



# Order Execution Policy – State Street Markets

## State Street Bank and Trust Company, London Branch

Policy Owner: EMEA Markets Compliance

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### **Policy Effective Date**

November 2021

### **Policy Implementation Date**

November 2025

### **Policy Statement**

State Street Bank and Trust Company (“State Street”) is a subsidiary of State Street Corporation, one of the world’s leading providers of financial services to institutional investors. State Street, acting through its London branch (“SSBTC London branch”), provides trading services in securities lending and repurchase transactions (repo), foreign exchange derivatives and money markets funds within its Markets division.

This Order Execution Policy (the “Policy”) has been designed to provide clients with information on the arrangements implemented by SSBTC London branch to manage the execution of client orders as required by UK MiFID II, including but not limited to the Financial Conduct Authority’s (“FCA”) Conduct of Business Sourcebook (“COBS”) 11.2A and 11.3.7A, effective from 1 January 2022. Where SSBTC London branch provides services on a cross-border basis to Swiss domiciled clients, similar regulatory requirements apply under Article 18 of the Federal Act on Financial Services (Financial Services Act – “FinSA”).

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

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

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

## Scope

### a. Legal Entity

This Policy only applies to services in Financial Instruments offered by the Markets division of SSBTC London branch, acting as agent and acting as principal, which include the reception and transmission of orders and execution of orders on behalf of clients.

### b. Financial Instruments

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

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

### c. Clients

This Policy only applies to clients whom SSBTC London branch has classified as Professional Clients.

This Policy does not apply to the execution of orders on behalf of (i) Eligible Counterparties/Institutional Clients<sup>1</sup>, as best execution obligations do not apply to such counterparties, or (ii) Retail Clients, as SSBTC London branch does not offer services of the Markets division to Retail Clients.

## Policy Details

### 1. Legitimate reliance

<sup>1</sup> The client categorization "Eligible Counterparty" under UK MiFID II corresponds to the client categorization "Institutional Client" under FinSA.

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

- **Which party initiates the transaction:** Where a client places a request for price with SSBTC London branch on an unsolicited basis, this may indicate that such client is not placing reliance upon SSBTC London branch;
- **Questions of market practice and the existence of a convention to ‘shop around’:** Where there is an established market practice for a client to obtain multiple quotes following a request for price, and such client has the ability to, or indeed does, “shop around” it may be less likely that such client is placing legitimate reliance upon SSBTC London branch;
- **The relative levels of price transparency within a market:** Where SSBTC London branch reasonably believes a client has access to a similar level of transparency to that of SSBTC London branch on market price and liquidity, this may indicate that such client is not placing reliance upon SSBTC London branch;
- **The information provided by SSBTC London branch and any agreement reached:** Where SSBTC London branch’s arrangements<sup>2</sup> and agreements with a client do not indicate or suggest a degree of reliance, SSBTC London branch shall not consider the client to be placing reliance on SSBTC London branch.

Following the four-fold cumulative test:

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

## 2. Execution factors

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

## 3. Relative importance of the execution factors

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

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

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

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

#### 4. Specific client instructions

##### a. Securities Lending, Repurchase Transactions and Foreign Exchange

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

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

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

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

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

##### b. Currency Management

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

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

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

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

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

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

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

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

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

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

## **5. Asset-class specific arrangements**

### **a. Securities lending and repurchase (repo) transactions**

#### ***i. Agency Lending Program***

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

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

The majority of lending transactions arise from a specific request to borrow securities from one or more approved borrowers to SSBTC London branch. These requests are matched against the securities available in the client's lending

<sup>5</sup> See Appendix III

program. When determining whether or not to enter into a potential lending transaction State Street's traders will first refer to the terms of client's lending program and any specific instructions the client may have given before using their own discretion and professional experience to assess the relevant execution factors in order to assist them in achieving the best possible result. Typically, this will involve a prioritization of the price and cost factors over factors such as size because the traders will look to maximise the potential return on capital of the lending transaction.

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

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

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

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

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

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

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

***ii. Prime Services Program***

SSBTC London branch enters into all securities lending transactions as part of its Prime Services Program with the client as a principal to the trade and on the basis that the client is an Eligible Counterparty/Institutional Client. All such business is deemed by SSBTC London branch to be 'Eligible counterparty business' and therefore not subject to this Policy.

***iii. Fixed Income Clearing Corporation (FICC) Sponsored Member Repo Program***

SSBTC London branch enters into transactions as part of its FICC Sponsored Member Repo Program with the client as principal to the trade (without prejudice to any subsequent novation to FICC) and on the basis that the client is an Eligible Counterparty. All such business is deemed by SSBTC London branch to be 'Eligible counterparty business' and therefore not subject to this Policy.

***iv. Agency Repurchase Program***

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

In a repo transaction one party (repo seller) sells a security to another (repo buyer) for cash, with an agreement to buy the security back at a future date. From the point of view of the repo seller, the transaction is a repurchase transaction, and from the point of view of the repo buyer, it is a reverse repurchase transaction. As agent for the client, State Street's traders will first refer to the terms of client's repo program and any specific instructions the client may have given before using their own discretion and professional experience to assess the relevant execution factors in order to assist them in achieving the best possible result. Typically, for example, the repo rate (the agreed rate of return) to be paid (when the client is repo seller) or earned (when the client is repo buyer) and such will be prioritised over other factors. Additional execution factors include liquidity, market depth, term or duration of the transaction, settlement type or location, time of execution, client exposure to the counterparty and order size.

The various execution factors will not usually be of equal importance. The priority of any of these factors over one another will depend upon any specific client instructions and prevailing market conditions. SSBTC London branch will use its



commercial judgment and experience in light of available market information to achieve the best balance across a range of, at times, conflicting execution factors. Several of the execution factors are interchangeable and one could take precedence over another. SSBTC London branch may determine, in its discretion, that one such execution factor takes precedence over another execution factor in order to achieve the best possible result for the client.

Any specific instructions from a client may override further steps SSBTC London branch could take under this Policy to obtain the best possible result for the execution of orders in respect of the transaction terms covered by those instructions, and SSBTC London branch may consider any best execution obligation as having been satisfied given that the client will be treated as providing specific instructions in relation to such repo transactions.

SSBTC London branch may identify and use key data sources and other market intelligence tools to facilitate Agency Repo Program trading executions.

## **b. Foreign Exchange**

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

In both services, SSBTC London branch acts as the counterparty and deals as principal to the trade.

### **i. Direct FX**

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

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

Depending on how the client has determined to communicate with SSBTC London branch, such client will contact a SSBTC London branch Sales Trader or a Sales Trader at State Street Bank International GmbH, Frankfurt branch.

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

<sup>7</sup> see Appendix II

**ii. Transmission of orders**

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

**iii. Indirect FX**

SSBTC London branch's Indirect FX<sup>8</sup> services are offered to clients in accordance with the guidelines set out in the Investment Manager Guide.

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

**c. Currency Management**

Subject to compliance with applicable laws and regulations and any contractual limitations, where SSBTC London branch enters into a contractual relationship with you to perform the currency management services, it delegates the performance of its contractual obligations to State Street Bank and Trust Company, Boston pursuant to an outsourcing agreement but remains fully responsible to you for the actions of SSBTC London branch under this Policy. This Policy should be read in conjunction with the most recent Currency Management Services Description of Services and Conflicts of Interest document, provided from time to time, and your CMA.

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

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

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

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

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

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

Where you have been notified of any amendment to this Policy, you will be deemed to have accepted those amendments by continued use of SSBTC London branch's Currency Management services.

## 6. Execution venues

To respond to clients' requests, SSBTC London branch utilises a number of external execution venues, including Regulated Markets, Multilateral Trading Facilities, Organised Trading Facilities, Systematic Internalisers, Market Makers, as well as its own internal execution venue.

- Where applicable, SSBTC London branch determines the selection of one or more Execution Venues to provide the best overall result for the client.
- In order to gain access to certain markets where SSBTC London branch does not have a membership or other direct access, SSBTC London branch may need to transmit the client's order to an Affiliate or a third party firm for execution on the client's behalf.

The selection of the Execution Venues is determined by an ongoing assessment of their ability to support SSBTC London branch best execution obligations and, depending on the market SSBTC London branch aims to access, a combination of the following elements are taken into consideration:

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

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

In the case of currency management services, client orders may be executed by an affiliate or third party firm on behalf of SSBTC London branch. SSBTC London branch typically requires that its designated counterparties use the FXConnect®

electronic trading platform, which is operated by SSBTC Boston or one of its affiliates, to trade with SSBTC London branch. This trading platform is integrated directly into SSBTC London branch's processing system and allows SSBTC London branch to retain trade files as documentation.

## **7. Delegated activities**

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

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

SSBTC London branch may determine that it is beneficial for the client's order<sup>9</sup> to be executed partially or in full outside of a Trading Venue.

SSBTC London branch will execute such order outside a Trading Venue provided that:

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

Some of the risks associated to trading outside a Trading Venue include, but are not limited to:

- Transactions are not subject to the rules of Trading Venues;
- Executions will not benefit from additional pre and post trade transparency in respect of pricing and liquidity; and
- A settlement risk may be incurred as the transactions will be subject to counterparty risks.

SSBTC London branch can provide additional information relating to trading outside a Trading Venue upon request.

Note: as discussed in more detail in Section 6, in the context of the Agency Lending Program and the Agency Repurchase Program, SSBTC London branch typically executes agency lending client orders on an OTC basis.

<sup>9</sup> Market order, Limit order, Algo order

## 9. Order aggregation and allocation

Where SSBTC London branch aggregates a client order or transaction, this shall be undertaken in accordance with FCA COBS 11.3.7A (c). The appropriate order aggregation policy shall provide for the fair allocation of aggregated orders and transactions.

### a. Securities lending transactions

When SSBTC London branch executes securities lending transactions on behalf of a client as described in this Policy, such transactions may be carried out in aggregation with transactions for other clients provided that it is unlikely that the aggregation of such transactions will work to the overall disadvantage of any such client whose transaction is to be aggregated. The effect of aggregation may work to a client's disadvantage in relation to a particular transaction. Where orders are aggregated this will occur in accordance with the relevant regulatory rules and records will be maintained as required by those rules. Such aggregation will typically occur where borrower demand for certain securities cannot be met from one client and is satisfied by further loans from one or more clients selected in accordance with the process set out below. Collateral will be allocated to the relevant clients in accordance with their pro-rated participation in an aggregated loan.

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

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

The automated queue model is, in effect, designed to allocate new securities loan opportunities to the next lending client in the queue holding the relevant security and for which there are no applicable borrower or lender driven restrictions. For example, if a lending client sells a security that is out on loan, the automated queue model is designed to avoid recalling the outstanding securities loan and to reallocate that securities loan opportunity to the next lending client

identified in the queue that holds the relevant security. Each securities lending client's place in the queue is determined solely by past lending activity by, and opportunities available to, that client, giving effect in all cases to any borrower or lender driven restrictions (including with regard to pricing).

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

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

## **b. Foreign Exchange**

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

SSBTC London branch may handle open orders of other clients or its own proprietary activity ahead of or at the same time as or on an aggregated basis with your particular foreign exchange transaction request. For example, orders can be aggregated in case of multiple clients executing a limit order within the same thresholds. SSBTC London branch 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. Please refer to the State Street Principal Foreign Exchange Services Description of Services and Certain Conflicts of Interest for more details.

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

When executing and/or transmitting orders submitted by an investment manager on behalf of underlying clients, SSBTC London branch may aggregate those orders. For example, under the Security Settlements and Holdings Foreign Exchange Service ("**SSH**"), Foreign Exchange transaction requests that are submitted for execution to State Street Markets division by an investment manager are priced on a "net" basis by investment manager and by currency pair based on all foreign exchange transaction requests submitted by that investment manager across all funds in the relevant region. Please refer to the Investment Management Guide for more details.

In the limited circumstances where SSBTC London branch or an Affiliate may need to trade on its own account, such as when trading out of errors associated with client orders, SSBTC London branch would not combine the clients' orders with those orders.

## **c. Currency Management**

When executing clients' orders, SSBTC London branch may aggregate those orders with those of other currency management clients. SSBTC London branch will only do this where it reasonably believes that it is in the overall best interest of each client. This process will likely result in one or more underlying funds or accounts with a Foreign Exchange transaction in the opposite direction to the overall net position at that time receiving more favourable pricing than might otherwise be the case if the Foreign Exchange transaction were priced on an individual transaction basis at that time. For further discussion of order aggregation, please see the most recent Currency Management Services Description of Services and Conflicts of Interest document.

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

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

## **10. Monitoring and oversight**

### **a. Monitoring**

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

### **b. Client Reporting**

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

### **c. Governance**

SSBTC London branch has established internal governance processes to assess its execution arrangements, order handling, and execution monitoring and reporting infrastructure.

Governance committees will meet regularly to assess the effectiveness of these arrangements and to determine any changes or enhancements that may be required. Where this results in a material change, this will be communicated to clients via updating this Policy.

## 11. Consent to *Order Execution Policy*

SSBTC London branch is required to obtain client consent to the Policy prior to executing orders. SSBTC London branch will treat clients who have either received this Policy, or who have agreed to receive this Policy electronically or via the internet, as clients who have given consent to this Policy if they subsequently give SSBTC London branch orders for execution, except in situations where express consent is required.

## 12. Procedural arrangements

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

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

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

Head of Markets UK Securities Finance Agency Lending Trading

Head of Markets UK FX Sales and Trading

Head of Markets UK Currency Management

*State Street Bank and Trust Company, London branch*

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## Appendix I

### Capitalised Terms

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

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

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

**“Eligible Counterparties”** means a per se eligible counterparty or an elective eligible counterparty in accordance with COBS 3.6 of the FCA’s handbook.

**“Execution Factors”** include but are not limited to: price, costs, speed, likelihood and reliability of execution and settlement, size, nature or any other consideration relevant to the execution of an order.

**“Execution Venues”** means one or more of a regulated market, an MTF, an OTF, a Systematic Internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the function performed by any of the foregoing.

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

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

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

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

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

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

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

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

**“UK MiFID II”** means the recast Markets in Financial Instruments Directive (2014/65/EU) and its implementing measures as assimilated into national laws and regulations in the UK.

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

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

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

**“Over-the-Counter” or “OTC”** means a transaction in a financial instrument not effected by means of the facilities or rules of a Regulated Market (i.e., not on-exchange).

**“Professional Clients”** means a per se professional client or elective professional client in accordance with COBS 3.5 of the FCA’s handbook or Art. 4 and 5 of FinSA.

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

**“Regulated Markets” or “RM”** means a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in Financial Instruments in the system and in accordance with its non-discretionary rules in a way that results in a contract, in respect of the Financial Instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with Title III, Article 4(1)(14) of MiFID as implemented in the UK and EU member states.

**“Retail Clients”** means, in accordance with COBS 3.4 (or Art. 4 of FinSA), a client who is neither a professional client nor an eligible counterparty.

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

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

## Appendix II

### Foreign Exchange Execution Venues

NON-EXHAUSTIVE LIST

<b>360T</b>
<b>Bloomberg</b>
<b>EBS (CME)</b>
<b>Currenex</b>
<b>FX Connect</b>
<b>Cboe FX</b>
<b>Integral</b>
<b>Reuters Dealing</b>
<b>Refinitiv (FXALL)</b>
<b>TradingScreen</b>

List as of **January 2026** and subject to periodic review and change.

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**Appendix III****Securities Lending Execution Venues**

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

This list may change from time to time. Please consult your SSBTC London branch representative for details of our most current capabilities and to discuss your execution requirements further.

## NON-EXHAUSTIVE LIST

<b>EquiLend Europe Limited</b>
<b>EquiLend Limited</b>
<b>GLMX LLC</b>

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