

# Order Execution Policy (best execution approach)



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## 1 Purpose

The Swiss Financial Services Act (“**FinSA**”) requires EFG Bank European Financial Group SA (“**Bank**”) to take sufficient steps to obtain the best possible result in terms of cost, timing and quality when placing and executing orders, acting on an agent basis on behalf of its clients that are classified as retail clients by the Bank, as defined in FinSA Art. 4 par. 2, and professional clients, as defined in FinSA Art 4 par 3 (“**Clients**”). The Bank seeks to meet this obligation by considering various factors, including but not limited to price, transaction costs, venue, broker quality, that require the Bank’s reasonable quantitative and qualitative judgement as further outlined below (“**Best Execution**”). This policy describes the Bank’s approach to achieving Best Execution for its Clients (“**Policy**”).

The Bank’s commitment and fiduciary duty towards its Clients to provide Best Execution does not extend beyond the specific regulatory and legal obligations set out in the applicable laws and regulations or as may be otherwise explicitly agreed in writing between a Client and the Bank.

For the avoidance of doubt, this Policy does not apply for clients that are classified as institutional clients, as defined in FinSA Art 4f by the Bank. If the Bank acts as principal towards the client or when executing orders for institutional clients, the Bank shall provide a fair price. Such fairness will be checked by the Bank by comparing it against similar or comparable products, if possible, and by gathering market data that may be used in the estimation of the price. Furthermore, this Policy does not apply to orders for specific products (such as individualised financial instruments).

Any other arrangements between the Bank and the client for the client not to be treated as retail client by the Bank, as defined in FinSA Art. 4 par. 2, shall supersede this Policy.

## 2 Scope

This Policy applies to orders placed by a Client and accepted by the Bank, acting as agent on behalf of the Client, for buying or selling financial instruments as well as for purchases or sales of financial instruments as part of portfolio management mandates entered into between the Client and the Bank.

The Bank may in its reasonable discretion accept specific instructions from a Client as to how and when an order is to be executed. In case the Client provides the Bank with a specific instruction in relation to an order and the Bank, in its reasonable discretion, accepts such instruction, the Bank will use reasonable efforts to execute the order consistently with the Client’s instruction (Financial Services Ordinance (“**FinSO**”) Art. 21 Par. 2). The Bank will continue to apply the Execution Criteria and Execution Factors to the part of the order which is not impacted by the Client specific instructions.

In the event of extreme volatile markets or force majeure events including but not limited to system outages, restriction due to government actions or market disruption which remains outside the Bank’s control, the Bank may temporarily suspend execution. It is therefore possible that in such adverse market conditions different Clients submitting orders with similar profiles may achieve different outcomes, including whether and when orders or trades will be executed. In such cases Clients will be notified immediately of any material difficulties arising which could impair the correct execution of the order (FinSO Art. 20 par. 2 lit. d).

In case the Bank relies on external counterparties to execute orders on its behalf, the Bank deems the external counterparties’ best execution policy to be in line with the spirit of this Policy.

## 3 Execution Factors

Where the Bank executes an order on behalf of its Client, the Bank will take all sufficient steps to achieve the best possible result for the Client. While the best possible results usually could be regarded equal to the best possible monetary outcome (price and cost), the result for the Client is also impacted by other factors. As a consequence, the Bank may conclude that the best possible monetary outcome for the Client is not the most important factor and other factors prevail in order for the Bank to achieve the best possible result for a client’s order and hence provide Best Execution. Such relative importance may differ case by case and over time. The following factors are in general understood to have an impact on the best possible result for the Client (“**Execution Factors**”):

- o Price (excluding external costs and the Bank’s fees and charges)
- o Any external cost relevant to the execution (i.e. any external costs charged by third parties which are related to the execution of the transaction and which are directly passed on to the Client, such as, execution venue fees, clearing and settlement fees and any other fees paid to third parties)
- o Execution Venues available
- o Depth / liquidity
- o Speed and likelihood of execution and settlement
- o Nature of the Client’s order

- o Any other consideration relevant to the efficient execution of the Client's order, including but not limited to the expected market impact.

The Bank will determine the relative importance of each factor and therefore the Bank will exercise judgement to decide the trade-offs where certain Execution Factors are considered as having higher importance over others in obtaining the best possible result for the Client. The following criteria will be considered when weighing the relative importance of the Execution Factors ("Execution Criteria"):

- o the characteristics of the order
- o the characteristics of the financial instruments that are the subject of the order
- o the characteristics of the execution venues to which the order can be directed and their trading status
- o other criteria as deemed of importance.

In providing Best Execution, the Bank will follow the same standards and apply the same processes to all markets and financial instruments. However, the relative importance of any one or several of the factors mentioned above may vary as a result of market conditions, types of financial instruments and order considerations. For example, whereas price volatility may cause timely execution to be a priority in some markets, in other markets, the likelihood of execution may constitute the only factor considered in Best Execution. The nature of the Client's order and any specific instruction provided by the Client may also limit the choice in the selection of the execution venue and limit the Bank's ability to achieve a better result than otherwise possible.

## 4 Execution Venues

To achieve the best possible result for the Client, the Bank may execute orders on one or more of the following venues ("Execution Venue")

- o Regulated markets<sup>1</sup>
- o Other exchanges that are not regulated markets
- o Multilateral Trading Facilities<sup>2</sup> ("MTFs")
- o Systematic Internalizers ("SIs")
- o Market makers
- o Other liquidity providers.

The Bank will consider the Execution Criteria when determining the Execution Venue. It will choose the Execution Venue, that is expected by the Bank to provide the best possible result for the Client and deemed by the Bank to be in the best interest of the client (and/or at the very least will not lead to any disadvantage for the client). A list of venues used can be found in the Annex 1 (separate document).

## 5 Order Management and Handling

Where the Bank handles Client orders, it will ensure that orders are:

- o executed promptly in accordance with the Client's instructions
- o accurately recorded and allocated to the Clients
- o executed sequentially unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the Client require otherwise.

The Bank will not aggregate a client order and an order for the Bank's own account except in case of primary market orders. If the Bank aggregates an order with one or more other client orders, it shall allocate the related trades fairly and proportionately. However, the Bank cannot exclude that under certain circumstances the outcome of the aggregation would result in a disadvantage for the client.

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<sup>1</sup> A regulated market 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, for example, the Swiss Stock Exchange.

<sup>2</sup> MTF means a system that brings together multiple parties that are interested in buying and selling financial instruments and enables them to do so. These systems can be crossing networks or matching engines that are operated by an investment firm or a market operator. Instruments may include shares, bonds and derivatives. This is done within the MTF operator's system

Compensation orders, i.e. orders matched between clients' accounts, are only accepted on client's request or on request of a holder of a power of attorney for the affected clients' accounts. Compensation orders are also accepted in case instructed by a portfolio manager working for the Bank or for companies that are owned by EFG International AG. These transactions are performed within the market price prevailing at the time of the execution in order to achieve the best possible result for both clients.

## 6 Monitoring, Review and reporting obligations

The Bank's execution arrangements and this Policy may be amended from time to time. This Policy will be reviewed at least annually (FinSO Art. 21 par.4) and will include an assessment of the Execution Venues used, or whenever a material change occurs that affects the Bank's ability to obtain the best result for the execution of Client orders. As per FinSO Art. 21 par 3, at Client's request, EFG will furnish proof that the execution was done in accordance with the criteria specified in this Policy.

## 7 Financial instrument specifics

### 7.1 Fixed Income

Best Execution considerations for Fixed Income Instruments apply to the products such as:

- o Bonds
- o Other debt instruments

The Bank uses several Execution Venues (for further details, please refer to the Annex 1), which are deemed as providing best execution price available in normal market conditions, and where it is possible to interact with prices from a range of brokers. A Request for quote ("RFQ") for a firm price, where possible, is generally sent to a minimum of three counterparties. Under certain circumstances, an order may be routed to a specific broker on an over-the-counter ("OTC") basis.

The Bank may act as counterparty in selective Fixed Income issues if it is not to the disadvantage of the Client, either because the firm prices offered by other external counterparties is not more favourable or no alternative counterparties are available at the time.

For FI instruments that are listed or admitted to trading on an exchange/regulated market, orders may be executed by the Bank acting as agent either directly on an exchange/regulated market of which the Bank is a member or participant, or via dedicated brokers. However, by default, the Bank trades FI instruments on MTFs or OTC (as described above), unless it can be reasonably concluded that a particular instrument is more liquid on a different Execution Venue.

The primary Execution Factor for the purpose of achieving the best possible result for a Client is usually the price. However, depending on the product, the primary Execution Factor for the purpose of achieving the best possible result for a Client is usually the depth of an Execution Venue and the liquidity available and likelihood of execution and settlement.

### 7.2 Equity, Equity-like instruments

Best Execution consideration for Equity Instruments apply to the products such as:

- o Shares
- o Depositary receipts
- o Rights
- o Warrants
- o Futures
- o Listed and OTC Options
- o Listed Exchange traded funds ("ETFs")
- o Listed Exchange traded derivatives ("ETDs").

The Bank uses several Execution Venues (for further details, please refer to the Annex 1), which are deemed as providing best execution price available in normal market conditions, and where it is possible to interact with prices from a range of brokers. Taking into account any particular criteria or instructions provided, Equity orders are frequently routed to one or more brokers, except for orders executable on regulated markets where the Bank is direct member for immediate execution or for execution over a period of time or when certain criteria are met. Listed options are mostly executed with a single Broker. OTC instruments are traded via several Brokers, MTFs and OTFs, depending on the nature of the product and

availability of counterparty.

The primary Execution Factor for the purpose of achieving the best possible result for a Client is usually the price. However, depending on the product, the primary Execution Factor for the purpose of achieving the best possible result for a Client is usually the depth of an Execution Venue and the liquidity available and/or the creditworthiness of the counterparty.

### 7.3 Forex and Metals

Foreign Exchange instruments are all currencies tradable by the Bank, non-deliverable currencies (under the form of non-deliverable forwards) precious metals, and products related to currencies (together referred to as "FX") such as:

- o Forwards
- o Swaps
- o Options
- o Dual Currency Notes.

The Bank acts as the counterparty to all FX orders received from clients. The price provided to Clients will be referenced to the prevailing market pricing range to ensure that such price is a fair price. For the purpose of determining the market price range, the Bank uses a number of Execution Venues which are deemed to have a representative level of liquidity at the time of the execution. In the event of extremely volatile markets, and/or in the absence of available quotes in the usual platforms for price reference, the Bank will take steps to obtain the market pricing level by other means, such as asking directly major counterparties.

### 7.4 Structured Products

Best Execution considerations for Structured Products apply to the following products:

- o Listed structured products
- o Unlisted / OTC structured Product.

For Structured Products the Bank uses Execution Venues, third-party investment firms, brokers, and/or affiliates acting as market makers or other liquidity providers, and other internal sources of liquidity as per attached Annex 1. The Bank will satisfy Best Execution by (if possible) reaching the counterparty and acting as price taker with respect to the market maker of the structured product.

Upon the receipt of an order to structure a product for a Client or in case the issuer is not specified by a Client's instruction, the preferred execution venue is EFG International (Guernsey) Limited ("**EFGIFG**"). If EFGIFG is not willing to issue such product the Bank will send a request for quote to at least two counterparties approved by the Bank. In markets with low liquidity or the case that only one counterparty chooses to provide an offer, the likelihood of execution of the order may alone constitute Best Execution, and as such there may be occasions where the Bank will execute the order even if only a single counterparty has responded. In the event that the order size does not meet the minimum size to trade on the best quote, the Bank can select the best quote where the size of the trade is acceptable to the counterparty.

Conflicts of interest possibly arising due to the affiliation of the Bank with EFGIFG, a wholly owned subsidiary of EFG International AG, that is active as Issuer of Structured Products and which places funding obtained through its activity with EFG Bank AG. Furthermore, EFG entities have entered into cooperation arrangements with Leonteq AG companies, pursuant to which Leonteq offers, among others, access to its multi-issuer platform, including EFGIFG, to the Bank. As a consequence, clients are exposed to the counterparty credit risk of EFGIFG and if the Structure Product is guaranteed by EFG Bank AG or EFG International AG, to such guarantor. Potential conflicts of interest arising are mitigated through segregation of duties and availability of information. The Bank performs a benchmarking of the readily available market offers on a regular basis.

### 7.5 Collective investment schemes

Best Execution considerations for collective investment schemes that are not listed is achieved by executing at the relevant net asset value. The Bank will satisfy Best Execution by (if possible) reaching the counterparty and acting as price taker with respect to the price component of the collective investment scheme.

Order Execution Policy - Annex 1 –31.05.2022

<i>Execution Venues</i>	<i>Fixed Income</i>	<i>Equities, Equity linked products</i>	<i>Structured Products</i>
SIX - Swiss Stock Exchange	X	X	X
<i>Broker/Counterparty name</i>			
ABN Amro Bank NV	X	X	
Ashenden Finance SA	X		X
Australia and New Zealand Banking Group	X		X
Baader Bank AG	X	X	
Banca Akros S.p.A.	X		
Banca IMI Securities Corporation	X		
Banca IMI SPA	X	X	
Banca Patrimoni Sella & C. SPA, Torino - Milano Branch		X	
Banca Zarattini & Co. SA	X		
Banco Bilbao Vizcaya Argentaria SA (BBVA)	X		X
Banco Santander SA	X	X	X
Bank J Safra Sarasin AG	X		X
Bank Julius Baer & Co. AG	X		X
Bank of America Merrill Lynch International LTD	X	X	
Bank of America NA	X		
Bank Vontobel AG	X		X
Banque Cantonale De Geneve	X		
Banque Cantonale Vaudoise (BCV)	X		X
Banque Degroof Petercam SA		X	
Banque Lombard Odier & Co LTD	X		X
Banque Pictet & CIE SA	X	X	X
Barclays Bank PLC	X		X
Barclays Capital INC	X		
Barclays Capital Securities LTD	X	X	X
Bayerische Landesbank	X		
BB Securities LTD	X		



BCP Securities LLC	X		
Berner Kantonalbank	X	X	
BGC Brokers LP	X	X	X
BGC Partners INC	X		
BNY Mellon Capital Markets LLC	X		
Bondpartners SA	X	X	
Bradesco Securities INC	X		
Bridport & CIE SA	X		X
BTG Pactual US Capital LLC	X		
Canaccord Genuity LLC	X		
Canaccord Genuity Limited	X	X	
Cantor Fitzgerald & Co.	X		
Cantor Fitzgerald Europe	X	X	X
Century City Securities SA		X	
CIBC World Markets PLC	X		
Citibank NA	X		X
Citigroup Global Markets Deutschland AG	X		
Citigroup Global Markets INC	X	X	X
Citigroup Global Markets LTD	X	X	X
CLSA (UK)	X	X	
Commerzbank AG	X		X
Commerzbank AG, London branch	X		X
Commonwealth Bank of Australia	X		
Cooperatieve Rabobank UA	X		
Corner Banca SA	X		
Credit Agricole Corporate and Investment Bank	X		X
Credit Agricole Corporate and Investment Bank, London branch	X		
Credit Suisse (Switzerland) LTD	X	X	X
Credit Suisse AG, London branch	X	X	X
Credit Suisse AG, New York branch	X		
Credit Suisse Securities (Europe) LTD	X	X	X
Credit Suisse Securities (USA) LLC	X	X	
Daiwa Capital Markets Europe Ltd	X		
Danske Bank	X		
DBS Bank Ltd, London branch	X		
Deutsche Bank (Suisse) SA	X		
Deutsche Bank AG	X		X

Deutsche Bank AG, Hong Kong branch		X	
Deutsche Bank AG, London branch	X	X	X
Deutsche Bank AG, New York	X		X
Deutsche Bank AG, Zurich branch	X	X	X
Deutsche Bank Securities INC	X		X
DNB Bank ASA	X		
DZ Bank AG	X		
ED&F Man Capital Markets INC.	X		
Equita SIM SPA	X	X	X
Erste Group Bank AG	X		
Eurobank Equities Investment Firm SA		X	
Eurobank Ergasias	X		
Exane Derivatives SNC	X	X	X
Exane SA	X	X	X
First Abu Dhabi Bank	X		
Flow Traders BV		X	
Gazprombank (JSC)	X		
GFI Securities LTD	X	X	X
GMSA Investments Limited		X	
Goldman Sachs & Co	X	X	
Goldman Sachs Bank AG	X		
Goldman Sachs International (GSI)	X		X
Haitong International Securities	X	X	
HSBC Bank PLC	X	X	X
HSBC France	X		X
HSBC Markets LTD	X		
HSBC Private Bank (Suisse) SA		X	
ICBC Standard Bank PLC	X		
ING Bank NV	X		X
ING Bank NV, London branch	X		
ING Belgium SA/NV	X		
Instinet Europe Limited		X	
Intermonte SIM SPA		X	
ITAU BBA International PLC	X		
Jane Street Financial Limited	X	X	
Jefferies International Limited	X		
JP Morgan Chase Bank N.A.	X		X
JP Morgan Clearing Corp.	X	X	
JP Morgan Markets Limited	X		

JP Morgan Securities (Asia Pacific) LTD	X		
JP Morgan Securities LLC	X	X	X
JP Morgan Securities LTD	X		
JP Morgan Securities PLC	X	X	X
KBC Bank NV	X		
Kepler Capital Markets INC.	X	X	
Kepler Capital Markets SA	X	X	X
Kepler Cheuvreux SA	X	X	
KGI Securities Co. LTD		X	
Kotak Mahindra (UK) LTD	X		
Kuwait Finance House KSC	X		
Landesbank Baden-Wuerttemberg	X		
Landesbank Hessen-Thueringen-Girozentrale	X		
Leonteq Securities AG	X		X
Leonteq Securities AG (Amsterdam Branch)			X
LLOYDS Bank Corporate Markets PLC	X	X	
Luzerner Kantonalbank	X		
Macquarie Bank LTD, Hong Kong Branch	X	X	
Macquarie Capital (Europe) LTD		X	
Macquarie Securities Korea LTD		X	
Mainfirst Bank AG		X	
Marketaxess Capital Limited (Macl)	X		
Maxim Group LLC	X	X	
Merrill Lynch Capital Markets AG			
Merrill Lynch International	X	X	X
Merrill Lynch Pierce Fenner & Smith INC		X	
Method Investments & Advisory LTD	X		
Millennium Advisors LLC	X		
Millennium Europe LTD	X		
Mirabaud Securities LTD		X	
Mitsubishi UFJ Trust International LTD	X		
Mizuho Corporate Bank LTD	X		
Mizuho International PLC	X		
Morgan Stanley & Co. INC	X	X	X
Morgan Stanley & Co. INC	X	X	X
Morgan Stanley & Co. International PLC	X	X	X
Morgan Stanley Securities LTD		X	

MUFG Securities EMEA PLC	X		
NAB Europe Limited	X		
National Australia Bank LTD	X		
Natixis SA	X		X
Natwest Markets PLC	X		X
Nomura International PLC	X		X
Nomura Securities Co Ltd	X		
Nordea Bank Danmark A/S	X		
Nordea Bank Finland PLC	X		
ODDO BHF	X	X	X
Paradigm Capital INC.		X	
Pareto Securities AB		X	
PJSC Rosbank	X		
PKB Privatbank AG	X		
Rabobank International	X		X
Raiffeisen International Bank AG	X		
Raiffeisen Schweiz Genossenschaft	X		
Raymond James & Associates INC.	X		X
RBC - Dominion Securities INC.	X	X	
RBC Capital Markets (Europe) GMBH	X	X	X
Royal Bank of Canada	X	X	X
Royal Bank of Canada, London branch	X		X
Royal Bank of Scotland NV	X		
Sberbank CIB (UK) LTD	X		
Schweizerische Nationalbank	X		
Scotiabank Europe PLC	X		
Seaport Global Securities LLC	X		
Skandinaviska Enskilda Banken AB	X		X
Societe Generale	X	X	X
Societe Generale Asia		X	
Societe Generale International Ltd	X		
Societe Generale, London branch	X	X	X
Societe Generale, Zurich branch			X
St. Galler Kantonalbank AG	X		
Standard Chartered Bank			X
Standard Chartered Bank Plc	X		X
Stifel Nicolaus Co Inc.	X	X	X
Stifel Nicolaus Europe LTD	X	X	
StoneX Financial Europe SA	X		
Sumridge Partners LLC	X		

Susquehanna Financial Group LLP	X	X	
Susquehanna International Securities Ltd		X	X
Svenska Handelsbanken	X	X	X
Swedbank AB		X	X
The Bank of New York Mellon	X	X	
Toronto Dominion Bank	X		
Toronto Dominion Bank, London branch	X		
TP ICAP - Tullet Prebon Financial Services LLC	X		
TP ICAP - Tullet Prebon LTD	X	X	X
TPCG Financial Services SA	X		
Tradeweb Europe Limited	X		
Tradition London Clearing Limited	X	X	X
Trigon Dom Maklerski SA	X	X	
UBS AG	X	X	X
UBS AG, London branch	X	X	X
UBS Europe SE	X		
UBS LTD	X	X	
UBS Securities LLC	X	X	
Unicredit Bank AG	X	X	
Unicredit Bank AG, Milano branch	X		
Unicredit SPA	X		
Union Bancaire Privee	X	X	
UOB - Kay Hian (Hong Kong) LTD		X	
Valcourt SA	X		
Vantage Capital Markets LLP		X	X
VTB Capital PLC	X		
Wells Fargo Advisors LLC	X		
Wells Fargo Securities International LTD	X	X	
Wells Fargo Securities LLC	X		
Westpac Banking Corporation	X		
William Blair & Co LLC	X	X	
XP Securities LLC	X		
Zuercher Kantonalbank	X	X	X