



For Professional Clients

# ORDER EXECUTION POLICY

February 1, 2024

V3.0

# 1. Introduction

In accordance with regulations set out in the Markets in Financial Instruments Directive 2014/65/EU ("**MiFID II**"), the Markets in Financial Instruments Regulation EU/600/2014 ("**MiFIR**"), the Commission Delegated Regulation EU/2017/565 and the applicable measures and regulatory guidance in each of the relevant EEA member states, all EEA BNYMellon entities listed below ("**BNYM**" "**we**" or "**us**") are required to establish and implement an Order Execution Policy to demonstrate where required how we take all sufficient steps to obtain the best possible result for our clients ("**you**") when we execute client orders in financial instruments covered by MiFID II.

This part of the Order Execution Policy is a general order execution policy that sets out the general order execution factors and processes (the "**General Order Execution Policy**"). For each product, there are further specific order execution factors and processes (the "**Specific Order Execution Policy**"). The General Order Execution Policy should be read in conjunction with the Specific Order Execution Policy.

**The General Order Execution Policy is subject to any Specific Order Execution Policy that may apply, and in case of conflict, the Specific Order Execution Policy prevails.**

This Order Execution Policy (this "Policy") covers the following BNYM legal entities:

- The Bank of New York Mellon, London Branch
- The Bank of New York Mellon (International) Limited
- The Bank of New York Mellon SA/NV and its branch offices

# 2. Instruments

The General Order Execution Policy only applies with respect to financial instruments within the scope of MiFID II, unless BNYM specifies otherwise in relation to a Specific Order Execution Policy. The MiFID II financial instruments are specified in Section C of Annex 1 of MiFID II ("**MiFID II Instruments**"). These are set out in Schedule 1.

# 3. Application

This Order Execution Policy will only apply to you if we have categorized you as a "Professional Client" and we have agreed to provide you with the following MiFID II investment services ("**MiFID II Services**") relating to MiFID II Instruments where:

- a) We execute orders on your behalf for MiFID II Instruments
- b) We receive and transmit orders at our discretion to another broker, dealer or affiliate of BNYM ("**third party**") for execution on your behalf
- c) We deal on our own account with you on an RFQ or negotiated basis and where we have determined that you are legitimately relying on us to obtain the best possible result or
- d) We perform Portfolio Management services.

This Order Execution Policy applies to all Professional Clients to whom BNYM provides investment and/or ancillary services, without making a distinction on whether the client is resident within or outside the UK or EEA, and irrespective of where the transaction is executed by the client.

For the avoidance of doubt, the best execution arrangements in this Policy do not apply to clients categorized as Eligible Counterparties ("**ECPs**") unless BNYM agrees to provide best execution to such clients in the absence of regulatory obligations to ECPs. BNYM does not provide MiFID II Services in MiFID II Instruments to Retail clients.

This Policy's order handling, allocation and aggregation arrangements apply to any client categorized as a Professional or Eligible Counterparty under MiFID II.

## 4. Delivering Best Execution

### 4.1 General Application

Subject to any specific instructions that you give to us and taking into account the execution factors in Section 5, we are obliged to take all sufficient steps to obtain the best possible result for you in accordance with this Order Execution Policy. This obligation is referred to in this document as our **"Best Execution obligation"** or **"Best Execution"**.

The Best Execution obligations in this Order Execution Policy do not apply in all circumstances and may not for example apply where you merely ask for a price and can choose whether or not to accept that price (**"Request for Quote"** or **"RFQ"**) (see Section 4.3). When you place no reliance on us to provide Best Execution in a RFQ the obligation will not apply.

### 4.2 Acting as Agent and/or a Broker

BNYM may act as your agent and/or as a broker. In each case we will be acting on your behalf and the Best Execution obligation may apply where we have discretion over how to execute the transaction. In this case, we will execute the transaction for you having regard to the terms of your order in determining the factors we need to take into account to provide you with Best Execution.

### 4.3 Request for Quote or RFQ

BNYM could also deal on own account or act as principal, for example, where you have asked for and accepted a quote from us (RFQ). In such circumstances, whether we owe Best Execution to you will depend on several factors, which determine whether you are legitimately relying on us to protect your interests in relation to the pricing and other elements of a transaction. This is known as the **"Four Fold Test"**.

The Four Fold Test published by the European Commission comprises the following "considerations" taken together for the purpose of the test:

- 1) Which party initiates the transaction
- 2) Questions of market practice and convention to "shop around"
- 3) The relative levels of price transparency within the relevant market, and
- 4) The information provided to you by BNYM and any agreement reached.

Where the consideration of the above factors concludes that you are not legitimately relying on us, then Best Execution will not apply. For example:

- a) Where you initiate a transaction this may suggest that you are less likely to be relying on us
- b) Where you take responsibility for the pricing and other elements of the transaction and the market practice is to obtain quotes from various sources, it is less likely that you will be placing reliance on us
  - If we have access to market prices and you do not, it is more likely that you will be relying on us
- c) The more equivalent the access to pricing the less likely that you will be relying on us
- d) If we expressly state in the circumstances where we are allowed to do so, that we will not be providing Best Execution to you, we will consider that you have not relied on us
- e) If we agree with you to provide a MiFID II Service in which the pricing and execution methodologies are pre-agreed and transparent it is less likely that you are relying on us.

BNYM expects that in most circumstances (and in the absence of an express indication by you to the contrary), its determination in accordance with the Four Fold Test is likely to be that you are not relying on us to protect your interests in relation to pricing and other important elements of the transaction where you transact with us on an "RFQ" basis.

## 4.4 Transactions where Best Execution has Limited Scope

In instances where the Best Execution obligation applies to you, the nature of certain transactions means that the Best Execution obligations may be treated as having been satisfied. These cases include the following:

### Specific instructions

Where we receive and accept your specific instructions relating to a transaction or a particular aspect of a transaction and we execute, or place an order with, or transmit an order to, another entity for execution and the transaction is executed as far as reasonably practicable or possible in accordance with those instructions, we will have satisfied our obligation to take all sufficient steps to obtain the best result for you and we are not required to deliver Best Execution. This covers situations such as the selection of an algorithm or individual parameters of an algorithm.

If requested by you, we may provide our views on trading style or strategy, which is provided for information as "market colour" only and does not constitute advice and should not be relied upon as such. You should always make your own determination and seek independent advice regarding trading strategies. Any specific instructions you give and which we accept regarding a trading strategy may prevent us from taking the steps articulated in this Order Execution Policy in attaining Best Execution and may therefore limit our ability to provide Best Execution with regard to the element upon which you have chosen to give specific instructions.

However, where a specific instruction covers only one part or aspect of your order, we will deliver Best Execution in respect of any other part or aspect of the order that is not covered by such instructions; although you should recognise that in executing a specific instruction in relation to a part of an order, this may prevent us from obtaining Best Execution for the overall transaction.

### Single venue transactions

The nature of a transaction may result in there being only one execution venue and therefore the only pricing consideration is time of execution. It therefore precludes the use of comparable prices and may limit our ability to demonstrate Best Execution.

However, the use of a single venue does not diminish BNYM's responsibility to monitor the quality of execution. In these instances BNYM must carry out analyses to consider whether other suitable venues exist and consider whether our execution arrangements led to the best possible result for you.

### Electronic trading systems

Where we have provided you with access to prices displayed on third party crossing networks or other third party electronic systems and you decide to deal at the prices displayed, you are responsible for achieving your own Best Execution.

### Exercise of contractual rights under default

Where BNYM is unwinding a transaction where there has been a default and where we are entitled or required to unwind the transaction, whether in accordance with applicable law and/or contractual provisions the obligation to deliver Best Execution may be limited.

If you want to discuss the application of Best Execution to your activities with BNYM please feel free to contact us by clicking [here](#).

## 5. Execution Factors

Our Best Execution obligation applies to MiFID II Instruments. However, given the differences in market structures and the structure of MiFID II Instruments it may be difficult to apply a uniform standard and procedure for Best Execution that would be effective for all types of instruments. Best Execution will therefore be applied

in a manner that takes into account the different characteristics associated with the execution of orders related to particular types of MiFID II Instruments.

## 5.1 The Main Execution Factors

Where we execute your order, in considering how we might achieve Best Execution we will take a number of execution factors into account, including:

- a) Price
- b) The costs of execution to include both implicit and explicit costs
- c) The need for speed of execution
- d) Likelihood of execution and settlement of the order
- e) Size and nature of the order
- f) Market impact
- g) The nature of the specific MiFID II Instrument including whether it is transacted on a Regulated Market ("**RM**"), Multilateral Trading Facility ("**MTF**"), Organised Trading Facility ("**OTF**") or over the counter ("**OTC**"), including via Systematic Internalisers ("**SI**") (collectively "**Execution Venues**"), and
- h) Any other considerations relevant to the execution of your order.

In determining the relative importance of these factors, we will use our own commercial experience and judgement taking into account Best Execution criteria as described below, as well as the possible execution venues to which that order can be directed.

## 5.2 "Relative Importance" of the Execution Factors

In general, we regard price as the most important of these factors for obtaining Best Execution. Since we would normally rank price as the most important execution factor we may adjust our importance weighting for the remaining execution factors per trade taking into account the nature of the order and the market at the time.

The priority of any one of the execution factors over price will depend upon any specific instructions from you and we recognise that there may be circumstances in relation to some client orders, MiFID II Instruments or markets where other factors may be considered to have a higher priority, such as the likelihood of execution or the size of the order in less liquid instruments. Where the likelihood of execution is uncertain or the size of the order may have an impact on the market, achieving execution in a timely manner may be of greater importance than the price.

We do not guarantee to you that the best possible price will be obtained in all circumstances. Indeed, there may be occasions where we change the priorities given to the execution factors, where we consider, having regard to the Best Execution criteria (see Section 5.3), that factors other than price should appropriately take precedence in achieving the best possible result for you. For example, in times of severe market disruption or in the event of a system outage, speed and certainty of execution and settlement may be prioritised. If no instructions are received, BNYM will generally use the following order of priority:

- a) **Price:** Where Best Execution applies, price will be the first execution factor to be considered, followed by size of order then, speed of execution. BNYM will use its access to available liquidity channels to achieve the best possible price for you. We will also consider issues such as valuation models, the risks incurred by us from entering into transactions, the capital requirements for us resulting from those transactions and the cost of hedging our risks, if any.
- b) **Size:** We will use our access to available liquidity channels to attempt to execute the full size of your order given the prevailing market conditions and instructions. In certain situations where a market is illiquid or the order is of a large size, certainty of execution may be determined to be more important. BNYM will assume that partial fills are acceptable unless you indicate otherwise. A partial fill will occur where we are unable, owing to market conditions, liquidity or another reason to satisfy the whole of your order.
- c) **Speed:** We will endeavour to execute your order as soon as is practical given the prevailing market conditions and your instructions.

- d) **Likelihood of Execution:** The likelihood of both execution and settlement of your order.
- e) **Costs:** This includes both implicit costs, such as market impact, and also explicit external costs such as exchange fees or BNYM's own remuneration through a commission or spread.
- f) **Other:** Any other relevant considerations for the type of instrument and/or order being transacted.

For each product we may consider additional execution factors and the "relative importance" of the execution factors may differ from the General Order Execution Policy. Please refer to the relevant Specific Order Execution Policy Schedules for further details.

### 5.3 Best Execution Criteria

We will determine the relative importance of the execution factors and their relative contribution in achieving Best Execution by taking into account the following criteria per trade:

- a) Your characteristics, including your experience and Professional Client categorization
- b) Characteristics of your order, including any strategies or specific instructions given by you, the size of your order and likely market impact
- c) Characteristics of the MiFID II instrument - the degree of liquidity, transparency and trading styles or patterns that may be associated with any particular MiFID II Instrument
- d) The characteristics of the counterparty or execution venue to which the transaction can be directed, in terms of price, duration of quote, experience, specialties, and overall service, and
- e) Any other circumstances that we deem relevant to the execution of a particular trade.

### 5.4 Execution Venue and Strategy

#### General

We will select the execution venues, with and through whom we execute client orders<sup>1</sup>, which enable us consistently to obtain the best possible result for you.

Where there is more than one competing execution venue for a MiFID II Instrument, in order to assess and compare the results for you of executing the order on each of the execution venues listed, we take into account our own commissions and the costs of executing the order on each of the eligible execution venues.

In exercising execution discretion as part of our investment service, we will utilise our expertise and judgement to seek prices from available counterparties (including connected parties) that we consider are likely to best serve your interests. The factors we consider relevant to determine the number and appropriate counterparties from whom to seek prices in connection with the execution of your order include but are not limited to:

- a) Availability of dealers quoting a market
- b) The quality of indicative bids and offers
- c) Level of trading interest and depth of market
- d) Ticket size, and
- e) Electronic execution capability.

We will typically execute orders through any the following venues appropriate to each MiFID II Instrument:

- a. Order crossing networks and other electronic platforms, RMs, MTFs and OTFs
- b. Our own internal sources of liquidity
- c. SIs, which could include affiliates, and
- d. Other liquidity providers (including BNYM affiliates dealing as principal). In certain circumstances it may be that there is only one execution venue type available.

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<sup>1</sup> In some cases, BNYM will execute orders with counterparties through facilities provided by trading venues. Where BNYM selects both the trading venue and the counterparty, BNYM will follow this Order Execution Policy in the selection of both.

### **Use of affiliates or a third-party broker**

As mentioned, we may use the services of a connected party or a third party broker or dealer to assist in the execution of your order which may be outside of the UK or EEA. Using an affiliated or third party broker does not remove our obligation to deliver Best Execution to you and we will satisfy ourselves through the application of appropriate due diligence that the other entity has arrangements in place to enable us to comply with our Best Execution obligations.

### **Review of appropriate execution venues**

The venues we use to execute transactions will be kept under review to determine whether or not these venues are supporting BNYM in obtaining the best possible result for our clients consistently in the round. We will also monitor the market landscape to determine if there are other alternate venues that should be considered. As part of this review we will consider the data venues make publicly available, namely the report to be published by investment firms on the identity of top five execution venues and on the quality of execution on the venues ("RTS 28" or "Top Five Venue Report"), although these data are published only by European Union firms.

## **6. Transmission of Orders**

We may transmit an order to, or place an order with, a third party for execution. That third party may be connected to or affiliated with us. In choosing the entity(ies) we will take into consideration the following factors relating to that entity:

- a) Access to alternative markets and execution venues
- b) Commission rates and prices/spreads provided where you bear the costs
- c) Execution speed/latency
- d) Quality of execution and service, both historical and current
- e) Clearing and settlement efficiency and capabilities
- f) Risk profile, credit worthiness and reputation
- g) Whether regulations stipulate the transaction may need to be novated into a clearing transaction at a later date
- h) Information made public by an execution venue where that execution venue is an EEA investment firm, for example the public RTS 28 reports, and
- i) Any other factor relevant to the transaction.

Where we exercise discretion on your behalf and subsequently place or transmit an order with a third party we will take all sufficient steps to ensure that such third party has arrangements in place to enable us to comply with our obligations under this Order Execution Policy.

### **Payment for Order Flow arrangements**

We do not enter into any "Payment for Order Flow" arrangements as described in Article 27 (2) of MiFID II.

## **7. Monitoring Programme & Governance**

### **7.1 Overview**

We have established our monitoring capability to ensure we meet our obligations with regard to all relevant execution factors and demonstrate that Best Execution has been achieved consistently across all relevant asset classes. This includes pre-trade monitoring, to enable us to select preferred execution venues and post-trade monitoring of venues, counterparties and third-party brokers.

To meet our Best Execution obligations we may use a combination of front office and periodic monitoring supported by our Best Execution supervisor (who is responsible for performing Best Execution monitoring in the

1st Line of Defence) and complemented by regular presentation of our monitoring results to our Order Execution Forum for review, action and, where required, escalation to senior management.

## **7.2 Order Execution Fora**

BNYM has implemented a governance framework by which it monitors and reviews the effectiveness of the order handling and execution processes in place. Order Execution Fora are in place across the relevant Businesses (as detailed in the Schedules) and are responsible for the oversight of Best Execution. The fora will examine the outputs of the monitoring undertaken and where appropriate look to correct any deficiencies.

Ownership of Best Execution monitoring resides with the Front Office in conjunction with oversight by the 2nd Line of Defence. The 1st Line of Defence is responsible for periodic front-office monitoring and will utilise its experience and markets knowledge to ensure the best possible result for clients has been secured consistently. A Best Execution supervisor will as required raise and address issues, propose corrective action and escalate to senior management and the Order Execution Forum matters relating to the continued integrity of our Best Execution arrangements.

## **7.3 Pre-Trade Monitoring**

Through the governance framework BNYM will assess whether the execution venues we have selected provide the best possible result consistently for transactions that are subject to Best Execution. Where BNYM is considering using new venues or counterparties the business shall present these to the relevant Best Execution Forum to determine whether the venue or counterparty should be added to the approved list.

## **7.4 Post-Trade Monitoring**

We will monitor and assess the quality of our execution arrangements using a range of methods, which include but are not limited to the following: assessing the strategies across our selected execution counterparties, comparisons of executed transactions against appropriate market reference prices, the production of outlier reports and assessing transaction costs to identify those trades that have not achieved best price.

Where appropriate, the Best Execution supervisor may use Cost Analysis tools to support post-trade monitoring.

## **7.5 Counterparty Selection**

We will, at our discretion, take into account any or all of the following criteria, which we believe will enable us to determine whether a counterparty's performance enables us to meet our Best Execution obligations with regard to those orders executed on your behalf. These factors include:

- a) Market share, tenure and breadth of market coverage
- b) Ability of the counterparty to manage complex orders
- c) Performance on recent orders submitted to it
- d) Niche areas or specialties
- e) Speed of execution and responsiveness, and
- f) Credit rating/worthiness of the relevant counterparty.

## **7.6 Third-Party Selection**

Where we exercise investment discretion on your behalf and subsequently place or transmit an order with a third party, we will employ the same criteria for assessing their performance as utilised for Counterparty Selection.

We will subject the third-party to the same post-trade monitoring and review as if we had executed that order on your behalf directly in the market.

## **8. Demonstration of Execution of Orders in Accordance with the Order Execution Policy**

On your request, we will demonstrate that we have executed your order(s) in accordance with this Order Execution Policy.

## **9. Consent**

### **9.1 Consent to this Order Execution Policy**

You will be deemed to have read, understood and consented to this Order Execution Policy and given prior consent to the application of the Order Execution Policy to our dealings with you as soon as you accept our terms of business, execute a specific product-related agreement, or place an order with or through us, whichever occurs first. This Order Execution Policy replaces any prior Order Execution Policy in its entirety with effect from its publication on our website.

### **9.2 Consent for executing orders outside of a Trading Venue**

We must also obtain your express consent prior to executing an order in a MiFID II Instrument outside a Trading Venue. To the extent you have not expressly consented to such execution you will be deemed to have provided such consent as soon as you accept our terms of business, execute a specific product-related agreement or place an order with or through us, whichever occurs first.

### **9.3 Consent for non-publication of the unexecuted parts of limit orders**

Where you give us an order to execute a transaction in shares admitted to trading on an RM or traded on a Trading Venue at a certain price or better (a "limit order"), which we are not able to execute immediately in full or part, you instruct us not to make public any unexecuted part of such limit order (other than pursuant to your prior written instruction otherwise) on any Trading Venue by signing or accepting the relevant terms and conditions or by expressly instructing us as such at any time prior to giving to us the order.

## **10. Client Order Handling and Allocation Policy**

### **10.1 General application**

Our order handling and allocation policy is set out in this Section and will apply when we exercise our discretion to execute orders in MiFID II Instruments on your behalf or transmit orders to other entities for execution.

### **10.2 Carrying out client orders**

When carrying out your orders we will ensure that we execute orders promptly and they are accurately recorded and allocated. Comparable orders will be carried out sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable or your instructions or interests require otherwise.

### **10.3 Client accounts**

Where we are responsible for overseeing or arranging the settlement of an executed order or we execute an order in the course of providing collective portfolio management services, we will take reasonable steps to ensure that any MiFID II Instruments or client funds received in settlement of that executed order are promptly and correctly delivered to your account.

## 10.4 Misuse of information

We will not misuse information relating to pending client orders and we will take reasonable steps to prevent our employees misusing such information.

## 10.5 Order Aggregation and Allocation

### General

This Client Order Handling and Allocation Policy will apply when we agree to “carry out” your orders in MiFID II Instruments, i.e., to execute an order on your behalf or to transmit orders to other entities for execution. We will arrange for the prompt, fair and expeditious execution of your order and ensure that it is promptly and accurately recorded and allocated.

We will allocate any MiFID II instrument in accordance with the respective Specific Order Execution Policies in the Schedules among the relevant clients fairly and proportionately. Where we aggregate orders for our own account with one of more client orders we will not allocate the related trades in a way which is detrimental to any client.

### Order Execution

Comparable orders will be executed sequentially and promptly except to the extent that characteristics of the order or current market conditions make this impracticable or where it is in the best interests of the client not to do so.

### Order Aggregation

Client orders will not be carried out in aggregation with another client order received by the relevant centralised dealing desk unless the following conditions are satisfied: (1) it is unlikely that the aggregation of such orders and transactions will work to the overall disadvantage of any client whose order is to be aggregated, and (2) it is disclosed to each client whose order is to be aggregated, either orally or in writing and either specifically or through BNYM’s respective entities, that the effect of aggregation may work to its disadvantage in relation to a particular order.

### Order Allocation

Where we have aggregated transactions for our own account with one or more client orders we shall not allocate the related trades in a way which is detrimental to you. Where such an aggregated order is partially filled we will allocate the related trades to the client(s) in priority to us unless we are able to demonstrate on reasonable grounds that without the combination we would not have been able to carry out the order on such advantageous terms, or at all, then we may allocate the related trades proportionally for our own account and for our clients in accordance with our allocation policy stated above. We have procedures that are designed to prevent the reallocation of transactions for our own account, which are executed in combination with client orders in a way that is detrimental to a client.

### Record Keeping

Allocation and reallocation records for aggregated transactions will include:

- a) The time and date of the allocation or reallocation
- b) The relevant product
- c) The client’s identity and any eligible counterparty
- d) The amount allocated to each client and party involved
- e) Where any client order is aggregated with any order for our own account:
  - o The steps we take to ensure that we have not allocated or reallocated trades in a way that is detrimental to any client

- Where relevant, the reasonable grounds we need to demonstrate to permit us to adopt proportional (as opposed to priority) allocation of client orders relative to our own order
- Records relating to aggregated orders must be retained for a period of at least seven years from the date of allocation, or re-allocation, as the case may be, and
- We will take all reasonable steps to prevent the misuse of information relating to pending client orders by any relevant persons.

## 10.6 Conflicts of Interest

BNYM is subject to the overarching requirement to identify and manage conflicts of interest. BNYM has in place policies and procedures to ensure conflicts of interest are identified, managed, mitigated and, where possible, eliminated.

We take steps to ensure that we do not structure or charge commissions in such a way as to discriminate unfairly between execution venues, counterparties, brokers and dealers, including any connected parties or affiliated parties.

Where a conflict of interest cannot be managed it will be disclosed to you. This requirement applies to potential conflicts of interest that may arise between BNYM and its clients or between clients as a result of BNYM execution arrangements that could prevent BNYM from satisfying its Best Execution obligations.

# 11. Policy Monitoring, Review and Update

## 11.1 Monitoring of the Order Handling and Execution Policy

We will monitor our compliance with this Order Handling and Execution Policy regularly, including the effectiveness of our order execution arrangements, the execution arrangements of third parties (including connected parties) with whom we execute or to whom we have passed orders. Such review will enable us to identify and implement changes to this Policy and our order execution arrangements as necessary, and where appropriate, correct any deficiencies.

We will review our order execution arrangements and the Order Handling and Execution Policy at least annually or whenever a material change occurs that affects our ability to continue to obtain the best possible result for the execution of client orders consistently using the execution venues, which we have identified from time to time.

## 11.2 Policy Updates

We will publish material changes to our Order Handling and Execution Policy via this document or as notified or published to protect for future changes on our website: <https://www.bnymellon.com/RID>

You will be responsible for checking for any changes to the Order Handling and Execution Policy that are published from time to time.

# 12. Publication and Communication of the Top Five Reports (RTS 28)

## 12.1 Top Five Venue Reporting

BNYM SA/NV (the Bank of New York Mellon's European bank) is required to summarise and make public annually for each class of MiFID II Instruments, the top five execution venues in terms of trading volumes where it executed client orders in the preceding year together with information about the quality of the execution obtained. The RTS 28 report will be released annually at the end of April and published on BNYM's website.

## Schedules

SCHEDULE NUMBER	SCHEDULE TITLE
1	List of MiFID II Instruments
2	Agency Cash Collateral Reinvestment and Agency Investment Product "Agency Cash Investment"
3	Foreign Exchange
4	Agency Lending
5	Fixed Income
6	Money Market Funds ("MMF's")
7	Initial Public Offering ("IPO") Subscription
8	Alternative Investment Services Fund Order Processing ("AIS FOP")
9	Fund Order Processing
10	Liquidation Activities

# Schedule 1

## List of MiFID II Instruments

### Section C of Annex 1 of MiFID II

- 1) Transferable securities
- 2) Money market instruments
- 3) Units in collective investment undertakings
- 4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures, which may be settled physically or in cash
- 5) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event)
- 6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market and/or an MTF
- 7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities that can be physically settled not otherwise mentioned in 6. and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls
- 8) Derivative instruments for the transfer of credit risk
- 9) Financial contracts for differences
- 10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a RM or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls.

## Schedule 2

# Agency Cash Collateral Reinvestment and Agency Investment Product “Agency Cash Investment”

### 1. Introduction

BNYM is required to establish and implement an Order Execution Policy to allow us to take all sufficient steps to obtain the best possible result for our clients when we execute client orders, including orders in Securities Financing Transactions (“SFTs”), in MiFID II instruments.

The General Order Execution Policy sets out the general order execution factors and processes. In addition to the General Order Execution Policy, there are Specific Order Execution Policies for each product (as set out in the relevant Schedules).

The Specific Order Execution Policy in this Schedule is for our agency cash collateral reinvestment and agency investment product services (“**Agency Cash Investment**”).

This Specific Order Execution Policy supplements and qualifies the General Order Execution Policy. The General Order Execution Policy must be read in conjunction with this Specific Order Execution Policy and in case of conflict this Specific Order Execution Policy prevails.

### 2. Instruments

This Specific Order Execution Policy is in relation to the following MiFID II Instruments only (each a “**Covered Instrument**” and together “**Covered Instruments**”).

- a) Financial instruments that may be held as collateral for repurchase transactions (including tri-party repurchase transactions) collateralised and marked to market on each business day. The financial instruments include equities and fixed income. Fixed income includes government bonds/bills, supranational bonds, agencies, corporate bonds and asset backed securities
- b) Debt obligations issued by the central government of any OECD country and any of their respective agencies, instrumentalities or establishments (“OECD Obligations”)
- c) Debt obligations issued by supranational organization, including but not limited to African Development Bank, Asian Development Bank, Council of Europe, Eurofima, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, International Bank for Reconstruction and Development (World Bank), International Finance Corporation, and Nordic Investment Bank
- d) Commercial paper, notes, bonds and other debt obligations (including funding agreements and guaranteed investment contracts), whether or not registered under the Securities Act of 1933, as amended
- e) Certificates of deposit and other bank obligations
- f) Asset-backed securities, including asset-backed commercial paper
- g) Shares of money market funds registered under local jurisdiction regulations including affiliated funds of BNYM
- h) Units of unregistered, collective investment vehicles sponsored or advised by BNYM or an affiliate.

### 3. Application

In the course of our Agency Cash Investment service, we provide you with services with respect to cash, which we invest for you.

You may have given us investment discretion to invest in a suite of Covered Instruments which we have agreed to execute on your behalf.

## 4. Capacity and Asset Classes Traded

BNYM will act as your agent to invest in Covered Instruments listed in Section 2 of this policy, with varying maturities ranging from overnight to greater than three years subject to and in accordance with the investment strategy detailed in Securities Lending Cash Collateral Investment Guidelines or Agency Investment Guidelines approved by you.

## 5. Delivering Best Execution

### 5.1 Certain Transactions

To support us fulfilling our Best Execution obligations we will typically endeavour to seek a range of competitive quotes. However, for transactions in certain Covered Instruments it is not possible or advisable to obtain or consider competitive bids or offers as it could be detrimental to our obtaining the best possible result for you. The circumstances include but are not limited to the following:

- a) Entering into Reverse repurchase agreements ("**Reverse Repo**")
- b) Investing in commercial paper
- c) Investing in certificates of deposit
- d) Investing in certain asset backed commercial paper
- e) Investing in any other securities traded Over The Counter ("**OTC**")
- f) Investing in bonds that are illiquid or uniquely held
- g) If competitive disclosure would jeopardise Best Execution, e.g., a large block
- h) If the market were moving so rapidly that the time required for getting multiple bids or offers would hamper the trader's ability to obtain a favourable price
- i) Investing in issuances where there is no competitive market, such as new issuances still in syndicate, or structured products where the complex nature of the instrument may limit the availability of bids.

Reverse Repo transactions require the trading desk to obtain broad market levels for specific eligible collateral schedules. Recorded telephone communications will also be used. For commercial paper and certificates of deposit, traders may obtain prices using external data services or directly with an approved counterparty.

For other OTC instruments, traders may contact a selection of approved counterparties directly or via an external data service that they deem appropriate for that instrument to obtain availability and prices, or they may accept an offer when approached by a counterparty.

For listed securities on an external data service, market participants may provide pricing information for an individual security. This can provide transparency with respect to indicative pricing, supply and liquidity.

In each situation the traders then use their judgement taking into account your guidelines and the execution factors in selecting an appropriate Covered Instrument with an approved counterparty. Please see Section 12 of the General Order Execution Policy for further information on both the monitoring of Best Execution and counterparty selection.

### 5.2 Transactions where Best Execution has Limited Scope

In instances where the Best Execution obligation to you would otherwise apply, the nature of certain transactions means that the Best Execution obligations may be treated as having been satisfied. These cases include when we receive your specific instructions relating to a transaction or a particular aspect of a transaction. Please see the General Order Execution Policy for further details.

## 6. Best Execution

### 6.1 Main Execution Factors

In the context of our Agency Cash Investment services, we take into account the following:

- a) The investment of cash may be part of an overall service, which has other aspects all of which have to be borne in mind when determining the appropriate way to invest and execute orders.
- b) Preservation of principal is a key driver in the investment process. Our contractual obligation to return cash to you (or, on your behalf, to another party (the "Client Counterparty") to satisfy your obligations under other related agreements where we act as your agent (a "Related Agreement")) and making investment decisions that support this requirement are of paramount importance.
- c) We may be required to return cash to you or a Client Counterparty at short notice and if we hold insufficient cash to satisfy the obligation we may need to liquidate promptly any Covered Instruments we hold for you to satisfy this obligation (or part thereof). Accordingly, the likelihood of being able to execute and settle transactions is a key factor in determining how to execute transactions.
- d) To the extent you have an obligation to make payments (a 'rebate') to a Counterparty pursuant to Related Agreements, price and costs are other key factors due to the aim of maximising the yield from cash investment and thus the spread over the rebate.

## 6.2 Additional Execution Factors

Our Agency Cash Investment trading desk also follows these general guidelines whilst seeking Best Execution on behalf of clients' accounts:

- a) For each asset class we identify the key components needed for efficient trade executions. These include:
  - i. Level of transparency
  - ii. Availability of trading levels and other market intelligence
  - iii. Sources of trading (primary vs. secondary)
  - iv. Liquidity and trade size considerations
  - v. Reliability and availability of counterparty quotes
- b) We establish criteria for the selection of counterparties, including:
  - i. Criteria for counterparty selection in each asset class, which may include reliability, integrity and trade settlement
  - ii. Procedure for utilising counterparties not included on BNYM approved counterparty list
- c) We identify key data sources and other market intelligence tools to facilitate trade executions, including:
  - i. Utilising established sources for determining trading levels and gathering other market intelligence
  - ii. Utilising and electronically retaining bid lists for sale transactions, whenever feasible.

## 6.3 "Relative Importance" of the Execution Factors

The different execution factors will not usually be of equal importance. The priority of any one of these factors over the others will depend upon your specific instructions and market conditions. We will use our commercial judgement and experience in light of available market information to achieve the best balance across a range of sometimes conflicting factors. Several of the execution factors are interchangeable and can take precedence at various times.

The most significant execution factors for us which we will take into account to obtain Best Execution for transactions in Covered Instruments will usually be:

- a) For listed MiFID II Instruments traded OTC:
  - i. Price
  - ii. Size
  - iii. Speed of execution
  - iv. Our program limits
  - v. Portfolio composition
  - vi. Instrument type
  - vii. Secondary market liquidity.

- b) For Reverse Repos
  - i. Interest Rate
  - ii. Size
  - iii. Speed of execution
  - iv. Our program limits
  - v. Portfolio composition
  - vi. Collateral type.

Unless we receive specific instructions from you we will endeavour to use the following order of priority, although any factor may take precedence over price in achieving the best possible result for you:

#### Price

In relation to Agency Cash Investment services where Best Execution applies subject to market conditions, price may be the first execution factor to be considered but as the best price may not always offer the best result for you other execution factors may take priority. Other significant factors may include size of order and speed of execution (see below). We will use our access to available liquidity channels to achieve the best possible price for you. We will also consider issues such as valuation models, the risks incurred by us from entering into transactions and the capital requirements for us resulting from those transactions.

#### Size

We will use our access to available liquidity channels to attempt to execute the full size of your order determined by the trading desk when acting as agent. In certain situations where a market is volatile, illiquid or the order is of a large size, certainty of execution may be determined to be more important than price in obtaining the best possible outcome for you.

#### Speed of execution

We will endeavour to execute the transaction as soon as is practical given the prevailing market conditions when acting as agent. Transactions occur throughout the course of a single business day in line with market conditions, investment type and liquidity. We will adhere to your guidelines and endeavour to invest all available cash at the end of each business day.

#### Our program limits

We have an overarching framework that our risk team places on the programme that limits its risk exposure to:

- i. Country
- ii. Issuer
- iii. Concentration limits.

#### Portfolio composition

Portfolio composition depends on both our risk framework and your guidelines. These may include liquidity, concentration and maturity limits.

#### Instrument type

We will select an approved and appropriate Covered Instrument for you in compliance with your guidelines.

#### Secondary market liquidity

When we make an investment we must have an understanding of the ability to be able to sell the security in the marketplace if required. This understanding must include an assessment of credit risk, interest rate risk, instrument type and structure, public or private issue and total issue size.

#### Interest Rate

For Reverse Repos, there is no price, therefore the interest rate offered will often be the most important execution factor.

### Collateral type

Collateral type can be an important factor that drives the other factors listed above and it may be specific to your guidelines. Interest rates received and supply of collateral may also be taken into account.

## 7. Execution Venue and Strategy

### 7.1 Characteristics of Execution Venue

For Agency Cash Investment services, Covered Instruments are traded with approved counterparties and brokers. For the purposes of Best Execution counterparties are regarded as execution venues.

In certain circumstances there may be only a single execution venue where your order may be executed owing to the nature of the order or your instructions. If this is the case we will ensure that we are able to satisfy our overarching Best Execution obligation to you and we will only execute on a single venue if we can meet the Securities Lending Cash Collateral Investment Guidelines agreed with you.

### 7.2 Execution Venues

In the course of providing Agency Cash Investment services to you the list of eligible execution venues from which we will select an execution venue to execute your order will comprise those execution venues which are both approved by us and which will meet the Securities Lending Cash Collateral Investment Guidelines agreed with you. Execution venues will be approved by BNYM following a review of the firm, including but not limited to, the organisational structure and financial analysis of the firm. Due to market conditions, the nature of the order and/or your instructions, this list of eligible execution venues is continuously updated.

We will therefore execute your order with one or more eligible execution venues (approved counterparties or approved brokers), which are able to provide adequate collateral supply and interest rate return to meet the Securities Lending Cash Collateral Investment Guidelines. The list of eligible execution venues from which we will select a particular counterparty or broker will be the most up to date list of execution venues available to us.

The list of available execution venues can be found at the following location: <https://www.bnymellon.com/RID>

### 7.3 Selection of Execution Venues

When selecting an execution venue from the eligible execution venues for your order, we will consider the following factors to the extent relevant and applicable:

- a) Choice of venue by you
- b) Price
- c) Need for timely execution
- d) Market liquidity
- e) Size and nature of the order.

## 8. Aggregation and Allocation of Orders

### 8.1 General application

Orders are dealt through our Agency Cash Investment trading desk in accordance with our Agency Cash Investment order handling and allocation policies. Client orders may be carried out in aggregation with other client orders received by the relevant centralised trading desk provided it is unlikely that the aggregation of such orders and transactions will work to the overall disadvantage of any client whose order is to be aggregated. However, the effect of aggregation may work to a particular client's disadvantage in relation to a particular transaction.

Where orders are aggregated this will occur in accordance with the relevant FCA and FSMA Rules and records will be maintained as required by those Rules.

We will allocate the investments acquired among the relevant clients fairly and proportionately in accordance with our Agency Cash Investment Order Handling and Allocation Policy.

### **8.2 Partial execution and transactions for own account**

If a client order is aggregated with one or more other client orders and we are only able partially to fulfil the order, we will allocate the order equitably and fairly across all the clients for whom we have aggregated the order. We will not fully complete an order for some clients and partially fulfil the order for other clients.

We will not aggregate transactions we have entered into in a principal capacity with one or more client orders.

Agency Cash Investment does not execute orders for BNYM's own account and so our orders will never be aggregated with yours.

### **8.3 Records**

Allocation and reallocation records for aggregated transactions will include:

- a) The date of the allocation or reallocation
- b) The relevant product
- c) The client's identity and any eligible counterparty
- d) The amount allocated to each client and party involved.

Records relating to aggregated orders will be retained for a period of at least five (5) years from the date of allocation, or re-allocation, as the case may be.

## Schedule 3

### Foreign Exchange

#### 1. Introduction

The Specific Order Execution Policy in this Schedule is for our foreign exchange ("FX") business.

The General Order Execution Policy sets out the general order execution factors and processes. In addition to the General Order Execution Policy there are Specific Order Execution Policies for each product (as set out in the relevant Schedules).

This Specific Order Execution Policy supplements and qualifies the General Order Execution Policy. The General Order Execution Policy must be read in conjunction with this Specific Order Execution Policy and in case of conflict this Specific Order Execution Policy prevails.

#### 2. Instruments

This Specific Order Execution Policy is in relation to MiFID II Instruments only where they relate to foreign exchange (each a "**Covered Instrument**" and together "**Covered Instruments**"), including FX forwards, FX swaps, non-deliverable forwards (NDFs) and FX options:

Where required by the relevant jurisdictions this policy also applies to spot FX transactions that are ancillary to MiFID II Services.

#### 3. Capacity and Asset Classes Traded

Unless otherwise agreed or required by applicable law a BNYM entity will act as dealer and will be your counterparty in principal capacity to all resulting transactions in Covered Instruments and therefore you will have counterparty credit risk to that BNYM entity. However, in certain limited circumstances with respect to Currency Administration/FX Overlay services, we may execute transactions on your behalf as agent with one or more counterparties of your choice.

#### 4. Best Execution

##### 4.1 Legitimate Reliance

BNYM will, where required, perform the Four Fold Test of legitimate reliance to determine where you are placing legitimate reliance on BNYM in relation to pricing and other elements of the transaction.

The types of transactions where we have determined that legitimate reliance may occur include:

- a) At Best or Market Orders
- b) Resting Orders - limit order or stop loss
- c) Orders in the FX Services business where BNYM has applied discretion in the pricing of the transactions. For example, the pricing of the transaction is not based on a publicly available reference rate.

BNYM has made a presumption that the following types of quotes, orders or transactions will not typically meet the legitimate Four Fold Test:

- a) Request for Quote: In the majority of circumstances, we have determined that you are not legitimately relying on us in respect of a request for quote. The FX market is typically transparent and liquid and clients often "shop around" to obtain their own view of market pricing. This includes clients executing FX forward rolls or "roll to forward" transactions.
- b) Fix and/or other Benchmark Orders: Where you have requested or agreed that BNYM will execute an order at an externally published fix or benchmark price.

- c) Transactions involving specific instructions: Where you provide specific instructions for all or part of the order and we act in accordance with those instructions, then we will have fulfilled our Best Execution obligation on the order or part of the order to which those instructions apply.

The assumptions made above as to the scope and applicability of the Best Execution requirements will be reviewed regularly.

## 4.2 Specific Execution Factors

In the context of our FX MiFID II Services, where we execute your order, in considering how we might achieve Best Execution we will take a number of execution factors into account, including:

- a) Price
- b) The need for timely execution
- c) Market liquidity
- d) The size and nature of the order.

## 4.3 "Relative Importance" of the Execution Factors

The different execution factors will not usually be of equal importance. The priority of any one of these factors over the others will depend upon your specific instructions and market conditions. We will use our commercial judgement and experience in light of available market information to achieve the best balance across a range of sometimes conflicting factors.

If no instructions are received the price will usually be the most significant execution factor followed by size of order and then speed of execution. However, other execution factors may take precedence over price at times. In certain situations where a market is volatile, illiquid or the order is of a large size, we may determine that the size of the order, i.e., filling the whole order, is more important to you than the price. Additionally, in times of severe market disruption or in the event of a system outage, we may prioritise speed of execution and certainty of execution and settlement over the price.

## 5. Execution Venue and Strategy

### 5.1 List of Execution Venues

The Bank of New York Mellon London Branch ("**BNYMLB**") and The Bank of New York Mellon SA/NV ("**EB**") have opted in to become Systematic Internalisers ("**SI**") in FX OTC derivatives. As SIs, BNYMLB and EB continue to have best execution and order handling obligations and need to comply with this Order Execution Policy.

Unless otherwise provided under the terms of our service, or where we have determined in our sole and absolute discretion is a requirement under applicable law, BNYMLB and EB as dealers and SIs will usually be the sole execution venue for executing orders in FX transactions for clients. Consequently, BNYMLB and EB are the execution venues on which significant reliance is placed in meeting their respective obligations to take all sufficient steps to achieve best execution for you on a consistent basis. When BNYMLB and EB acts as your sole execution venue, BNYMLB and EB have the reasonable expectation that they are able to obtain client outcomes that are at least as good as the results they could obtain by using alternative execution venues.

An example where BNYMLB and EB may not be the sole execution venue is where for specific FX services, BNYMLB and EB have specifically agreed to execute your order with/through one or more execution venues of your choice, which may or may not include another BNYM entity. Where you have selected or restricted the choice of execution venues we will treat that selection as a specific instruction.

In circumstances where you have not selected execution venues (including counterparties) of your choice and where we are not acting as liquidity provider or dealer with respect to particular currencies, we may execute your order against one or more execution venues. A determining factor of the choice of execution venue may be that there is only one venue where an order can be executed due to the nature of your order or requirements including restrictions. Where we are able to exercise discretion and we choose to transmit or place orders with

a single execution venue/counterparty for execution (whether a connected party or third-party operating at arms' length) we need to be satisfied that the execution venue is able to deliver Best Execution as applicable.

## 6. Pricing

### 6.1 Sales Commissions and Mark-Ups

BNYM will provide you with clear pricing. This could be by way of a single "all-in" price, which is made up of the price of the Covered Instrument (including any bid/offer spread); the costs related to execution including execution venue fees, clearing and settlement fees and other fees paid to third parties involved in the execution; and any sales commission or mark-up ("**sales margin**"), or by way of an agreed fee. The payment of a fee or commission will not affect BNYM's obligation to act in your best interest.

Any sales margin charged by BNYM will be determined by taking into consideration a variety of factors, including:

- a) The service level provided
- b) The credit risk that BNYM will take on when transacting with the client
- c) The cost of capital BNYM incurs as a result of the transaction
- d) Volumes transacted by the client
- e) Costs by client sector and type, including costs both directly incurred and indirect cost allocation
- f) Whether regulations stipulate the transaction may need to be novated into a clearing transaction at a later date
- g) Competitiveness of the marketplace.

## 7. Order Handling

### 7.1 Pre-Hedging Client Orders

BNYM may pre-hedge client orders. Pre-hedging will only be undertaken in circumstances where it will not disadvantage you. BNYM will typically consider the prevailing market conditions, the size and nature of the order to determine whether pre-hedging would be appropriate.

### 7.2 Last Look

This Last Look disclosure reflects the principles and guidelines of the FX Global Code (the "Code") and sets out the approach of The Bank of New York Mellon [and The Bank of New York Mellon SA/NV] (each, "BNY Mellon") to the practice known as "Last Look" in the electronic FX market.

As defined in the Code, Last Look is a practice used in electronic trading activities whereby a Market Participant (as defined in the Code) receiving a trade request has a final opportunity to accept or reject a trade request against its quoted price; it should be used as a risk control mechanism in order to verify validity and/or price. Principle 17 of the Code provides that Market Participants employing Last Look should be transparent regarding its use and provide appropriate disclosures to their Clients.

The validity check should be intended to confirm that the transaction details contained in the request to trade are appropriate from an operational perspective and there is sufficient available credit to enter into the transaction contemplated by the trade request. In respect of the price check, it should be intended to confirm whether the price at which the trade request was made remains consistent with the current price that would be available to the Client. For further information please refer to the [FX Last Look Disclosure here](#).

## Schedule 4

### Agency Lending

#### 1. Introduction

BNYM is required to establish and implement an Order Execution Policy to allow us to take sufficient steps to obtain the best possible result for our Agency Lending clients when we execute client orders, including orders in SFTs comprising MiFID II Instruments.

The Specific Order Execution Policy in this Schedule is for our Agency Lending service ("**Agency Lending**").

The General Order Execution Policy sets out the general order execution factors and processes. In addition to the General Order Execution Policy, there are Specific Order Execution Policies for each product (as set out in the relevant Schedules).

This Specific Order Execution Policy supplements and qualifies the General Order Execution Policy. The General Order Execution Policy must be read in conjunction with this Specific Order Execution Policy and in case of conflict this Specific Order Execution Policy prevails.

#### 2. Instruments

This Specific Order Execution Policy is in relation to the lending of the following MiFID II Instruments only (each a "**Covered Instrument**" and together "**Covered Instruments**"):

- Global Equities
  - Includes: ADRs - American Depository Receipts. These are equities issued by a foreign publicly listed company but traded on U.S. Exchanges; also includes GDRs - Global Depository Receipts - equities traded on exchanges outside of the U.S.
- ETF - Exchange Traded Funds
- Sovereign Debt
- Supranational Debt
- U.S. Treasury Bills, Bonds, Notes, Strips, TIPS
- Corporate Bonds
- Agency Debentures. (Debt issued by a federal agency; i.e., Fannie Mae, Freddie Mac).

#### 3. Application

In the course of our Agency Lending service we provide you with services, which include lending your securities on your behalf to approved Borrowers in exchange for appropriate collateral.

Whilst we may execute orders with an affiliated party or a connected party we will not pass on, i.e., transmit orders to a broker or dealer who is not affiliated with us ("third party") for execution.

#### 4. Capacity and Asset Classes Traded

BNYM will act as agent in Covered Instruments.

#### 5. Best Execution

##### 5.1 Main Execution Factors

The main execution factors set out in the General Order Execution Policy do not apply. In the context of our Agency Lending service, we take into account the following:

- a) Value of securities loan

- b) Term of transaction
- c) Relative stability of the portfolio/asset
- d) Transaction and custody charges
- e) Client credit quality and netting status
- f) Collateral criteria
- g) Jurisdiction of Client and/or Borrower
- h) Securities lending parameters which may include limits on markets, securities, counterparties and duration.

## 5.2 Additional Execution Factors

Our Agency Lending trading desk also follows these general guidelines whilst seeking Best Execution on behalf of clients' accounts:

- a) For each asset class we identify the key components needed for efficient trade execution. These include:
  - i. Level of transparency
  - ii. Availability of trading levels and other market intelligence
  - iii. Sources of trading (primary vs. secondary)
  - iv. Liquidity and trade size considerations
  - v. Collateral supply
  - vi. Reliability and availability of counterparty quotes.
- b) We establish criteria for the selection of counterparties/Borrowers including criteria for counterparty/Borrower selection in each asset class, which may include reliability, integrity and trade settlement.
- c) We identify key data sources and other market intelligence tools to facilitate trading executions, including:
  - i. Utilising established sources for determining trading levels and gathering other market intelligence
  - ii. Utilising and electronically retaining bid lists for sale transactions, whenever feasible.

## 5.3 "Relative Importance" of the Execution Factors

The different execution factors will not usually be of equal importance. The priority of any one of these factors over the others will depend upon any specific instructions from you and market conditions. We will use our commercial judgement and experience in light of available market information to achieve the best balance across a range of sometimes conflicting factors. Several of the execution factors are interchangeable and can take precedence at various times.

However, any execution factor may take precedence over another execution factor, as determined in our discretion, in order to achieve the best possible result.

## 6. Execution Venue and Strategy

### 6.1 Characteristics of Execution Venue

For the purposes of Best Execution in the context of Agency Lending services a Borrower is regarded as an Execution Venue.

BNYM reviews and monitors all Borrowers.

### 6.2 List of Execution Venues

Clients choose which Borrowers to whom they are willing to lend their securities. BNYM maintains an up to date list of acceptable Borrowers for each client. The list can be found at the following location:

<https://www.bnymellon.com/RID>

### 6.3 Selection of Execution Venues

When selecting execution venues, we will consider the following factors to the extent relevant and as applicable:

- a) Whether the execution venue is subject to MiFID II
- b) Effectiveness of its execution processes
- c) Specific advantages of the execution venue
- d) Commercial positioning
- e) Market mechanism
- f) Credit and settlement risk
- g) General order handling
- h) Integrity
- i) Reliability
- j) Latency
- k) Liquidity
- l) Pricing analysis
- m) Circuit breakers
- n) Cyber security
- o) Clearing schemes
- p) (Fees charged, and where they differ, an analysis of why they differ and whether they represent client value, etc.

## 7. Aggregation and Allocation of Orders

### 7.1 General application

Transactions are dealt on your behalf in accordance with our Agency Lending Order Handling and Allocation Policy. Transactions, and may be carried out in aggregation with other clients provided that it is unlikely 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 your disadvantage in relation to a particular transaction.

Where orders are aggregated this will occur in accordance with the relevant FCA rules and records will be maintained as required by those rules.

Irrespective of whether a transaction is executed on behalf of one or multiple clients, the selection of the client(s) is driven by a fairness algorithm within the Global One system.

### 7.2 For own account

Our Agency Lending trading desk does not place transactions on its own account.

### 7.3 Records

Allocation and reallocation records for aggregated transactions will include:

- a) The date of the allocation or reallocation
- b) The relevant product
- c) The client's identity and any eligible counterparty
- d) The amount allocated to each client and the counterparty involved.

Records relating to aggregated orders will be retained for a period of at least five (5) years from the date of allocation, or re-allocation, as the case may be.

## Schedule 5

### Fixed Income

#### 1. Introduction

This document sets out our order execution policy in relation to fixed income products and services only, which are MiFID II Instruments, specified in Section C point (1) to (3) of Annex 1 of MiFID II ("**Covered Instruments**").

**This Schedule applies to The Bank of New York Mellon, London Branch ("**BNYMLB**").**

The General Order Execution Policy sets out the general order execution factors and processes. In addition to the General Order Execution Policy, the Specific Order Execution Policy in this Schedule is for our Fixed Income services.

This Specific Order Execution Policy supplements and qualifies the General Order Execution Policy and in the case of a conflict, this Specific Order Execution Policy prevails.

#### 2. Dealing Capacity and Asset Classes Traded

BNYMLB primarily acts as a sales trader covering the following global Fixed Income Instruments:

- Bonds
- Money Market Instruments

collectively "**Covered Fixed Income Instruments**".

BNYMLB may execute your orders on an agency or on a principal (back to back) basis through our network of brokers, dealers, market makers and counterparties, some of which may be affiliates who are dealing on their own account.

BNYMLB acts as a liquidity provider to our clients only in respect of securities sales or purchases which are executed by BNYMLB on a back to back basis against the inventory of BNYMLB's affiliate ("**BNY Mellon Inventory**"). The BNY Mellon Inventory business will be carried out by BNYMLB solely on a request for quote basis in response to indicative prices made available to clients on trading platforms ("RFQ").

#### 3. Fixed Income Trading Execution Factors

##### 3.1 General

BNYMLB's Best Execution obligation applies in relation to all types of Covered Fixed Income Instruments. However, given the differences in market structures for these instruments, it may be difficult to apply a uniform standard and procedure for Best Execution that would be effective for all classes of instruments. Best Execution would therefore be applied in a manner that takes into account the different characteristics associated with the execution of orders related to particular types of Covered Fixed Income Instruments.

##### 3.2 The Main Execution Factors

In considering how BNYMLB might achieve Best Execution for your order we will take a number of execution factors into account, including price, costs, speed, likelihood of execution and settlement, size, nature of the order or any other considerations relevant to the execution of your order.

In determining the relative importance of these factors, BNYMLB will use our own commercial experience and judgement taking into account Best Execution criteria such as your Professional Client status in addition to the size and nature of your order, the characteristics of the Covered Fixed Income Instruments to which the order relates, as well as the possible execution venues to which that order can be directed.

### **3.3 “Relative Importance” of the Execution Factors**

In general, BNYMLB will regard price as the most important of these factors for obtaining Best Execution. Since BNYMLB will normally rank price as the most important execution factor we may adjust the importance placed on the remaining execution factors per trade taking into account the nature of the order and the market at the time.

However, BNYMLB recognises that there may be circumstances for some clients, particular instruments or markets where other factors may be considered to have a higher priority, such as the likelihood of execution in illiquid securities. Where the likelihood of execution is small, achieving execution may be of greater importance than the price of execution. In illiquid markets the size of the order may also be an important consideration as BNYMLB is likely to place greater importance in minimising the impact on the market if the order is large.

This may have particular relevance in the case of fixed income markets where transactions are typically executed through a series of bilateral OTC negotiations in which a dealer acts as a principal (rather than through a multilateral centralised trading platform, e.g., organised exchange which is a feature of equities market) and where price transparency and liquidity tend to be far more limited in comparison with the exchange traded instruments.

Certificates of deposits (“CDs”) and commercial paper (“CPs”) will be executed through the dealership panel of a particular issuer. It is a primary market instrument with limited secondary market pricing. Depending upon the availability of the specific CDs and CPs, client specific requirement and size of the order, likelihood of execution will sometimes be given greater priority than price.

### **3.4 Specific Instructions Given by You**

BNYMLB will take into account your specific requirements or instructions that you give and that we accept at the point of receiving your order. Any specific instructions accepted by BNYMLB regarding a suggested trading strategy may prevent us from taking the steps articulated in this Specific Order Execution Policy in attaining Best Execution on your behalf and will therefore limit BNYMLB’s ability to provide Best Execution with regard to the element upon which you may have chosen to give specific instruction. Equally, BNYMLB acknowledges that any specific instruction you give to us pertaining to one element of the order does not release BNYMLB from our Best Execution obligations for other elements of that order.

Where you choose to execute an order and select the parameters of the order (such as the price, the counterparty, the venue, the timing, the size and nature of interaction with your selected execution venue), BNYMLB will be treated as having satisfied our Best Execution obligation and you will be treated as having given specific instructions for the entirety of your order given by means of the system. Where you have not selected any parameter, your order will be executed in accordance with this Specific Order Execution Policy.

## **4. Requests for Quote**

Where BNYMLB provide quotes or negotiate a price with you on request, i.e., dealing on a Request for Quote or “RFQ” basis, BNYMLB shall only owe Best Execution obligation to you where it determines, at our sole reasonable discretion that you are legitimately relying on BNYMLB to provide Best Execution in relation to pricing and other important elements of that transaction. In the absence of your express indication you are relying on BNYMLB to provide Best Execution in relation to those elements, BNYMLB shall make a determination as to whether you are relying on us to provide Best Execution based upon the application of the Four Fold Test.

BNYMLB expects that, in most circumstances (and in the absence of an express indication by you to the contrary), the determination in accordance with the Four Fold Test will be that you are not relying on BNYMLB for Best Execution in relation to pricing and other important elements of the transaction where you transact with us on an RFQ basis.

## 5. Fixed Income Trading

### 5.1 Fixed Income Execution Factors

BNYMLB's Fixed Income Trading Desk provides execution services for Covered Fixed Income Instruments. BNYMLB may trade either on a principal or agency basis subject to restrictions in the market structure and trading style of any particular instruments.

The fixed income market typically trades bilaterally on RFQ basis with dealers, market makers or liquidity providers in a privately negotiated OTC or over electronic RFQ platforms (including MTFs and OTFs established under MiFID II) on a principal to principal basis rather than on an agency basis. As a result of the significant difference in market structure and trading style the fixed income market is typically less transparent and may on occasion be less liquid compared to other markets.

In considering how BNYMLB might achieve Best Execution for you, we will follow the same process in determining the relative importance of execution factors as set out in Section 5 of the General Order Execution Policy.

BNYMLB will normally regard price as the most important factor as part of our Best Execution obligation and will take all sufficient steps to seek the best price. However, in certain circumstances where price transparency or liquidity is adversely affected, BNYMLB may regard that the speed, impact and likelihood of execution, or other factors, depending on the circumstances, could be a more important factor for your order than price.

BNYMLB will assess the relative importance of the execution factors on a case by case basis, per client, per order, applying the methodology in Section 5 of the General Order Execution Policy.

### 5.2 Fixed Income Execution Venue and Strategy

Liquidity and price transparency for Covered Fixed Income Instruments differ to those found in the equities market and thus require different execution strategies.

Although implementation of MiFID II has significantly increased fixed income trading onto Trading Venues, important source of liquidity continues to exist outside of Trading Venues.

In executing your order in a Covered Fixed Income Instrument we will utilise our expertise and judgement to seek prices from an appropriate number of available counterparties (including connected parties), which BNYMLB considers will best serve your interests. The factors we may consider relevant, include:

- a) Availability of dealers quoting a market via MTF
- b) The quality of indicative bids and offers
- c) Level of trading interest and depth of market
- d) Ticket size
- e) Electronic execution capability.

For illiquid securities with a screen price, we may consider relevant to determine the number and appropriate counterparty to seek prices to execute your order include, but are not limited to:

- a) Ticket size
- b) Price
- c) Dealers quoting a market via Bloomberg message function
- d) Depth of interest.

Where there is no on screen price we will endeavour to source prices including but not limited to the following ways:

- a) Desk blotter search to determine historical dealer execution
- b) Price request from dealers that were lead managers of the applicable issuance of the security
- c) Price request from known specialists in the security or sector/asset class
- d) Source and review previous trade prints and the indicative market to arrive at an execution price

A list of the execution venues, brokers and dealers and connected parties on which BNYMLB place significant reliance can be found at the following location: <https://www.bnymellon.com/RID>

The following factors will be considered for selection of execution venues for Covered Fixed Income Instruments listed in the order of relative importance.

- a) Market share, tenure and breadth of market coverage
- b) Ability of the counterparty to manage complex orders
- c) Performance on recent orders submitted to it
- d) Niche areas or specialties
- e) Speed of execution and responsiveness
- f) Credit rating/worthiness of the relevant counterparty.

The venues, brokers or dealers and connected parties BNYMLB uses are equipped to service order types for Professional Clients. You should refer to BNYMLB's website for a non-exhaustive list of the principal execution venues, brokers and dealers and connected parties as changes will not be separately notified to you. If there is a material change to the venues on which BNYMLB relies we will notify you of this change by updating the list on our website.

### **5.3 Fixed Income Execution Strategies for Different Order Types**

In particular you should note the manner in which BNYMLB executes your client order in a particular class of Covered Fixed Income Instrument may vary in relation to its liquidity, tenor and rating; this will require us to utilise our experience, knowledge and expertise to access an appropriate venue or counterparty.

### **5.4 Good 'Till Cancelled**

An order to buy or sell a security at a set price that is active until you decide to cancel the order or the trade is executed. If an order does not have a Good-'Till-Cancelled instruction then the order will expire at the end of the trading day the order was placed.

### **5.5 Limit Orders**

There may be occasions where you have given BNYMLB a "limit" order to execute and we are not able to execute it immediately. By accepting BNYMLB's Brokerage Terms & Conditions you are deemed to have instructed us not to make public any unexecuted part of such limit order (other than pursuant to your prior written instruction otherwise) on any Trading Venue.

## **6. Reception and Execution of Orders**

BNYMLB may transmit a client order to, or place a client order with, another entity for execution. That other entity may be connected to or affiliated with BNYMLB. In choosing the other entity, BNYMLB has taken into consideration the following factors relating to that other entity:

- a) Access to alternative markets and execution venues
- b) Commission rates and prices/spreads provided
- c) Execution speed/latency
- d) Quality of execution and service, both historical and current
- e) Clearing and settlement efficiency and capabilities
- f) Risk profile, credit worthiness and reputation.

## 7. Monitoring Programme and Governance

### 7.1 Transaction Cost Analysis & Communication with Clients

To enable BNYMLB's clients to review and assess the quality of execution secured when BNYMLB executes an order on their behalf, BNYMLB may upon request provide clients with Cost Analysis for their executed orders across relevant asset classes.

#### Internalising client orders and conflicts of interest:

BNYMLB believes that internalising client orders may offer potential benefits to clients in the following areas:

- a) Price improvement through improved spread-capture when compared with an external venue
- b) Cost control through the reduction of explicit external costs
- c) Implicit cost control by minimising market impact through a reduction in information leakage.

Nevertheless BNYMLB shall subject any internalised orders executed on your behalf to the same standard of pre and post trade monitoring as that employed when evaluating and assessing counterparties or third party brokers. Should BNYMLB elect to internalise your order, then in accordance with BNYMLB's Conflicts of Interest Policy we shall also identify and mitigate any potential, or apparent conflicts of interest, that may arise. Where, in BNYMLB's judgement a conflict of interest may arise or there is the appearance of a conflict of interest, we shall not internalise your order and instead execute your order directly in the market on an approved venue or through our approved brokers or counterparties.

## 8. Client Order Handling and Aggregation Policy

### 8.1 Overview

The Client Order Handling and Allocation Policy in this Schedule supplements the Client Order Handling and Allocation Policy detailed in Section 11 of the General Order Handling and Execution Policy. This schedule will apply when BNYMLB agrees to "carry out" your orders in Covered Fixed Income Instruments through the centralised Fixed Income trading desk, i.e., to execute an order on your behalf or to transmit orders to other entities for execution. BNYMLB will arrange for the prompt, fair and expeditious execution of your order and ensure that it is promptly and accurately recorded and allocated.

Where such aggregated orders are only partially fulfilled or where securities allocated as part of a Primary Market Debt Issuance do not meet the number applied for, these will be allocated pro-rata. If this is not possible, as in the case of odd lot sizes, the odd MiFID II Instruments will be allocated fairly at the centralised dealing team's discretion.

For partial fills of Primary Market Debt Issuances where a de minimis amount is received that would not be beneficial for you to receive; the matter will be resolved by a committee convened for that purpose. If an error is identified in an allocation a re-allocation may be made for an aggregated order and in such cases we will make a record of the reason for and the basis of the reallocation, and the reallocation will be completed within one London business day of the identification of the error.

## Schedule 6

### Money Market Funds (“MMFs”)

#### 1. Introduction

The Specific Order Execution Policy in this Schedule relates to the execution or receipt and transmission of client subscription and redemption orders in Money Market Funds (“**MMFs**”).

This Specific Order Execution Policy supplements and qualifies the General Order Execution Policy. The General Order Execution Policy must be read in conjunction with this Specific Order Execution Policy and in case of conflict this Specific Order Execution Policy prevails.

#### 2. Instruments

The Specific Order Execution Policy in this Schedule relates to Money Market Funds.

#### 3. Best Execution

With regards to the provision of services in relation to MMFs, BNYM meets its best execution obligations to you by processing your orders in a manner consistent with the terms agreed with you. These services are provided on an agency basis where BNYM executes on your instructions and has no discretion over the execution factors.

BNYM has operational controls in place to ensure that when BNYM executes or transmits orders we do so in a timely manner.

#### 4. Order Handling, Allocation and Aggregation

BNYM provides services in relation to MMF in agreement with the guidelines set out in the relevant order handling, allocation and aggregation sections of this Policy.

Note that MMF orders are not necessarily executed sequentially but are generally netted to a single “per share class per day” aggregated order.

## Schedule 7

### Initial Public Offering (“IPO”) Subscription

#### 1. Introduction

Specific Order Execution policy in this Schedule relates to the delivery of the BNYM IPO Subscription service.

This Specific Order Execution Policy supplements and qualifies the General Order Execution Policy. The General Order Execution Policy must be read in conjunction with this Specific Order Execution Policy and in case of conflict this Specific Order Execution Policy prevails.

#### 2. Instruments

BNYM provides a subscription service to clients for certain IPOs. The IPO subscription service is offered in the following jurisdictions: India, Taiwan, South Korea and Sri Lanka.

#### 3. Dealing Capacity

BNYM acts as agent when providing IPO subscription services.

#### 4. Best Execution

##### 4.1 General Considerations

Where BNYM provides the IPO subscription service, BNYM is acting on your instructions to pass your subscription instruction to a sub-custodian for execution. Because BNYM acts on your specific instructions, it is deemed to have satisfied its obligation to act in your best interests when transmitting orders to other entities for execution.

##### 4.2 List of Entities to which BNYM Transmits Orders

The list of sub-custodians that currently provide execution services to BNYM (where relevant) can be found below:

MARKET	SUB-CUSTODIAN
India	Deutsche Bank
	HSBC
	JPMorgan
Taiwan	HSBC
	JPMorgan
	Citibank
South Korea	Deutsche Bank
	HSBC
Sri Lanka	HSBC

#### 5. Order Handling, Allocation and Aggregation

BNYM provides IPO subscription services in agreement with the guidelines set out in the relevant order handling, allocation and aggregation sections of the General Order Execution Policy.

BNYM does not aggregate orders in relation to the provision of IPO subscription services. The IPO subscription order is sent individually to the sub-custodian.

## Schedule 8

# Alternative Investment Services Fund Order Processing (“AIS FOP”)

### 1. Introduction

The Specific Order Execution Policy in this Schedule refers to the provision by BNYM’s Alternative Investment Services (‘AIS’) business of the execution of clients’ subscription and redemption orders in units in collective investment undertakings, collectively “**AIS FOP Services**”.

This Specific Order Execution Policy supplements and qualifies the General Order Execution Policy. The General Order Execution Policy must be read in conjunction with this Specific Order Execution Policy and in case of conflict this Specific Order Execution Policy prevails.

### 2. Instruments

The instruments subject to this schedule are units in collective investments undertakings.

### 3. Dealing Capacity

BNYM acts as agent when providing AIS FOP Services.

### 4. Best Execution

When providing FOP Services BNYM meets its best execution obligations by processing your orders in a manner consistent with the terms agreed with you. These services are provided on an agency basis where BNYM, on a non-discretionary basis, executes your instructions and has no discretion over the execution factors. Client instructions are not executed on a trading venue as defined by MiFID II, the price achieved is based on a future priced NAV (Net Asset Value) calculated by the underlying administrator, where the likelihood of execution and settlement are determined by the underlying collective investment scheme’s Prospectus.

BNYM has operational controls in place to ensure that when we execute or transmit orders we do so in a timely manner.

### 5. Order Handling, Allocation and Aggregation

BNYM provides AIS FOP Services in agreement with the guidelines set out in the relevant order handling, allocation and aggregation sections of this Policy.

BNYM does not aggregate orders in relation to the provision of AIS FOP Services.

## Schedule 9

### Fund Order Processing

#### 1. Introduction

The Specific Order Execution policy in this Schedule refers to the provision by BNYM of subscription and redemption orders in units in collective investment undertakings through third party fund order execution platforms, collectively "**FOP Services**".

This Specific Order Execution Policy supplements and qualifies the General Order Execution Policy. The General Order Execution Policy must be read in conjunction with this Specific Order Execution Policy and in case of conflict this Specific Order Execution Policy prevails.

#### 2. Instruments

The instruments subject to this schedule are units in collective investments undertakings.

#### 3. Dealing Capacity

BNYM acts as agent when providing FOP Services.

#### 4. Best Execution

BNYM FOP Services meets its best execution obligations to you by processing your orders in a manner consistent with the terms agreed with you. These services are provided on an agency basis where BNYM executes your instructions and has no discretion over the execution factors.

BNYM has operational controls in place to ensure that when we execute or transmit orders we do so in a timely manner.

#### 5. Order Handling, Allocation and Aggregation

BNYM provides FOP Services in agreement with the guidelines set out in the relevant order handling, allocation and aggregation sections of this Policy.

When BNYM transmits your orders that are directed through a BNYM entity rather than directly by you through the platform we do so in a timely manner.

BNYM does not aggregate orders in relation to the provision of FOP Services.

## Schedule 10

### Liquidation Activities

#### 1. Introduction

The Specific Order Execution Policy in this Schedule relates to the transmission of orders in the UK to third parties for execution as part of the Liquidation Activities (as defined below) of The Bank of New York Mellon, London Branch ("BNYMLB") when acting as Liquidation Agent (as defined below). References in the General Order Execution Policy to "BNYM", "we" or "us" should be read as BNYMLB. References in this Specific Order Execution Policy to "we" or "us" are to BNYMLB.

This Schedule applies to BNYMLB only.

This Specific Order Execution Policy supplements and qualifies the General Order Execution Policy. The General Order Execution Policy must be read in conjunction with this Specific Order Execution Policy and in case of conflict this Specific Order Execution Policy prevails.

There are two models pursuant to which BNYMLB conducts the Liquidation Activities:

- 1) BNYMLB uses the execution capabilities of BNYMLB Markets where services are available in respect of a particular instrument (the "Markets Execution Model"). The Markets Execution Model does not involve the receipt and or transmission of orders to another broker or affiliate of BNYMLB ("third party") for execution on your behalf but rather involves the execution of your orders by BNYMLB itself.
- 2) BNYMLB transmits orders to a third party broker, which will either be Citigroup Global Markets Limited, or such other third party broker and BNYMLB might select from time to time in discharge of its regulatory obligations, to perform execution (the "RTO Model").

#### 2. Liquidation Activities

The Specific Order Execution Policy in this Schedule applies where you have entered into an agreement (the "Agreement") as part of a capital markets financing transaction (the "Transaction") to receive from BNYMLB in its capacity as liquidation agent, selling agent, disposal agent or another capacity howsoever referred to (BNYMLB in such capacity, the "Liquidation Agent") services, which include liquidation of certain collateral held in connection with the Transaction consisting of MiFID II Instruments upon the occurrence of certain trigger events (the "Liquidation Activities").

#### 3. Instruments

The instruments subject to this Schedule are the relevant MiFID II Instruments held by your custodian for you as collateral in connection with the Transaction, which may include debt securities, equity securities and other types of MiFID II Instruments.

#### 4. Application

The only MiFID II Services (as defined in the General Order Execution Policy) for the purpose of this Specific Order Execution Policy are:

- a) The execution of orders on your behalf under the Markets Execution Model
- b) The receipt and or transmission of orders to another broker or affiliate of BNYMLB ("third party") a third party for execution on your behalf under the RTO Model.

## 5. Dealing Capacity

As Liquidation Agent, BNYMLB acts as agent when executing your orders under the Markets Execution Model and receiving and transmitting orders to third parties for execution on your behalf under the RTO Model, each as part of BNYMLB's Liquidation Activities.

There are no circumstances where you would request or accept a quote from us. There are no circumstances where we will provide you with access to electronic trading systems or perform portfolio management services for you.

## 6. Delivering Best Execution

When we act as Liquidation Agent, to the extent we act on instructions received in accordance with or set out in the Agreement when executing orders or transmitting orders to a third party broker for execution, we will be deemed to have satisfied our obligation to act in your best interests.

## 7. Execution Factors

### 7.1 "Relative Importance" of Execution Factors"

In general, we regard price as the most important factor for obtaining Best Execution. However, the priority of any one of the execution factors will depend upon your instructions (or given on your behalf) in accordance with or set out in the Agreement regarding the disposal of the assets. For example, it may be that post-default the most important factor is speed of execution in order to ensure recovery.

In respect of the Markets Execution Model, please refer to Section 5 of the General Order Execution Policy for further details.

### 7.2 Execution Venue

#### Markets Execution Model

When undertaking Liquidation Activities under the Markets Execution Model, we will execute orders on your behalf pursuant to Section 5.4 of the General Order Execution Policy.

#### RTO Model

When undertaking Liquidation Activities under the RTO Model, we will always transmit orders for execution to an affiliate such as BNY Mellon Capital Markets LLC ("**CaML US**") a third party Broker.

Using a third party does not remove our obligation to deliver Best Execution to you and we will satisfy ourselves through application of appropriate due diligence that the relevant affiliate, including CaML US, the relevant third party broker has arrangements in place to enable us to comply with the Best Execution obligations to you.

Notwithstanding this, we will only transmit orders for execution when it can show this provides the best possible result for you consistently and where we can reasonably expect that the relevant affiliate, including CaML US will enable it to obtain results for you that are at least as good as results that could reasonably be expected from using alternative entities for execution.

BNYMLB will keep the relevant affiliate third party broker(s) that it may use, including CaML US, under review to ensure that we can reasonably expect that such third party broker will enable us to obtain results for you that are at least as good as results that could reasonably be expected from using alternative entities for execution. We will support this reasonable expectation by reference to relevant published data relating to execution quality and on European firms' top five (5) execution venues, and also our own internal analysis.

To the extent that we determine that the relevant third party broker affiliate, including CaML US, no longer consistently provides the best results a new third party broker(s) will be used and this Policy will be subject to a material update.

For the purposes of Best Execution third party brokers would be regarded as execution venues.

## 8. Consent

### Markets Execution Model

As the only MiFID II Service under the Markets Execution Model for purpose of this Specific Order Execution Policy is the execution of orders on your behalf, your consent to the Order Execution Policy as set out in Section 9.1 of the General Order Execution Policy is required in relation to this MiFID II Service.

However, to the extent that you receive the MiFID II Service of the transmission of orders to third parties for execution on your behalf your consent to the Order Execution Policy as set out in Section 9.1 of the General Order Execution Policy is required in relation to those MiFID II Services.

### RTO Model

As the only MiFID II Service under the RTO Model for the purpose of this Specific Order Execution Policy is the transmission of orders to third parties for execution on your behalf, your consent to the Order Execution Policy as set out in Section 9.1 of the General Order Execution Policy is not required in this context.

However, to the extent that you receive other MiFID II Services from BNYM and the Order Execution Policy applies to you then your consent to the Order Execution Policy as set out in Section 9.1 of the General Order Execution Policy is required in relation to those MiFID II Services.

## 9. Order Handling, Allocation and Aggregation

BNYMLB undertakes Liquidation Activities in agreement with the guidelines on order handling, allocation and aggregation set out in Section 10 of the General Order Execution Policy.

BNYMLB does not aggregate orders when it undertakes Liquidation Activities.

## 10. Policy Updates

### Markets Execution Model

Under the Markets Execution Model BNYMLB is required to notify you of material changes to the Order Execution Policy as set out in Section 11.2 of the General Order Execution Policy in relation to those MiFID II Services.

### RTO Model

As the only MiFID II Service under the RTO Model for the purpose of this Specific Order Execution Policy is the transmission of orders to third parties for execution on your behalf, BNYMLB is not required to notify you of material changes to the Order Execution Policy as set out in Section 11.2 of the General Order Execution Policy in this context (although the latest version of the Order Execution Policy will be available on the BNYM website at: <https://www.bnymellon.com/RID>)

However, to the extent that you receive other MiFID II Services from BNYM and the Order Execution Policy applies to you, then BNYM is required to notify you of material changes to the Order Execution Policy as set out in Section 11.2 of the General Order Execution Policy in relation to those MiFID II Services.

Established in 1784, BNY Mellon is America's oldest bank and the first company listed on the New York Stock Exchange (NYSE: BK). Today, BNY Mellon powers capital markets around the world through comprehensive solutions that help clients manage and service their financial assets throughout the investment life cycle. BNY Mellon had \$45.7 trillion in assets under custody and/or administration and \$1.8 trillion in assets under management as of Sept. 30, 2023. BNY Mellon has been named among Fortune's World's Most Admired Companies and Fast Company's Best Workplaces for Innovators. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation. Additional information is available on [www.bnymellon.com](http://www.bnymellon.com). Follow us on LinkedIn or visit our Newsroom for the latest company news.