank International GmbH and State Street Brasil S.A. – Banco Comercial (collectively, “State Street”) act as a principal dealer and market maker in the foreign exchange market, employing a dedicated team of sales and trading professionals that provide liquidity to other third party foreign exchange dealers and to institutional investor clients, including when those institutional clients act as agent for another principal (collectively, “counterparties”), in a number of foreign exchange instruments and in a wide range of deliverable and non-deliverable currency pairs (collectively, the “principal foreign exchange services”). State Street is dedicated to upholding a high level of integrity and striving to adhere to best practices and requirements published by relevant international regulatory bodies in its dealings with counterparties.

State Street provides these principal foreign exchange services to its clients on a twenty four hour, six days per week basis from trading desks located around the world. Although State Street acts as a principal counterparty with respect to all of the foreign exchange transactions it enters into through its principal foreign exchange services, its continued success is dependent upon its execution services meeting its client’s overall foreign exchange requirements and expectations. We believe that our foreign exchange clients are best served when they understand the markets in which they transact and the services that principal foreign exchange dealers and market makers, like us, provide. To help build that understanding, this document seeks to describe generally the principal foreign exchange services offered by State Street, including how we will communicate and transact in relation to requests for quotes, requests for indicative pricing and all other expressions of interest that that may lead to execution of foreign exchange transactions with you, and to identify actual and potential conflicts of interest that may arise between State Street and you in connection with its offering of those services.

Your participation in the foreign exchange markets also entails certain risks. This document is intended to supplement other disclosures made to you by State Street from time to time relating to the material characteristics of and risks associated with the types of foreign exchange transactions that it may enter into with you. These other disclosures include, without limitation, the International Swaps and Derivatives Association, Inc. General Disclosure Statement for Transactions and the Disclosure Annex for Foreign Exchange Transactions, as well as the Investment Manager Guide and the Asset Owner Guide that are available on my.statestreet.com to clients that also maintain custody of their assets at State Street or any of its affiliates. These other disclosures, as amended from time to time, are hereby expressly incorporated by reference into this document. To the extent that this document conflicts with any foreign exchange trading master or similar agreement entered into with you by State Street, the terms of such agreement will govern. Our sales trading relationship managers are able to answer or arrange an answer to any questions you may have regarding our principal foreign exchange services or your particular contractual or other arrangements with State Street.

While State Street has attempted to identify in this document the material conflicts of interest associated with its principal foreign exchange services, State Street may not have identified all such conflicts of interest, and other conflicts of interest may arise in the future. In addition, there cannot be any assurance that every actual or potential conflict of interest identified will be mitigated or eliminated.

Your use of the principal foreign exchange services offered by State Street will be deemed to constitute your consent for State Street to provide such principal foreign exchange services to you even though the risks and actual or potential conflicts of interest identified in this document, or in any other disclosure

incorporated by reference herein or otherwise provided to you from time to time, in relation to such services exist.

There are services other than the principal foreign exchange services described herein that also may be provided to you by us or one of our affiliates, including without limitation, agency securities lending, enhanced custody, agency foreign exchange, indirect foreign exchange, currency management, electronic trading platforms, securities and futures brokerage or dealing, transition management, derivatives, custody, trustee, financing and advisory services. The terms and conditions on which we offer our principal foreign exchange services with respect to a particular counterparty are established by our contractual or other arrangements with that counterparty, including the terms and conditions set forth in this document. Nothing in your agreements or other arrangements with us or any of our affiliates with respect to any of these other services, including, without limitation, any custody or trustee services that may be provided to you, will be deemed to modify the terms or conditions of, or the relationship in which the parties act under, any agreement or other arrangement between you and us in relation to our principal foreign exchange services. State Street does not offer its principal foreign exchange services in the capacity of a fiduciary, trustee or agent. Without limiting the generality of the foregoing, the status of State Street or one of its affiliates as a fiduciary, agent or trustee to you or one of your affiliates under any other contractual arrangement or service relationship will not imply or create a similar relationship or related obligations with respect to the principal foreign exchange services described herein. State Street and its affiliates, each in its capacity as a provider of such other services, may charge fees, including transaction-based or volume-based fees, as may be agreed by a counterparty or a counterparty's independent fiduciary or agent from time to time. None of the fees charged by State Street and its affiliates in connection with the provision of such other services are or should be considered to be fees related to our principal foreign exchange services.

WHAT IS THE ROLE OF STATE STREET IN OFFERING ITS PRINCIPAL FOREIGN EXCHANGE SERVICES?

State Street is a principal dealer and market maker in the foreign exchange market, and in such capacity undertakes to provide price quotations, accept various types of client orders (e.g., limit orders), execute transactions and engage in other activity related to the foreign exchange market. State Street acts solely in the capacity of a principal counterparty (i.e., as an arm's length contractual counterparty) in entering into foreign exchange transactions or foreign currency derivative transactions with you in connection with its principal foreign exchange services. In such capacity, State Street does not undertake in any way to act as your financial, tax or other advisor or as a broker, agent, representative, trustee or fiduciary or in any similar capacity on your behalf in entering into those transactions, and therefore does not undertake any of the duties that an entity acting in any such capacity ordinarily would perform. This is the case whether any such foreign exchange transaction is a spot, deliverable or non-deliverable forward, swap, option or other foreign exchange transaction and whether or not such transaction provides for net cash settlement in a single currency. This is also the case irrespective of the type of order (e.g., market or limit orders, algorithmic orders, benchmark orders or any type of order that may involve our exercising some level of discretion during execution), the method of execution (e.g., indirect or direct) or the trading venue by or through which we enter into any such foreign exchange transaction with you, including any proprietary trading platform or algorithm. We refer you to the Investment Manager Guide and the Asset Owner Guide that are available on my.statestreet.com to clients that also maintain custody of their assets at State Street or any of its affiliates for more information on our indirect foreign exchange services.

State Street will seek to profit from its principal foreign exchange services by entering into foreign exchange transactions with you at rates more favorable to State Street than its own costs to obtain the same currency, including at rates more favorable to State Street than those that may be quoted or available in the so-called inter-bank market. The difference in exchange rates will form part of the profit or loss that State Street earns in connection with its principal foreign exchange services. Except to the extent otherwise required by applicable law, State Street

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is not obligated to account to you for any such profit. Except in those circumstances where State Street has agreed to provide credit intermediation services or otherwise in connection with providing access to electronic trading algorithms, State Street does not separately charge a fee or commission in connection with the provision of its principal foreign exchange services. We refer you to the sections herein entitled *“On What Basis Does State Street Quote Exchange Rates For The Principal Foreign Exchange Transactions It Enters Into With Its Clients?”* and *“What Is The Role Of State Street In Connection With The Electronic Trading Algorithms It Makes Available To Its Clients?”*.

State Street and its affiliates may transact or otherwise engage in business with you in capacities other than as a principal counterparty to a foreign exchange transaction. State Street does not enter into a foreign exchange transaction with you acting in the capacity of a custodian, trustee, fiduciary or agent, and its principal foreign exchange services are not provided or being performed under any agreement or other arrangement with you pursuant to which State Street or any of its affiliates act as custodian, trustee, fiduciary or agent or with the intent that its obligations as custodian, trustee, fiduciary or agent extend to any of our principal foreign exchange services.

There are important differences in the nature of our relationship when State Street acts in the capacity of a principal dealer and counterparty to a foreign exchange transaction as opposed to the capacity in which State Street or any of its affiliates may act when providing any of these other services. As a principal dealer and market maker in the foreign exchange market, State Street acts as a counterparty to a foreign exchange transaction with you. This means that the interests of State Street are directly adverse to yours when State Street negotiates or sets the terms of any foreign exchange transaction or related documentation or otherwise make determinations as to the exercise of its rights thereunder. While State Street provides execution and credit intermediary services, as well as market commentary and other information that it believes will facilitate a client’s management of its overall foreign exchange risks, State Street does not, except as required by law, consider the interests of its respective counterparties (including you and, where applicable, your investment manager) when entering into any foreign exchange transaction or related documentation. This is the case even where you are also a client of the division of State Street that provides custody or trustee services or where State Street might otherwise have a fiduciary or agency relationship with you with respect to some other service.

It is likely that in most circumstances State Street will have an information advantage compared to you, due to its broad access to the foreign exchange and other markets, knowledge of the foreign exchange positions of other participants in the foreign exchange market, and knowledge gained in connection with the operation of its other business lines. Notwithstanding anything to the contrary herein, State Street has no duty or obligation in such circumstances to inform or disclose to you any of the information that it believes is relevant to its trading decision or that it believes such information advantage or other considerations cause it to believe that the foreign exchange transaction may not be in your financial interest. Accordingly, State Street will have interests that do not align with, and are directly adverse to, yours. We refer you to the section herein entitled *“Does State Street Engage In Foreign Exchange Transactions For Its Own Account At The Same Time It Monitors And Executes Orders With Its Clients?”*.

HOW DO YOU SUBMIT ORDERS FOR FOREIGN EXCHANGE TO STATE STREET?

Our clients may submit orders or foreign exchange transaction requests to our trading desks through a variety of channels, including by phone and proprietary and third party electronic trading platforms or systems. Unless otherwise expressly agreed in writing to the contrary, State Street is not obligated to accept or otherwise act upon any request by you to enter into a foreign exchange transaction. If a client transmits a foreign exchange transaction request to State Street through an electronic trading platform, State Street will adhere to the rules and procedures applicable to the execution method selected by the client on that electronic trading platform. We refer you to the sections herein entitled *“Does State Street Use “Last Look” Functionality With Respect To Electronic Price*

Quotations Made Available On Electronic Trading Platforms?” and “What Is The Role Of State Street In Connection With Electronic Trading Algorithms It Makes Available To Clients?”.

If State Street accepts a foreign exchange transaction request from a client that involves State Street “working” that order, such as, but not limited to, a “market” order, State Street is indicating a willingness only to attempt to enter into a foreign exchange transaction with such client (and, if a price level is indicated by the client in connection with such order, to attempt to enter into such foreign exchange transaction at or near the price so requested by the client). State Street considers “at best” orders to be “market” orders. State Street attempts to execute an order, in whole or in part, when it can expect to make an appropriate return or profit in connection with such transaction to compensate it for such activity, taking into consideration prevailing market conditions and other relevant business factors and objectives that it deems relevant in its sole discretion, including without limitation its overall inventory and risk management strategies. Unless otherwise specifically agreed, State Street will exercise its reasonable discretion in deciding which orders it is willing to accept and execute and when and how it is willing to accept or execute any particular order, including whether to execute all or part of any order, and whether to do so electronically or manually. Accordingly, the receipt by State Street of an order or any indication by it that it is willing to work or otherwise is working an order received from a client does not create any commitment by State Street to execute all or any portion of that order or to execute that order in any particular way or at any particular rate. State Street will decide in its reasonable discretion whether to enter into any particular foreign exchange transaction with you and at what price. State Street is under no obligation to disclose to you why State Street is unwilling or unable to execute your order, in whole or in part. We refer you to the section herein entitled “*How Does State Street Generally Treat Time and Price-Based Orders?*”

State Street typically will have open orders from multiple clients for foreign exchange transactions in the same currency pair for execution at the same time or at the same level in the foreign exchange market. We reserve the right to determine the priority by which such open orders are handled and executed, which may differ from the sequence in which we received the underlying orders. Examples of factors in addition to the time that an order was received that we may consider in determining the priority of orders received include, without limitation, the manner in which the orders are received, conditions placed on the order by the client, prevailing market conditions and our internal risk management practices. State Street is not required to disclose to you when you leave a foreign exchange transaction request that State Street is handling or intends to handle open orders of other clients or its own proprietary activity ahead of or at the same time or on an aggregated basis with your particular foreign exchange transaction request. In addition, State Street 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. We refer you to the other sections of this disclosure statement for a description of how we set the exchange rates for foreign exchange transactions that we enter into with you.

If you select a form of electronic messaging (e.g., electronic chats, electronic mail or instant messages) as the mode of communicating your foreign exchange transaction requests to State Street, you should understand and accept that these orders, if accepted, will only be actioned once the sales or trading individuals at State Street responsible for their handling have actually opened and read the electronic communication. This could result in your order either not being filled (e.g., if a limit order) or filled at a much later time than when first received into our electronic messaging systems. During the period between the electronic transmission of your order and the point in time at which the electronic communication is opened, read and acknowledged, you will be exposed to the risk that your order may not be accepted and filled (including where the market has moved in your favor) or may be filled at a worse level because market conditions have changed in the interim. In addition, because of the manual operational processes that State Street must undertake to execute foreign exchange orders transmitted by electronic messaging systems, your orders will be filled with a delay as compared to those foreign exchange transaction

requests communicated through other modes of communication, and this delay may result in your order being filled at a less favorable level compared to market conditions at the time you actually transmitted your order to State Street.

State Street considers market risk to have transferred when both parties have agreed to the economic details of a trade. In voice trading, this happens when you accept an active (i.e., not withdrawn) quoted price offered by our principal foreign exchange trading desk. In electronic trading, electronic platforms will have their own standards by which a trade is considered done and the risk has transferred. We encourage you to read the term and conditions of the various electronic platforms on which you transact with respect to when a transaction is completed and the risk has transferred. Our electronic price making activity, similar to many electronic platforms, includes last look functionality, which can affect the timing as to when risk transfer occurs. We refer you to the section herein entitled *“Does State Street Use “Last Look” Functionality With Respect To Electronic Price Quotations Made Available On Electronic Trading Platforms?”*.

State Street will be truthful in its statements about any facts, but its statements should not be construed as recommendations or advice. You or your independent fiduciary is responsible for independently evaluating the appropriateness of any foreign exchange transaction based on your own facts and circumstances. This evaluation should include, among other things, the terms and conditions of the proposed foreign exchange transaction and your specific financial condition, objectives and circumstances. Notwithstanding the foregoing, State Street may refuse to enter into a foreign exchange transaction with you for any reason, including, without limitation, in circumstances where it determines that the type of instrument, tenor, currency pair or other factors of the proposed foreign exchange transaction cause it to believe that such transaction would be inappropriate for you or it believes that you are entering into the foreign exchange transaction with the intent of disrupting the foreign exchange market.

WHAT IS THE ROLE OF STATE STREET IN CONNECTION WITH THE ELECTRONIC TRADING ALGORITHMS IT MAKES AVAILABLE TO ITS CLIENTS?

The term “algorithmic trading” means an automated electronic execution methodology that utilizes a set of rules, including user defined parameters, as well as credit and other limitations set by the provider of the algorithm that enables buy-side institutions to execute foreign exchange transactions with one or more sources of foreign exchange liquidity. State Street offers or expects to offer certain types of trading algorithms (the “algorithms”) for the execution of spot foreign exchange transactions and non-deliverable forward foreign exchange transactions. In the case of non-deliverable forward foreign exchange transactions, the algorithms will execute transactions with a consistent specified tenor, the duration of which may vary over time in our sole discretion. State Street is typically one source of liquidity that may be accessed through its algorithms and, in some cases, may be the only source of liquidity available through the algorithm. In those circumstances where the liquidity sourced by an algorithm is from third party foreign exchange dealers or platforms, State Street will be acting solely in the capacity of a riskless principal between you and such third party foreign exchange dealers and platforms. If you have any questions about the breadth and identity of the sources of liquidity available through any of the algorithms provided by State Street, you should contact your sales trading relationship manager for more information.

If State Street is providing liquidity to you through any of its algorithms, State Street is acting solely in the capacity of a principal counterparty and dealer, meaning that foreign exchange transactions executed through the algorithms with State Street will be executed with State Street as your principal counterparty. This is true, even in those circumstances where State Street acts as a riskless principal for liquidity sourced by the algorithm from third party foreign exchange dealers and platforms, as described further below. If you also require forward points to be added to your spot or non-deliverable forward foreign exchange transactions executed through any algorithm to reflect a tenor that is different than that of the spot or non-deliverable forward transactions executed by the algorithm, these points will be added by State Street after receiving the results of the algorithm and can be separately negotiated by

you directly with the principal trading desk at State Street. We refer you to the section above entitled “*What Is the Role of State Street in Offering Its Principal Foreign Exchange Services?*”

The algorithms made available by State Street are designed to meet different execution objectives and, accordingly, will likely differ in urgency of execution and use of different order types. The descriptions and risks of the algorithms State Street makes available to clients is located in the State Street VectorFX™ Algorithms User Guide, a copy of which may be obtained from your sales trading relationship manager. The algorithms provided by State Street may be updated at any time and from time to time in the sole discretion of State Street. The algorithms may be based on historical data, assumptions and trends, and any such data and assumptions may be incomplete or inaccurate and any such trends may not repeat as anticipated, any of which may result in the algorithm not achieving your intended trading results. In addition, the algorithms may not work as initially designed for a number of reasons, including, without limitation, as a result of malfunctions or other conditions such as unanticipated market disruptions and volatility. The impacts of these events may be amplified in light of the typically large volume and high speed of trading executed through algorithms. State Street makes no representations, warranties or guarantees as to the proper functioning of the algorithms, or that a particular algorithm selected by you is suitable or appropriate for you or otherwise meets your intended trading objectives. You are solely responsible for reviewing and understanding the descriptions and risks of the algorithms we make available to you, evaluating the functionality of the various algorithms in the context of your specific trading requirements and monitoring the fills of any foreign exchange transactions executed by an algorithm on your behalf to ensure such transactions are being executed correctly and at prices consistent with your expectations. State Street does not, and is not required to, actively monitor the quality of fills for your foreign exchange transactions.

The manner and timing in which your foreign exchange transactions will be executed depends on the particular algorithm you select, the specific variable parameters chosen by you (such as whether you elect to use our default parameters or modify those parameters according to your specific trading requirements) and our internal risk controls, including, among other things, limits on the size of the portions of your total algorithmic order that an algorithm seeks to execute at a given time designed to mitigate market impact as well as functionality facilitating the termination of an algorithm, commonly referred to as a “kill switch”, in the event market or credit risk exposure levels determined by State Street, in its sole discretion, are breached. The algorithms may be designed to include (i) only liquidity sourced from the electronic principal foreign exchange trading desk at State Street (“internal liquidity”), (ii) liquidity sourced from third party principal foreign exchange dealers only (“external liquidity”) or (iii) liquidity sourced from both internal liquidity and external liquidity. The choice of liquidity sources you elect to include may impact the functionality available to you in a particular algorithm. State Street will from time to time in its sole discretion change the external liquidity sources from which it seeks liquidity for any particular algorithm based on factors that it determines to be relevant including, but not limited to, the objectives of the algorithms, the availability of liquidity on a venue, market impact considerations and fill response times and rates. Our evaluation of these and other factors, as applicable, in the exercise of our discretion may differ from any one or more algorithm users’ evaluation of these same factors and may also differ across different algorithm users. The factors that we consider also may not be all of the factors relevant or important to any particular algorithm user. The number and source of liquidity sources available in the liquidity configuration for a particular algorithm order will impact the pricing available for that order. Unless otherwise specifically agreed with you, State Street will not inform you of changes it makes to the external liquidity sources used for an algorithm. The consequence of any decision on the liquidity sources used for a particular algorithm, whether based on specific instructions of the algorithm user or on the exercise of our discretion or on any of the other factors described above, may result in that algorithm user not receiving the best execution rate available at any given time on all liquidity sources available to State Street. Moreover, because our algorithms do not source liquidity from the entire foreign exchange marketplace, the best overall market rate may not be available through our algorithms. You should also understand that some liquidity providers, including

State Street, apply “last-look” to the liquidity streams received by the algorithm. We refer you to the section herein entitled “*Does State Street Use “Last Look” Functionality With Respect To Electronic Price Quotations Made Available On Electronic Trading Platforms?*” for more information on last look and how State Street uses it. If you have any questions about the different liquidity sources made available through any particular algorithm or if you want to establish a specific pool of liquidity sources from whom State Street will source liquidity for your foreign exchange transactions using any of our algorithms, please contact your sales trading relationship manager at State Street.

In those circumstances where a third party foreign exchange dealer or platform is available as a liquidity source through an algorithm, State Street will always act as a riskless principal intermediary between you and such third party liquidity source and will collect a separate fee from you in connection with its credit intermediation services. In addition, unless otherwise agreed between you and State Street, State Street will also apply a fee to transactions based on liquidity sourced from the principal foreign exchange trading desk at State Street (i.e., the fee will be applied to all liquidity sourced by the algorithm, regardless of whether it is sourced from State Street or a third party). In either case, this fee will typically be expressed in basis points, which will be converted into a corresponding number of additional pips for each currency pair that will be added or subtracted (i.e., a mark-up or mark-down) to the exchange rates sourced by the algorithm. The principal foreign exchange trading desk at State Street provides liquidity to the algorithm at exchange rates, determined prior to the application of any fee, at which the principal foreign exchange trading desk seeks to earn a profit by having those exchange rates be more favorable to State Street than its own costs to obtain the same currency. The difference in exchange rates will form part of the profit or loss that State Street earns in connection with any resulting transaction executed through the algorithm. State Street is not obligated to account to you for any such profit. The algorithm fee is in addition to the profit that State Street seeks to earn based on the rate provided to the algorithm by the principal foreign exchange trading desk at State Street before the application of the fee. In the event you elect to have the fee mark-up or mark-down included only on liquidity sourced from third party liquidity sources, to the extent liquidity is sourced from both the principal foreign exchange trading desk at State Street and third party principal foreign exchange dealers and platforms, the mark-up or mark-down will likely make the exchange rates quoted by such third party foreign exchange dealers and platforms less competitive as compared to the exchange rates quoted by the principal foreign exchange trading desk at State Street. Accordingly, it is highly likely in such circumstances that the substantial majority, if not all, of your foreign exchange transactions will be executed based on liquidity sourced from the principal foreign exchange trading desk at State Street.

The algorithms are made available on certain electronic trading platforms that support this functionality, including our affiliated electronic trading platform FX Connect. You are responsible for reviewing and understanding the terms and conditions of such electronic trading platforms. These electronic trading platforms and the trading venues through which external liquidity is sourced by the algorithm often have minimum order size requirements per foreign exchange transaction in order to eliminate transactions in de minimis amounts. If, after receiving partial fills on your order, you have a de minimis amount remaining that is under the minimum order size for that electronic trading platform, that de minimis amount will automatically be executed by the principal foreign exchange trading desk at State Street, even if you excluded State Street as a source of liquidity through the algorithm and even though another third party liquidity source selected by you for that algorithm was displaying a better rate.

HOW IS INFORMATION REGARDING ALGORITHMIC ORDERS HANDLED WITHIN STATE STREET?

Your foreign exchange transactions executed through one of our algorithms are supported primarily by our non-trading algorithm specialists and our non-trading transaction support group (collectively, the “algorithm support team”).

As described in this section, State Street seeks to maintain information barriers between (i) the algorithm support team, on the one hand, and (ii) the principal voice sales and trading desks, and our electronic foreign exchange trading desk on the other hand.

The algorithm support team will have continuous access to your identity and your foreign exchange order and transaction execution information, including, without limitation, order fill status and the sizes and venues on which your orders have been placed and executed.

In addition, there are certain cases where the principal voice sales and trading desk can see some or part of your foreign exchange transactions executed through the algorithm:

- If you have not requested the fully segregated booking option, then as all of your foreign exchange transactions executed through any of our algorithms are maintained in the principal trading books and records of State Street, upon completion of your algorithm, the principal voice sales and trading desk will have system access to post-trade information about your executed foreign exchange transactions in those trading books and records.
- While we encourage clients to submit orders electronically, a client may also contact our principal voice sales desk and request that a sales person input or discuss an algorithmic order for such client. In that case, the client is also making its order details and its identity known to the principal voice sales and trading desk at State Street.
- The principal voice sales desk will be able to monitor the progress of the algorithmic order it submitted at your request while it is running, meaning that they will be able to see the portion of your order that has been filled through the algorithm, although they will not be able to view when or where bids and/or offers are being made by the algorithm.

Although State Street has taken reasonable steps to design its system access permissions to segregate post-trade information about your executed algorithmic orders from the principal trading desk and to train its sales desk and trading desk personnel on restrictions on sharing such information, the physical proximity of members of the principal sales desk and the principal trading desk means that full segregation of the information from the principal trading desk cannot be guaranteed.

If you also require forward points to be added to your spot or non-deliverable forward foreign exchange transaction executed through an algorithm, then regardless of whether the liquidity for such algorithm was sourced internally or externally, your foreign exchange transaction execution information, including your identity, will be presented to the principal voice trading desk at State Street upon completion of the full algorithm order for the addition of forward points. To the extent you request confirmation of the forward points prior to the completion of your order, the details of your foreign exchange order on which you are seeking forward points, including your identity, will be presented to the principal voice trading desk at State Street at the time of your request for the addition of forward points.

Finally, information about your orders and executed foreign exchange transactions will be accessible as described below based on whether the algorithm is sourcing internal liquidity or external liquidity.

Internal Liquidity

If an algorithm sources internal liquidity from State Street, The current portion of your order will become immediately visible within our internal electronic trading system that a client using an algorithm offered by State Street is seeking

internal liquidity, but your identity and your overall order details will not be disclosed. Any employee of State Street with access to our internal electronic trading system and permission to view algorithmic trades will be able to view the details of your foreign exchange transactions executed with State Street.

External Liquidity

When State Street sources external liquidity on an electronic trading platform, State Street may trade (i) on an anonymous basis, in which case the third party liquidity provider will know the identity of State Street only after execution of the relevant foreign exchange transaction, or (ii) on a disclosed basis, in which case the liquidity provider will know the identity of State Street prior to execution. When State Street trades on a disclosed basis, whether on an electronic trading platform or otherwise, State Street may inform the external liquidity provider that the foreign exchange order is originating from an algorithm made available to a client by State Street. Notwithstanding, in all cases where State Street sources liquidity from external liquidity providers in connection with your foreign exchange orders, your identity will not be disclosed to such third party liquidity providers.

DOES STATE STREET EVER ENTER INTO FOREIGN EXCHANGE TRANSACTIONS AS AGENT?

Yes. State Street acts solely in the capacity of a principal counterparty in entering into foreign exchange transactions or foreign currency derivative transactions with you in connection with its principal foreign exchange services. State Street, however, offers other services (e.g., currency management, agency foreign exchange and transition management) where it expressly agrees in writing to act as your agent in connection with executing foreign exchange transactions on your behalf, in which case it will act as an agent only to the extent specified in those contractual arrangements. Unless and solely to the extent that you have entered into a written contractual arrangement with State Street that expressly provides that State Street is acting as your agent in executing foreign exchange transactions on your behalf, State Street will be acting solely in the capacity of a principal dealer and market maker and its interests will be directly adverse to yours in entering into foreign exchange transactions or foreign currency derivative transactions with you. For the avoidance of doubt, if State Street enters into a principal foreign exchange transaction with you pursuant to an algorithm available over an electronic trading platform, including its own proprietary algorithms and electronic trading platforms, it will be acting solely in the capacity of a principal counterparty and dealer in entering into those foreign exchange transactions, even in those circumstances where it acts as a riskless principal and collects a separate fee or commission for its credit intermediation services. We refer you to the section herein entitled *“What Is The Role Of State Street In Connection With The Electronic Trading Algorithms It Makes Available To Its Clients?”*.

DOES STATE STREET USE “LAST LOOK” FUNCTIONALITY WITH RESPECT TO ELECTRONIC PRICE QUOTATIONS MADE AVAILABLE ON ELECTRONIC TRADING PLATFORMS?

Yes. State Street uses “last look” functionality with respect to electronic price quotations made available to one or more of its clients on certain affiliated and unaffiliated electronic trading platforms that support such functionality. Our affiliated electronic trading platforms that support “last look” functionality include FX Connect®, Currenex®, VectorFX® and our direct streaming application programming interface. The term “last look” is widely used across the electronic trading industry but lacks a consistent definition and application. State Street uses the term “last look” to refer to functionality whereby State Street retains the right, to confirm whether it remains willing to enter into a foreign exchange transaction at an exchange rate that it has previously quoted to a counterparty on an electronic trading platform. If the transaction rate is within the configured price tolerance, State Street will conduct validity checks (including credit risk) and market risk checks prior to confirming its acceptance or rejection of the transaction request. These checks including the price tolerance are defined as the last look checks. The price tolerance refers to the level, which is established by State Street in its sole discretion and varies by client, by which a quoted rate to

that client is allowed to deviate from the most current rate available within a liquidity stream before any foreign exchange order submitted by a client based on that quoted rate is rejected by State Street.

In this context, the last look window means the time taken to complete the last look checks. State Street does not apply an additional hold time over and above these checks.

State Street uses last look functionality primarily to protect against potential losses resulting from trading on stale prices arising from technological anomalies and latencies inherent in electronic communications or from electronic price formation in periods of significant market disruption or unusual market conditions, as well as to manage operational, credit (i.e., confirmation against existing credit tolerances), and liquidity risks associated with executing foreign exchange transactions with clients across a number of execution venues, including proprietary and third party electronic trading platforms. State Street also uses last look to protect against certain trading behavior that it deems inappropriate.

State Street typically retains discretion as to whether a particular client will receive electronic price quotations subject to last look functionality and the level of price tolerance that will be applied. State Street typically will be able to provide tighter spreads if it uses last look functionality due to the price tolerance check, and typically will have wider spreads, and therefore reject fewer foreign exchange transactions requests, when it does not use last look functionality. As of September 1, 2017, our default practice is to apply our price tolerances “symmetrically”, meaning that if the rate move, regardless of direction, is greater than the relevant price tolerance set for you, your foreign exchange transaction request will be rejected. If supported by the relevant electronic trading platform, you may request to opt out of the symmetrical application of these “last look” trade acceptance parameters, thus receiving asymmetric application of the price tolerance. This election may result in an increase in your overall transaction acceptance rate and narrow the spread of the streaming electronic price quotations provided to you.

In addition, State Street may, in its sole discretion, provide one or more clients with “price improvement” on electronic streaming price quotations, meaning that in circumstances where the most current rate within a liquidity stream is more favorable to the client (i.e., improved) than the rate requested by the client based on prior price quotations available over that same liquidity stream, State Street will execute the transaction at that improved exchange rate. More specifically, if the most current rate available within the relevant liquidity stream at the end of the last look window associated with a foreign exchange transaction request is lower than the exchange rate requested by the client where the client is buying (or higher than the exchange rate requested by the client where the client is selling), State Street will execute the foreign exchange transaction at the exchange rate more favorable to the client (i.e., the lower or higher rate, as applicable) instead of at the exchange rate initially requested by the client. Conversely, if the most current rate available within the liquidity stream at the end of the last look window associated with a foreign exchange transaction request is less favorable to the client than the exchange rate initially requested by the client, then the last look functionality would operate as normal, meaning that the foreign exchange transaction request will be accepted if the exchange rate requested is within the price tolerance level set for that particular liquidity stream (or, if applicable, client) and rejected if the exchange rate requested is outside of the price tolerance level set for that particular liquidity stream (or, if applicable, client). State Street may discontinue the application of the price improvement functionality for any particular or all clients at any time in its sole discretion without prior notice. If price improvement is discontinued on a particular liquidity stream, the functionality will automatically revert to the default “symmetrical” application of the price tolerance levels as described above.

The limitations relating to last look functionality vary and some are subject to constraints set by the relevant electronic trading platform, including our own application programming interfaces that are used to directly stream electronic price quotations to you. The electronic price quotations made available to a client as well as the availability

of price improvement and the price tolerance levels set by State Street will depend upon several factors that State Street determines to be relevant in its sole discretion, including, without limitation, the limitations of the relevant electronic platform, its view of the behavior and trading strategy of and the overall relationship with that client, its overall risk tolerance level, system latency and market volatility and liquidity, generally as well as in the specific currency pair. The factors that may be applicable for one client may differ from those applicable to other clients, which may lead to State Street setting price improvement functionality, price tolerance levels and streaming price quotations that will vary by client and that may differ from the rates that may be quoted to clients directly by the sales and market risk traders at State Street. State Street also may temporarily adjust the price improvement functionality and price tolerance levels during certain market events such as economic data releases and periods of increased volatility. These differences in price improvement functionality, price tolerance levels and streaming price quotations may, in turn, lead to differences in acceptance rates among our clients. We also refer you to the section herein entitled *“On What Basis Does State Street Quote Exchange Rates For The Principal Foreign Exchange Transactions It Enters Into With Its Clients?”* State Street does not engage in risk-mitigating hedging activity with respect to any foreign exchange order that is subject to last look functionality during the last look window relating to that order. Further, the State Street electronic trading system does not use information from trade requests which have been rejected during the last look window for purposes of trading or risk management.

The use of last look functionality may result in a client from time to time being unable to execute at one or more of the price quotations made available to that client by State Street on an electronic trading platform, which may result in price slippage as orders take a longer period of time to get executed. Further, the use of symmetrical last look functionality may result in a lower proportion of foreign exchange transaction requests being accepted where the actual market rate moves against State Street during the last look window than where the market rate moves in its favor during this period.

If State Street withdraws an exchange rate that has been previously quoted or does not otherwise confirm acceptance of the exchange rate within the relevant last look window allowed by the electronic trading platform supporting the last look functionality, the platform typically will not execute a foreign exchange transaction between State Street and the relevant counterparty. Accordingly, those electronic price quotations that have last look functionality constitute “contingent liquidity,” and are not binding on State Street unless and until it confirms acceptance of the exchange rate or the electronic trading platform provides you with a confirmation of the foreign exchange transaction. No counterparty that receives price quotations from State Street on an electronic trading platform, including our own application programming interfaces that are used to directly stream electronic price quotations to you, should assume that a foreign exchange transaction has been entered into on that electronic trading platform unless and until it receives a system confirmation to that effect.

If you enter foreign exchange transactions with State Street over an electronic trading platform, including our own application programming interfaces that are used to directly stream electronic price quotations to you, we encourage you to obtain and review the rules and users guides applicable to or made available by the relevant electronic trading platform to determine whether they are consistent with your execution requirements.

HOW DOES STATE STREET HANDLE TRADING AND OTHER INFORMATION OF ITS COUNTERPARTIES IN CONNECTION WITH THE PROVISION OF ITS PRINCIPAL FOREIGN EXCHANGE SERVICES?

State Street understands that you consider your foreign exchange order and execution information as confidential. State Street will share information regarding your foreign exchange orders and executed transactions internally for risk management, operational, regulatory and other purposes and, to the extent necessary to achieve effective transaction execution and risk management in connection with its overall principal foreign exchange services, externally with third parties. We also refer you to the sub-section *“How Is Information Regarding Algorithmic Orders Handled Within State Street”* of the section herein entitled *“What Is The Role Of State Street In Connection With*

The Electronic Trading Algorithms It Makes Available To Its Clients?” for information handling practices in connection with algorithmic orders, *the sub-section “How is Information Regarding Benchmark Orders Handled Within State Street”* in the section herein entitled *“Do You Execute Orders at Specified Times Using Third Party Benchmark or Reference Rates and Are There Conflicts Of Interest Or Other Significant Risks Specifically Relating To These Benchmark Orders That I Should Be Aware Of?”* for additional detail on order handling procedures for algorithmic orders and benchmark orders, as well as the section herein entitled *“Outsourcing”* for a description of our outsourcing arrangements in respect of certain operational and finance functions relating to our principal foreign exchange services.

In deciding whether and on what terms to enter into a foreign exchange transaction with you, particularly where the foreign exchange transaction is of a large notional size or involves a currency or instrument in which liquidity may be limited, State Street may need to understand whether it is able to manage its market risk with respect to such transaction by entering into one or more foreign exchange transactions with independent third parties prior to quoting an exchange rate or agreeing to enter into a transaction with you. In addition, if, in response to an order, State Street agrees to take on the risk of entering into a foreign exchange transaction with you, it will manage the resulting risk (including market, liquidity and credit risk) on an individual, portfolio or other basis and may execute one or more risk mitigating foreign exchange transactions with independent third parties prior to entering into a transaction with you. These price discovery and risk mitigating foreign exchange transactions will require, among other things, the disclosure by State Street of certain economic terms (e.g., currency pair, buy or sell) relating to the proposed foreign exchange transaction to be entered into with you to internal and independent third parties, including other foreign exchange dealers. We also refer you to the section herein entitled *“On What Basis Does State Street Quote Exchange Rates For The Principal Foreign Exchange Transactions It Enters Into With Its Clients?”*

State Street also will use, on an individual and aggregate basis, information relating to its own trading positions, price discovery activity by clients and other foreign exchange dealers, unexecuted orders (e.g., limit orders), executed foreign exchange transactions entered into with clients (including you) and other foreign exchange dealers and other available information relating to market, economic and political conditions in the jurisdictions in which it operates to shape its overall views of the foreign exchange market, to assess the potential impact on market, liquidity and credit risks to State Street and, importantly, to determine the economic terms (e.g., exchange rate) on which it is prepared to enter into a foreign exchange transaction with you. State Street will use such information internally, including for purposes of managing its overall foreign exchange inventory and risk management activities, and also share, either for a fee or other economic benefit, on a real-time basis in the form of market commentary, anonymized and aggregated information with clients or other independent third parties that may consider such information useful when entering into foreign exchange transactions and managing their overall foreign exchange risks. In addition, State Street will also provide such information to third party vendors, such as transaction cost analysis providers, in connection with the management and evaluation of its business performance. The information shared by State Street may be categorized by product, currency pair, geography or industry segment. It is possible that State Street may take positions in foreign currency that are not consistent with the overall market views or other commentary expressed to you by an individual sales or market risk trader at State Street. In addition, the overall market views of our sales and trading personnel may change, sometimes rapidly, throughout the day based on trading patterns of our clients and other foreign exchange dealers and market, economic, political and other conditions and events. State Street is not obligated to make available or otherwise alert you to any of the information underlying, or otherwise relevant to your understanding of, its overall market views or to inform you of any change in the overall market views of our sales and trading personnel.

You should also be aware that State Street has regulatory and prudential obligations to supervise and otherwise oversee the operation of its businesses, including its principal foreign exchange services, and therefore discloses information internally (including, without limitation, to individuals within its risk, compliance and legal departments) and to affiliated entities, in each case to the extent it deems necessary or appropriate in order to maintain its control environment. We also refer you to the section herein entitled “*Outsourcing*” for a description of our outsourcing arrangements in respect of certain operational and finance functions relating to our principal foreign exchange services. State Street also is required from time to time to respond to requests for information from regulators worldwide.

State Street also takes the protection of its own information seriously and expects you to take steps to ensure that information provided to you by State Street is also similarly treated as confidential at all times.

DOES STATE STREET ENGAGE IN FOREIGN EXCHANGE TRANSACTIONS FOR ITS OWN ACCOUNT AT THE SAME TIME IT MONITORS AND EXECUTES ORDERS WITH ITS CLIENTS?

Yes. As a principal dealer and market maker in the foreign exchange market, State Street continuously places bids and offers on various electronic trading venues and takes positions in foreign currency for its own account. State Street may maintain for its own account significant inventories of certain currencies (i.e., long positions) or may be short certain currencies (i.e., short positions), thereby exposing it to the risks of market movements as a result of those positions. Accordingly, State Street may enter into foreign exchange transactions for its own account prior to or contemporaneously with the execution of an open order that you have placed with State Street. State Street may enter into those foreign exchange transactions in order to take advantage of expected market movements in accordance with applicable law, to satisfy an existing open order of one or more clients, including you, to ensure it has sufficient inventory to meet reasonably expected near-term client demand or to hedge its exposure to foreign exchange transactions that it has entered into or in the future may enter into with you or other market counterparties as part of its principal foreign exchange services.

State Street may, as noted above, engage in risk management activities prior to entering into or terminating any particular foreign exchange transaction with you (i.e., pre-hedging and hedging activities). These risk management activities may include, among other things, entering into foreign exchange transactions in the inter-bank market or otherwise that are identical or economically equivalent to the foreign exchange transactions that State Street may enter into with you or any other client, entering into transactions in correlated currencies or products (e.g., futures) or establishing derivatives positions on any of the foregoing, and may take into account other sources of exposure, such as market dislocation or disruption. To the extent the foregoing risk management activity occurs in advance of entering into or terminating any foreign exchange transaction with you, such activity is likely to increase in frequency and in magnitude as the actual foreign exchange transaction with you becomes imminent, particularly if it has been agreed with you that the exchange rate for that foreign exchange transaction is to be determined by reference to a published benchmark or reference rate (e.g., benchmark orders) or an observable level in the foreign exchange market (e.g., limit orders). These risk management activities may impact prevailing market rates, as discussed below. In connection with its principal foreign exchange services, State Street enters into transactions in the foreign exchange market solely for its own account, and no foreign exchange transaction entered into by State Street in the inter-bank market or otherwise shall obligate State Street to enter into a foreign exchange transaction with you in the same currency pair or on the same economic terms as it effected such other foreign exchange transaction, even where State Street has accepted an order from you in the relevant currency pair prior to entering into such foreign exchange transaction for its own account.

In those circumstances where you have instructed us to determine the period over which we will establish an execution price for an open order (e.g., an instruction to work an order over the course of the trading day, such as with a “market” order, or in accordance with specific parameters), State Street may enter into one or more foreign

exchange transactions with independent third parties at different times and at different rates in order to be able to execute the open order with you and to source liquidity for one or more other clients. State Street may, in these circumstances, also seek to fill your open order, in whole or in part, from its own inventory. State Street also may execute your open order by means of a trading algorithm that may cause State Street to enter into foreign exchange transactions with independent third parties prior to or as part of the process of executing an open order with you. We refer you to the sections herein entitled *“How Does State Street Generally Treat Time and Price-Based Orders?”* and *“What Is The Role Of State Street In Connection With Electronic Trading Algorithms It Makes Available To Clients?”*

As a principal dealer and market maker in the foreign exchange market, State Street has sales and trading personnel in multiple jurisdictions globally executing foreign exchange transactions whenever the foreign exchange markets are open for trading. Accordingly, State Street executes foreign exchange transactions across multiple currencies and instruments for its own account on a continuous basis throughout the global trading day with one or more other principal foreign exchange dealers or institutional clients. Notwithstanding the existence of one or more open orders from clients, State Street will continue to establish, maintain, modify and terminate positions in foreign currency for its own account, which may include foreign exchange transactions identical or economically equivalent to the foreign exchange transactions that State Street may enter into with you or any other client. Consequently, State Street may be competing with you in the foreign exchange market in connection with its own risk management or ordinary course market making activities at the same time it holds an open order from you. These global trading activities will, subject to compliance with applicable laws and regulations, result, on any given day, in a trading desk other than the trading desk handling an open order of a particular client (the “local client”) executing a foreign exchange transaction for the benefit of State Street or another client in an amount or at a rate that could satisfy the open order left by the local client. State Street typically will have positions in foreign currency in its own account that are the same, similar, different or opposite to the open orders or positions of its clients.

You should also be aware that the execution of foreign exchange transactions by State Street for its own account in the circumstances indicated above, as well as the placing of bids and offers for foreign currency on various electronic trading venues, may impact the current market price of the relevant currency pair that is the subject of an open order from a client as well as the availability of liquidity at levels necessary to execute certain of your foreign exchange transaction requests. We refer you to the section herein entitled *“How Does State Street Generally Treat Time and Price-Based Orders?”*. In addition, State Street may enter into and/or unwind or terminate, in whole or in part, any foreign exchange transaction with an independent third party prior to, at or after the time at which (i) the exchange rate for a foreign exchange transaction with a client is negotiated or otherwise has been set; (ii) the external market or benchmark rate to which the foreign exchange transaction makes reference is calculated or published; or (iii) a party’s right to require settlement of the foreign exchange transaction becomes exercisable. These activities may directly or indirectly impact the current market price for any currency pair, which, in turn, may have an adverse impact on the exchange rate at which State Street is willing to enter into a foreign exchange transaction with you and/or the value of any outstanding foreign exchange transaction, and may also trigger certain provisions of an open order, such as stop loss or take profit orders, or an outstanding foreign exchange transaction, such as option strike prices and barriers. The foregoing impact likely would be more significant in circumstances where the trading activity involves less liquid currency pairs or in periods of significant market volatility.

ON WHAT BASIS DOES STATE STREET QUOTE EXCHANGE RATES FOR THE PRINCIPAL FOREIGN EXCHANGE TRANSACTIONS IT ENTERS INTO WITH ITS CLIENTS?

The foreign exchange market is an over-the-counter market. Accordingly, there is no single foreign exchange market rate for a currency pair at any given time, nor is there consolidated reporting of recently executed transactions as exists in the equity markets. Unless otherwise expressly agreed, any firm or indicative rate quoted

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to you is an “all in” price, inclusive of any sales or trading mark-up above or mark-down below, as applicable, the prices at which State Street has transacted, or believes it may be able to transact, with other counterparties in the foreign exchange market. If State Street provides a bid offer spread, that spread may be skewed to a greater extent on either the bid or offer side, as determined in its sole discretion, depending on a variety of considerations, including whether State Street anticipates that the particular counterparty will, based on its trading history, be more likely to buy or sell the particular currency or to encourage foreign exchange transactions that will lead to an overall reduction in the open risk position in any particular currency pair or in the overall trading portfolio.

The difference between the rate quoted by State Street to a particular client and the prices at which State Street has transacted, or believes it may be able to transact, with other counterparties in the foreign exchange market is often referred to as a “mark-up”, “mark-down” or “spread.” State Street is not under any obligation to disclose the specific amount of, or the components that are considered in determining, any mark-up to a particular client or on any particular transaction. The “all in” rate quoted by State Street to an individual client in connection with a particular foreign exchange transaction request will be based on a number of factors, including, among other things, the size, complexity and currency of the requested foreign exchange transaction, the type of foreign exchange transaction (e.g., non-deliverable forward) and associated liquidity in prevailing market conditions, the exchange rates quoted by other principal foreign exchange dealers, the views of the individual sales or market risk trader as to the level of current and expected market volatility and liquidity in the relevant currency, its existing inventory in the relevant currency, its expectation of profit on the particular foreign exchange transaction, balance sheet and regulatory capital impact, internal credit and other limitations for the relevant client (including the level of position risk already outstanding with the relevant client), knowledge of the foreign exchange positions of other participants in the foreign exchange market, price discovery activity by clients and third party foreign exchange dealers, the current and expected volume and frequency of foreign exchange and other activity with the relevant client over time and knowledge by the sales and trading personnel as to whether the particular foreign exchange order is being competitively bid concurrently with other principal foreign exchange dealers, sales trader efforts, special operational or other accommodations and the overall general relationship between the relevant client and State Street and its affiliates. The above factors will vary by client at any point in time, which means that, in the course of conducting its principal foreign exchange trading services, State Street will quote different rates and spreads with different clients (including different individuals within the same client entity that it believes are responsible for managing separate standalone strategies) for similar foreign exchange transactions, even when those rates are quoted contemporaneously by the same trading desk or by the same individual sales or market risk trader. The above factors also will vary from time to time with respect to the same client, which means that State Street will quote and negotiate different rates for foreign exchange transaction requests of a similar size, complexity and currency with that same client, but which are submitted for execution at different points in time and under different market conditions. State Street also may be compensated in the form of an agreed fee (e.g., credit intermediation fees). We refer you to the section herein entitled “*What Is The Role Of State Street In Connection With Electronic Trading Algorithms It Makes Available To Clients?*”. It should be expected that, as part of their market making activities, the sales, trading and other personnel at State Street will consult with one another, including with respect to a client’s trading behavior and expectations, mark-up and any other relevant factors that should be considered when trading with a particular client.

Similarly, State Street may quote a rate to a client at any given time that is not as favorable an execution rate as may be quoted by another third party foreign exchange dealer at the same time with respect to the same currency pair and notional amount. You should determine prior to executing a foreign exchange transaction with us that we offer an exchange rate and execution quality that is consistent with your needs and is favorable relative to that offered by third party foreign exchange dealers.

State Street also may, in certain circumstances as described elsewhere herein, need to manage its market risk with respect to a particular foreign exchange transaction by sourcing the requisite liquidity, in whole or in part, by means of entering into one or more market transactions with third parties in advance of entering into the foreign exchange transaction with you. State Street is not obligated in these or in any other circumstances to quote to you or otherwise execute your open foreign exchange transaction request at a rate that is equal to or otherwise determined by reference to the price at which it obtained the relevant liquidity. You should assume that any rate that is quoted to you in connection with a foreign exchange transaction is not at a rate that is equal to or in any way determined by reference to the price at which we obtained the relevant liquidity. You should also assume that any rate that is quoted to you by State Street must be accepted within a limited period of time or otherwise shall be deemed to have been rejected by you. State Street also may, in certain circumstances, quote or stream rates to you that are subject to certain conditions. We refer you to the section herein entitled *“Does State Street Use “Last Look” Functionality With Respect To Electronic Price Quotations Made Available On Electronic Trading Platforms?”*

State Street also enters into principal foreign exchange transactions through services referred to as “indirect” foreign exchange services, which are only offered to clients that also custody their assets at State Street. We refer you to the *Investment Management Guide* for a more detailed description of the methodology by which we set the rates for foreign exchange transactions entered into under the indirect foreign exchange execution services offered by State Street.

State Street may enter into foreign exchange transactions with one or more other counterparties that have trading strategies or objectives that are or could be the same as, similar to or adverse to yours, which may create potential conflicts of interest. State Street has no duty to inform you of the nature or identity of these other trading counterparties or their respective trading strategies or objectives. In addition, as a principal dealer and market maker in the foreign exchange market, State Street continuously provides bid and offer quotations to numerous market counterparties (which quotations will, as described above, differ by market counterparty) and takes positions in foreign currency for its own account. This activity, together with its knowledge of aggregated information relating to unexecuted client orders and executed foreign exchange transactions with you and other participants in the foreign exchange market and other available information relating to market, economic and political conditions in any jurisdiction in which it operates or in whose currency it provides market quotations, may adversely affect the exchange rate at which State Street is willing to enter into a foreign exchange transaction with you.

As stated above, State Street acts solely in the capacity of a principal counterparty (i.e., as an arm’s length contractual counterparty) in entering into foreign exchange transactions with you in connection with its principal foreign exchange services. Accordingly, except as otherwise required by applicable local regulations or guidance, State Street does not owe you any best execution or other similar duty in connection with any foreign exchange transaction executed with you pursuant to its principal foreign exchange services, and you should not rely on State Street to protect your interests in relation to the pricing or other execution elements of any such foreign exchange transaction.

HOW DOES STATE STREET GENERALLY TREAT TIME AND PRICE-BASED ORDERS?

As stated elsewhere, State Street acts solely in the capacity of a principal counterparty (i.e., as an arm’s length contractual counterparty) in entering into foreign exchange transactions with you in connection with its principal foreign exchange services, including time or priced based orders. If State Street indicates it is willing to “work” a client’s time or price-based order (e.g., a “take profit,” “stop loss,” “market” or similar price-based foreign exchange order), State Street is indicating a willingness only to attempt to enter a foreign exchange transaction at or near the price requested by the client. We refer you to the sections herein entitled *“How Do You Submit Orders For Foreign*

Exchange To State Street?” and “What Is The Role Of State Street In Connection With The Electronic Trading Algorithms It Makes Available To Its Clients?”.

Without limiting the foregoing, State Street will typically seek to fill these types of orders, in whole or in part, from its own inventory or by taking a long or short position in the relevant currencies at the time of execution. In those circumstances, however, where the foreign exchange transaction order is of a large notional size or involves a currency in which liquidity may be limited, State Street may seek to manage its market risk with respect to that transaction by entering into one or more foreign exchange transactions with third parties prior to the time of execution of your order. Notwithstanding the foregoing, State Street is not obligated to enter into any “market” or other price-based order and does not under any circumstances guarantee that any “market” or other price-based order will be satisfied, in whole or in part, even if in its professional judgment the level for the relevant price-based order has been reached. State Street is under no obligation to disclose to you why State Street is unable to execute any particular order, in whole or in part. Except as otherwise provided with respect to an algorithm order, State Street will use its professional judgment, based on available market and internal information, to determine whether a level for a “take profit” or “stop loss” or similar price-based order has been reached and whether and the extent to which that foreign exchange transaction request can be satisfied under prevailing market conditions while also ensuring that State Street is able to earn a reasonable profit to compensate it for such activity. State Street does not guarantee that if the relevant “take profit” or “stop loss” level for a particular order is reached that State Street will be willing to enter into a foreign exchange transaction to satisfy that order, in whole or in part, at an exchange rate equal to or near the relevant level. In periods of significant volatility or severe illiquidity in a particular currency pair, or where the foreign exchange transaction is of a large notional size, State Street may only be willing to enter into a foreign exchange transaction with you at an exchange rate significantly below or above, as applicable, the relevant level for the “stop loss” or “take profit” order. In addition, as discussed elsewhere herein, State Street may enter into one or more liquidity sourcing or risk mitigating foreign exchange transactions with third parties prior to execution of a “market” or price-based order that you have placed with State Street. These risk mitigating foreign exchange transactions will likely be entered into at exchange rates that are more favorable to State Street than the exchange rate quoted to you in respect of any “market” or “take profit” or “stop loss” order. We refer you to the section herein entitled “*Does State Street Engage In Foreign Exchange Transactions For Its Own Account At The Same Time It Monitors And Executes Orders With Its Clients?*” In addition, as discussed above, State Street is not obligated in these or in any other circumstances to quote or execute your open foreign exchange transaction requests at a rate that is equal to or, except where it is acting as a credit intermediary in the case of an algorithm, otherwise determined by reference to its costs to source the relevant liquidity. Our quoted rate to you for any time or priced based order will be based on a number of factors, and will likely include a mark-up or additional spread over the prices at which State Street transacted, or believes it may have been able to transact, with other counterparties in the foreign exchange market. We refer you to the section herein entitled “*On What Basis Does State Street Quote Exchange Rates For The Principal Foreign Exchange Transactions It Enters Into With Its Clients?*” The difference in exchange rates will form part of the profit or loss that State Street earns in connection with its principal foreign exchange services. State Street has no obligation to account to you for the amount of this difference. State Street also may seek to satisfy your time or price-based orders in part, and not in whole.

DO YOU EXECUTE ORDERS AT SPECIFIED TIMES USING THIRD PARTY BENCHMARK OR REFERENCE RATES AND ARE THERE CONFLICTS OF INTEREST OR OTHER SIGNIFICANT RISKS SPECIFICALLY RELATING TO THESE BENCHMARK ORDERS THAT I SHOULD BE AWARE OF?

State Street does enter into foreign exchange transactions as a principal dealer and market maker with clients for which the exchange rate is determined by reference to or based on (i.e., at an agreed mark-up or mark-down) a specific foreign exchange benchmark or reference rate published by unaffiliated third parties. These benchmark orders create specific challenges in terms of execution and management of market risk by State Street.

The foreign exchange benchmark rates published by third party benchmark administrators are typically based on actual transaction execution data or indicative bid and offer rates, in each case sourced from affiliated and unaffiliated electronic trading platforms during a set period of time immediately preceding and following the relevant benchmark time (the “fixing window”). If State Street receives a request from a client to execute a foreign exchange transaction at a benchmark rate (or at a rate determined by reference to or based on the benchmark rate), it will seek to execute the requested foreign exchange transaction at or by reference to the relevant benchmark rate unless the client otherwise cancels its order in a timely manner. The actual benchmark rate, however, is not known by State Street at the time that it accepts the benchmark order, and typically will only be calculated and published by the relevant benchmark administrator following the conclusion of the fixing window. In addition, State Street executes transactions at a level of rate precision (i.e., number of decimal places) that it believes is consistent with the typical market convention for the relevant currency pair. Where the relevant benchmark administrator provides its benchmark rates at a level of precision that is greater than the typical market convention for the relevant currency pair, the rate at which State Street executes its transaction with you generally will be at a different level of rate precision.

In these circumstances, State Street faces the challenge of finding an appropriate and effective method for hedging the market exposure arising from entering into foreign exchange transactions at an exchange rate that is not yet known. The challenge is exacerbated to the extent that State Street accepts similar benchmark orders from more than one client, as the aggregate notional amount and direction of its net exposure position may fluctuate, sometimes significantly, prior to the start of the fixing window for the relevant benchmark fixing time. These challenges may lead to risk management practices by State Street on any particular day that involve hedging all or a portion of its net exposure through the execution of foreign exchange transactions prior to or during the relevant fixing window. It is highly likely that other foreign exchange dealers and market participants face similar challenges and will engage in similar risk mitigating strategies. This may increase significantly the volume of foreign exchange transactions executed during a particular fixing window, which in turn may impact the benchmark rate calculated and published by the relevant benchmark administrator in a direction that is adverse to you, as well as the volatility of overall foreign exchange markets. The above challenge may be present on any particular day and with respect to any particular benchmark fixing time. State Street also enters into foreign exchange transactions that are based on, or for which the fixing rate for settlement purposes is determined by reference to, rates published by central banks (e.g., non-deliverable forwards), which rates may be based on prices observed in the market by the central bank throughout the trading day. In markets with limited liquidity, the foreign exchange transactions executed by State Street in the relevant currency may impact the benchmark rate published by the central bank. Except as otherwise expressly agreed in writing, State Street is not obligated to enter into or satisfy any benchmark or other time-based order and does not under any circumstances guarantee that any benchmark or other time-based order will be satisfied, in whole or in part. State Street also does not guarantee that it will agree to apply a particular spread or mark-up to a benchmark order on any particular trading day or with respect to any given currency pair even where it has historically agreed to apply a standard spread or mark up on such transactions. State Street engages in a number of other ordinary course business activities in connection with its principal foreign exchange services, including sourcing liquidity for foreign exchange transactions with counterparties that are unrelated to a benchmark order, acting as a principal dealer and market maker in the interbank market or otherwise engaging in risk management activities. These activities may result in State Street executing foreign exchange transactions immediately prior to or during a fixing window or at other times in a manner that may impact the calculation of a particular benchmark rate in a direction that is adverse to you with respect to your benchmark orders or the exchange rate for any other foreign exchange transaction that you may enter into with other third party foreign exchange dealers.

HOW IS INFORMATION REGARDING BENCHMARK ORDERS HANDLED WITHIN STATE STREET?

Information Classification: Limited Access

Your benchmark orders are supported primarily by our principal voice sales desks, our electronic foreign exchange market making desk and our non-trading transaction support group. Members of these teams will have access to your benchmark order and any associated benchmark executions as they occur, including, without limitation, executions during the benchmark fixing window. Except as provided below, such information is not made available in our system to the principal voice trading desk until after the fixing window, which is the period of time surrounding the specified benchmark time from which the benchmark provider sources rates for purposes of calculating the benchmark, has closed, at which time the executed foreign exchange transaction is visible to the principal voice trading desk in the principal trading books and records of State Street. Although State Street has taken reasonable steps to design its system access permissions to segregate information about your benchmark orders from the principal trading desk prior to the closing of the fixing window and to train its sales desk and trading desk personnel on restrictions on sharing such information, the physical proximity of members of the principal sales desk and the principal trading desk means that full segregation of the order information from the principal trading desk cannot be guaranteed. If you require forward points to be added to your spot foreign exchange transaction executed by reference to or based on (i.e., at an agreed mark-up or mark-down) specific foreign exchange benchmarks or reference rates, then unless you request otherwise, these points will be added by the principal voice trading desk post-execution of the transaction and after closure of the relevant benchmark fixing time.

Information regarding your benchmark orders will be provided to the principal voice trading desk prior to execution and/or closure of the applicable benchmark fixing window in the following circumstances. If your benchmark order includes a currency for which State Street manages its market risk from benchmark orders primarily through its voice trading desk instead of an electronic hedging engine or if you request confirmation of the forward points for your order prior to the execution of your transaction or prior to the closing of the benchmark window, details of your benchmark order (or, if different, the portion of your order on which you request forward points) will be provided to the principal voice trading desk in advance of the benchmark fixing window. A list of those currencies for which State Street manages its market risk from benchmark orders primarily through the voice trading desk, which are typically emerging markets or other restricted currencies, is available from your sales trading relationship manager upon request. Finally, in exceptional circumstances, such as an issue with the operation of the pricing engine of our electronic foreign exchange trading desk or where the aggregate position of benchmark orders from all State Street clients in a particular currency pair exceed a notional size threshold determined by State Street in its sole discretion, then some or all of that aggregate position may be transferred from the electronic trading foreign exchange desk to the principal voice trading desk for execution.

For more information on how these groups within State Street may use information available to them as described above, please also refer to the section herein entitled *"How Does State Street Handle Trading And Other Information Of Its Counterparties In Connection With The Provision Of Its Principal Foreign Exchange Services?"*

WHAT IS YOUR AFFILIATION WITH WM/REUTERS AND HOW DO YOU USE THEIR BENCHMARK RATES?

State Street no longer retains any ownership or other interest in the benchmark rates published by The World Markets Company plc, the assets of which were sold to Thomson Reuters and are now part of Refinitiv, a London Stock Exchange Group business. These benchmark rates, however, continue to be marketed by Refinitiv under the WM/Reuters brand. Based on publicly available information as of the date of this document, the benchmark rates published by WM/Reuters are calculated based on (i) with respect to trade currencies, actual trade execution and order data, and (ii) with respect to quote currencies, indicative bid and offer rates, in each case sourced from independent third party platforms or, in certain circumstances, Currenex. Currenex is an electronic trading platform affiliated with State Street. Currenex currently is paid a monthly fee from Refinitiv in exchange for the provision of trade execution and order data that is used in calculating the benchmark rates published by WM/Reuters. State Street enters into foreign exchange transactions and may otherwise provide firm or indicative bids and offers on the above-referenced foreign exchange electronic trading platforms in connection with its principal foreign exchange

services. If State Street has agreed with one or more of its clients to enter into foreign exchange transactions with respect to a trade currency at or based on a benchmark rate published by WM/Reuters, State Street may, as part of its risk mitigation strategy, attempt to replicate the benchmark rate for that currency pair by trading on the platform of the relevant data provider prior to or during the period in which WM/Reuters sources actual trade execution and order data from that data provider to calculate its benchmark rate. In these circumstances, the benchmark rates published by WM/Reuters may be based, in part, on actual foreign exchange transactions entered into, or firm or indicative bids and offers provided by, State Street on these foreign exchange trading platforms. In addition, State Street may enter into foreign exchange transactions immediately prior to or during a fixing window on electronic platforms other than those that act as data providers to WM/Reuters, whether as part of a risk mitigation strategy related to benchmark orders or otherwise in the ordinary course of its business. These foreign exchange transactions may impact the liquidity and pricing available on the platforms operated by the above data providers, which in turn may impact the calculation of the benchmark rates published by WM/Reuters in a direction that is adverse to you with respect to your benchmark orders or the exchange rate for any other foreign exchange transaction that you may enter into with other third party foreign exchange dealers.

DOES STATE STREET USE AND DERIVE ECONOMIC OR OTHER INTERESTS FROM USING CERTAIN AFFILIATED AND UNAFFILIATED TRADING VENUES OR SERVICE PROVIDERS IN CONNECTION WITH ITS PRINCIPAL FOREIGN EXCHANGE SERVICES?

State Street has a financial incentive to use, and to encourage its clients to use, certain transaction execution facilities, including swap execution facilities, that are owned and operated by State Street or one of its affiliates or in which State Street or one of its affiliates has an economic interest. State Street has and in the future may acquire ownership or other economic interests, such as the right to receive payments for order flow or transaction reporting or to receive other fees, in a transaction execution facility on or through which a foreign exchange transaction may be priced or executed. State Street or one of its affiliates also may have ownership or other economic interests in a derivatives clearing organization or other clearinghouse through which foreign exchange transactions between you and State Street may be cleared. State Street also may have access to certain transaction execution facilities and clearing organizations, but not to others. In addition, State Street has, and in the future may acquire ownership or other economic interests in service providers such as order and/or execution management systems through which you may route foreign exchange transaction requests to State Street and transaction cost analysis providers from whom you may subscribe to or receive reporting. The directors, officers and employees of State Street or one of its affiliates may serve as directors of one or more transaction execution facilities, derivatives clearing organizations or service providers. In all such cases, State Street will derive financial or other benefits if you execute a foreign exchange transaction on or through such a transaction execution facility, clear a foreign exchange transaction through such a derivatives clearing organization, or otherwise engage the services of such other service provider, and State Street will have financial or other incentives to encourage you to execute foreign exchange transactions on or through such a transaction execution facility, to clear foreign exchange transactions at such a derivatives clearing organization or use such other service providers. The transaction execution facilities owned and operated by State Street or one of its affiliates or in which State Street or one of its affiliates currently has (or will in the future have) an economic interest are discussed below.

State Street is currently a subscriber to and enters into foreign exchange transactions on four transaction execution facilities, Currenex®, Currenex MTF®, FX Connect® and FX Connect MTF®, and on a registered swap execution facility, SwapEx®, and also offers a single dealer electronic trading platform, VectorFX®, each of which is owned and operated by State Street or one of its affiliates. State Street is also a subscriber to the Charles River Investment Management Solution order and/or execution management system and the BestX® transaction cost analysis service, each of which are owned and operated by an affiliate of State Street. State Street may in the future own

or operate or otherwise become affiliated with or become a subscriber to other affiliated transaction execution facilities or services.

Currenex and FX Connect. In this section, Currenex and Currenex MTF are collectively referred to as Currenex, and FX Connect and FX Connect MTF are collectively referred to as FX Connect. As a subscriber to Currenex and FX Connect, State Street provides bid and offer quotations for foreign exchange spot, foreign exchange forwards (deliverable and non-deliverable) and foreign exchange swaps through those transaction execution facilities. The range of products traded on or through these transaction execution facilities and for which State Street will provide quotations may expand in the future to include other types of foreign exchange transactions. If you enter into a subscription agreement with respect to FX Connect, you will be able to request and receive quotations for certain types of foreign exchange transactions from State Street and other third party foreign exchange dealers and financial institutions. If you enter into a subscription agreement with respect to Currenex, you will be able to request and receive quotations for certain types of foreign exchange transactions from State Street and other third party foreign exchange dealers and financial institutions, on either a limit order book, request for quote or streaming basis.

SwapEx. SwapEx is a swap execution facility registered with the Commodity Futures Trading Commission. As this agency's rules and regulations currently permit, State Street subscribes to, and as a foreign exchange swap dealer provides quotations for and enters into non-deliverable foreign exchange forward transactions through, SwapEx. If you subscribe to SwapEx, you will be able to request and receive quotations for non-deliverable foreign exchange forward transactions from State Street and other third party foreign exchange dealers, on either a central limit order book or request for quote basis.

VectorFX. VectorFX is a single dealer transaction execution facility. If you subscribe to VectorFX, you will receive request for quote or streaming quotations for certain types of foreign exchange transactions through that facility only from State Street and will not receive quotations from any other third party foreign exchange dealers.

The above transaction execution facilities provide State Street with opportunities to enter into foreign exchange transactions with you as a principal counterparty. If State Street is a counterparty to you on any of Currenex, VectorFX or FX Connect or any other transaction execution facility, it will seek to profit in those circumstances by executing foreign exchange transactions with you at rates more favorable to State Street than its own costs to obtain the same currency, including at rates more favorable to State Street than those that may be quoted or available in the so-called inter-bank market. State Street is not obligated to account to you for any such profit.

You are not required to use any transaction execution facility, order and execution management service or transaction cost analysis provider that is owned and operated by State Street or one of its affiliates or in which State Street or one of its affiliates has an economic interest in order to enter into a foreign exchange transaction with State Street. State Street may, however, encourage you to become a subscriber to and enter into foreign exchange transactions on or through one or more of these transaction execution facilities or submit transaction requests or receive transaction cost analysis services through one of its affiliated service providers. In connection with the provision of its principal foreign exchange services, State Street has not provided you, and does not assume any obligation to provide you, with any information about any alternative transaction execution facility or service provider or about the benefits or risks of any particular transaction execution facility or service provider, including those that are owned and operated by State Street or one of its affiliates or in which State Street or one of its affiliates has an economic interest. There may be other transaction execution facilities or service providers that are better suited to your specific objectives and trading strategies and that may provide different benefits, including greater anonymity, access to a greater number of liquidity sources or faster or greater certainty of execution of your foreign exchange transactions. We refer you to the section herein entitled "*Does State Street Use "Last Look" Functionality With Respect To Electronic Price Quotations Made Available On Electronic Trading Platforms?*" In advance of becoming a subscriber to and entering into foreign exchange transactions on or through any transaction execution facility,

including any facility that is owned and operated by State Street or one of its affiliates or in which State Street or one of its affiliates has an economic interest, you should ensure that you fully understand the benefits and risks associated with, and the rules and regulations applicable to, such transaction execution facility and that you are fully satisfied that such transaction execution facility is suitable for your specific objectives and trading strategies.

State Street or one of its affiliates will receive transaction-based fees from subscribers in connection with foreign exchange transactions entered into on FX Connect, Currenex and SwapEx. The fees charged by these transaction execution facilities vary by subscriber and may be charged to one or both parties to any foreign exchange transaction. These fees are separate from and in addition to any profit that State Street may recognize in acting as a principal counterparty to any foreign exchange transaction it may enter into with you on any of these transaction execution facilities. State Street also may receive an indirect economic benefit in connection with its use of an affiliated transaction execution facility or service provider in the form of reduced transaction-based fees or better pricing arrangements than what is available to other unaffiliated subscribers.

Neither State Street nor any of its affiliates has any duty to ascertain whether a particular transaction execution facility offers the best available market for entering into a foreign exchange transaction, generally or in any specific circumstance. Accordingly, there is no assurance that the quotations that you receive from State Street and other third party foreign exchange dealers on any particular transaction execution facility will be the best available rate under prevailing market conditions.

ARE THERE ADDITIONAL CONFLICTS OF INTEREST OR OTHER SIGNIFICANT MATTERS THAT I SHOULD BE AWARE OF WITH RESPECT TO THE OPERATION OF FOREIGN EXCHANGE SERVICES THAT ARE NOT DISCUSSED ABOVE?

State Street is a global financial services organization and, through its affiliates world-wide, provides a wide range of services and engages in a wide range of transactions with its counterparties. As a result, there are likely certain other conflicts of interest and related considerations that have not otherwise been described above or that may arise in the future in connection with the offering by State Street of its principal foreign exchange services, including those conflicts of interest and considerations set forth below.

OUTSOURCING

As a global financial services organization, State Street may use affiliated or unaffiliated third parties in order to carry out the management of its businesses, including middle and back office functions (e.g., transaction processing, settlement reconciliations and client reporting), financial and operational management and reporting, risk management, legal and regulatory compliance, client service management, data maintenance and product development. These entities may be located in multiple jurisdictions across the world, including, but not limited to, China, India, Poland and the Philippines. In support of its global operating model, State Street shares data and other information that may be deemed confidential by you to the extent necessary to allow such affiliates and third party entities to perform the particular services or functions that have been delegated to them under written servicing arrangements. Notwithstanding the use of affiliates or third party entities to perform any of these services or functions, State Street retains contractual responsibility for the performance of its foreign exchange services under our contract arrangements with you, including with respect to data and other information shared with such entities.