

**Fund Channel**



## BEST EXECUTION AND SELECTION POLICY

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**SOMMAIRE**

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## 1. PURPOSE

This document describes the policy for execution of orders and selection of intermediaries. This policy is also based on the procedural elements provided by

- our service provider CACEIS Bank Luxembourg which is in charge of Fund Execution activity which is subcontracted to it. We are here speaking about execution on Mutual Funds and Hedge Funds
- our service provider AMUNDI INTERMEDIATION Paris which is in charge of the intermediation of Fund Channel with brokers to perform execution on Exchange Traded Funds.

“Best execution” means the obligation to take all reasonable measures to ensure the best possible result for the client when executing Orders. In order to achieve this, Fund Channel S.A. must ensure that the Fund Execution provider take execution factors into account, such as the price, cost, size, nature, speed of the execution and settlement of the order or any other consideration relating to its execution.

It should be noted that Fund Channel S.A does not provide the following services:

- Investment advice;
- Production, research and dissemination of investment recommendations.

## 2. REGULATORY FRAMEWORK

The regulatory framework includes (but is not limited to) :

- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;
- Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;
- Directive (EU) 2016/1034 of the European Parliament and of the Council of 23 June 2016 amending Directive 2014/65/EU on markets in financial instruments;
- Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

## 3. SCOPE OF EXECUTION POLICY

### 3.1 CLIENTS SCOPE

Fund Channel S.A. informs every client about this Policy and the MiFID categorization that will be applied to them (eligible counterparty, professional client or non-professional client, each being defined in the MiFID directive). Clients can ask Fund Channel S.A. to change this classification, and it will consider the request.

Fund Channel S.A. applies the present Policy to non-professionals clients and professionals clients as defined by MIFID regulation.

This policy does not apply to eligible counterparties (as defined in MIFID). Fund Channel S.A has no obligation to best execution as to the transactions with eligible counterparties for which there is nevertheless a general obligation of fair and professional processing of orders.

## 3.2 PRODUCT SCOPE

The present Policy applies to:

- Orders for subscription/redemption/switch in/switch out/transfer free of payment of shares/units of funds where settlement is done via Transfer Agents, Administrators, CSD platforms,
- Orders of purchases, sales on ETF via counterparties/brokers connected to regulated markets,
- Forward exchange transactions,
- Corporate actions that require a customer order.

## 3.3 EXCLUSION FROM THE POLICY

It should be noted that this policy does not apply to:

- specific instructions given by the customer to execute his order, partially or in full. In accordance with MiFID delegated regulation, the ISP is deemed to have fulfilled his obligation to take all sufficient steps to obtain the best possible result when he executes an order in line with the customer's specific instructions concerning that order. In that event, the instruction given by the customer supersedes any provision of this policy;
- requests for quotes made by the customer, either on a regular basis or occasionally, which are considered to be specific instructions;
- block trades executed according to the relevant market rules.

# 4. PRINCIPLES OF THE EXECUTION POLICY AND INTERMEDIARY POLICY

## 4.1 ORDER ROUTING PRINCIPLES FOR TRANSACTIONS ON FUNDS (SETTLEMENT VIA TRANSFER AGENTS, ADMINISTRATORS, CSD PLATFORM)

### **Order Routing Principles:**

CACEIS Bank on behalf of Fund Channel S.A. may route orders to the trading venues when CACEIS Bank is a direct member of these markets, to the ISP-Dealers selected by CACEIS Bank, or to its network of foreign sub-custodians.

Each customer order is stamped (SWIFT or Manually) with the time and date upon its intake by CACEIS Bank, and subsequently by the execution venue when it is recorded in the order book. The precise execution time is similarly recorded.

Orders are routed electronically to the execution venue selected by CACEIS Bank or by the ISP-Dealers in accordance with the execution policy. The circumstances, which justify the rejection of orders or their manual processing, are particularly as follows:

- the customer's interest: for instance, filtering orders greater than a fixed threshold;
- compliance with the rules on protecting the integrity of the Market, especially those required by the supervisory authorities.

**Accepted channels:**

Customer orders as part of reception/transmission of orders and execution of orders for third parties must be transmitted via the following channels:

- a computer, terminal or software provided by CACEIS Bank and Fund Channel S.A.;
- SWIFT;

The customer is informed that his conversations and emails are recorded and kept by CACEIS Bank and Fund Channel S.A. can be communicated upon request. The customer has the possibility to obtain a copy of the recording of his phone conversations with CACEIS Bank and Fund Channel S.A..

Order taking via any channel other than those mentioned above is subject to exceptions. Any occasional or permanent exception to these channels must be agreed contractually in advance.

## 4.2 ORDER ROUTING PRINCIPLES FOR TRANSACTIONS ON ETF

The requirement for best execution is defined in Article 27(1) of the MiFID II directive as the obligation to “...take all sufficient steps to obtain, when executing orders, the best possible result for their clients...”.

In line with this article, the best possible result is determined based on seven main categories of factors: “price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order”.

**Order Routing Principles and channels accepted:**

To provide this service to our client, Fund Channel S.A. is using the services of AMUNDI INTERMEDIATION.

AMUNDI INTERMEDIATION is an Investment Firm authorised by the ACPR (French prudential control and resolution authority) to provide services involving Reception and Transmission of Orders (RTO) and order execution for third parties involving all financial instruments covered by Section C “Financial instruments” of Annex I of Directive 2014/65/EU.

As an ISP providing services involving RTO and order execution for third parties, AMUNDI INTERMEDIATION has its own selection and execution policy (with a specific intermediaries selection process).

In order to grant follow up of execution of transactions, Fund Channel S.A. is using a dedicated tool called ALTO.

ALTO was developed by AMUNDI INTERMEDIATION for all classes of financial instruments.

ALTO allows, amongst other, to create and transmit orders (Order Management System) on ETF.

The execution on ETF is generally made by a way of Request for Quote (RFQ), through dedicated platform, with a minimum of 3 brokers, which are contacted real time and same time to grant the best execution for the client in terms of liquidity and price.

## 4.5 GENERAL PROVISIONS

### 4.2.1 LIMIT ORDER

Any limit order in respect of a financial instrument admitted to trading on a Regulated Market or traded on a trading venue and which is not immediately executed under prevailing market conditions, will not be immediately made public by CACEIS and/or AMUNDI INTERMEDIATION or the ISP-Dealer selected, unless the customer expressly instructs CACEIS Bank and Fund Channel S.A. to do so.

#### 4.2.2 PLACES OF EXECUTION AND CONSENT

CACEIS Bank and/or AMUNDI INTERMEDIATION, on behalf of Fund Channel S.A., can execute orders both outside of and via a trading venue, that is, a Regulated market, an Organised Trading Facility (OTF), a Multilateral Trading Facility (MTF), including via a Systematic Internaliser (SI). CACEIS Bank or AMUNDI INTERMEDIATION or Fund Channel S.A are required to obtain customers' express agreement for execution of orders outside a trading venue as defined by MiFID.

The customer is informed that when an order is sent outside a trading venue, there are certain consequences, including the absence of an order book or a counterparty risk.

Orders from non-professional clients will only be transmitted to Regulated Markets.

#### 4.2.3 AGGREGATION OF ORDERS

Unless the regulation does not authorize the aggregation of orders, CACEIS Bank and/or AMUNDI INTERMEDIATION, on behalf of Fund Channel S.A., aggregates orders only if such aggregation is unlikely to have a generally adverse effect on any customer whose order is to be aggregated. However, it is possible that the effect of aggregation of a given order might be damaging to a customer.

#### 4.2.4 BRANCHES

Fund Channel's providers, CACEIS Bank and/or AMUNDI INTERMEDIATION, benefit from a European passport for its authorizations for execution of orders for third parties and Reception/Transmission of orders in different countries via branches.

When one of these branches comes to provide the Reception/Transmission of orders service, it can route its customers' orders to CACEIS Bank and/or AMUNDI INTERMEDIATION, which applies this policy.

The provisions of this policy apply to the European branches of CACEIS Bank and/or AMUNDI INTERMEDIATION.

#### 4.2.5 JUSTIFICATION OF BEST EXECUTION

In accordance with the regulations, each order are retained five years for evidence of application of the execution policy and can be communicated it on request.

### 4.6 DEMONSTRATION OF ADHERENCE TO THE EXECUTION POLICY

On the customer's express request, Fund Channel S.A. will send the information necessary to demonstrate that this Policy has been adhered to.

## Fund Channel

### 4.7 DEMONSTRATION OF ADHERENCE TO THE EXECUTION POLICY

The effectiveness of this policy is examined periodically and whenever a significant change affects order execution by Fund Channel S.A..

Monitoring and controls of the effectiveness of this policy will be carried out periodically using reports of an automated tool that analyses execution conditions.

Moreover, Fund Channel S.A periodically checks the appropriateness of its selection of third parties.

### 4.8 BEST EFFORT OBLIGATION

The legal nature of CACEIS Bank and/or AMUNDI INTERMEDIATION's obligations on behalf of Fund Channel S.A. under this Policy is a best endeavours obligation.

CACEIS Bank and AMUNDI INTERMEDIATION on behalf of Fund Channel S.A. executes/transmits the orders issued by the customer only:

- if market conditions allow;
- if they fulfil all the conditions imposed by the applicable regulation.

Application of this Policy could be suspended or altered in the case of severe disruptions to the operation of the financial markets or if the systems giving access to venues of execution or to the transmission of orders fail or become unavailable.

## 5. EXECUTION POLICY

### 5.1 BEST EXECUTION OBLIGATIONS AND GENERAL PRINCIPLES

CACEIS Bank and AMUNDI INTERMEDIATION on behalf of Fund Channel S.A. fulfil the “best execution” obligations by taking sufficient steps to allow for the rapid and precise execution of an order issued by a customer.

When orders are executed by intermediaries (ISP-Dealers), CACEIS Bank and/or AMUNDI INTERMEDIATION is under an obligation to make the “best selection” of the intermediaries to whom the orders shall be sent for execution.

All orders and instructions must include the necessary characteristics for the proper transmission/execution of the order: nature, direction and type of the order, the Financial Instruments concerned, quantity wanted, price, maturity date, execution venue, validity of the order over time and, more generally, any information necessary for the transmission and completion of the transaction in accordance with applicable regulation.

To be accepted by CACEIS Bank and/or AMUNDI INTERMEDIATION on behalf of Fund Channel S.A., any order or instruction must be complete and in accordance with the practices and regulations in force on the markets concerned.

CACEIS Bank time-stamps the order/instruction upon its intake. AMUNDI INTERMEDIATION records and traces all time evidencies via ALTO (electronic order book) the dedicated tool.

## Fund Channel

Fund Channel S.A. considers any order or instruction from a customer which includes indications about the venue, price or type of execution to be a specific instruction. If When Fund Channel S.A. agrees to process such an order or instruction, it will execute it in accordance with the customer's specific instruction(s).

If a customer's order or instruction does not contain an indication of the execution venue, Fund Channel S.A. examines the execution venues to which it has access, taking into consideration the best execution criteria listed in point 5.2.

## 5.2 FACTORS AND CRITERIA APPLICABLE TO BEST EXECUTION

The following "execution factors" are taken into account to determine the method of execution for customer orders:

- Price;
- Size and/or nature of the order;
- Likelihood of execution and settlement;
- Place of quotation if applicable
- Costs;
- Speed of execution; and
- Any other consideration deemed relevant to the execution of the order.

In accordance with the provisions of applicable regulation, and in order to obtain the best possible result for the customer when executing orders, Fund Channel S.A. takes the following criteria into account to determine the relative importance of the aforementioned factors:

- Characteristics of the customer, including its MiFID categorisation;
- Characteristics of the order concerned;
- Characteristics of the financial instruments which are the subject of that order;
- Characteristics of the execution venues to which that order may be routed.

Applicable regulation specifies that an "execution venue" refers to a Regulated Market, a Multilateral Trading Facility, an Organized Trading Facility, a systematic internalizer, a market maker, another liquidity provider or an entity which undertakes similar tasks in a country which is not a party to the Agreement on the European Economic Area.

CACEIS Bank and/or AMUNDI INTERMEDIATION on behalf of Fund Channel S.A. routes orders to the execution venues it seems most appropriate, taking into account execution factors, either directly or via an ISP-Dealer.

Other factors taken into account by Fund Channel S.A. and CACEIS Bank or AMUNDI INTERMEDIATION to determine the most suited execution venue to the customer's order include:

- Prices usually available;
- Depth of liquidity;
- Relative volatility of the market;
- Speed of execution;
- Costs of execution; and
- Quality and cost of clearing and settlements.

In accordance with the current regulation, when Fund Channel S.A. executes an order on behalf of a non-professional Fund Channel S.A.'s client, the best possible result is determined based on the total cost, representing the price of the financial instrument and execution costs (including expenses for the place of execution, clearing and settlement expenses and other costs which may be paid to third parties involved in the execution of the order).



## 5.3 IMPLEMENTATION OF THE EXECUTION POLICY AND CONDITIONS OF BEST EXECUTION BY INSTRUMENT CATEGORY

### 5.3.1 ORDERS FOR MUTUAL FUNDS/HEDGE FUNDS

Orders are executed at NAV determined by the Transfer Agent, Administrators appointed to calculate it. When receiving an order, and in behalf of Fund Channel, CACEIS Bank will determine the sole appropriate Transfer Agent and or Administrator to rout the order.

### 5.3.2 ORDERS FOR ETFs ADMITTED FOR TRADING

For ETFs, the execution price and transaction costs are the most important factors. Although less important than these two factors, speed of execution remains an important factor. For orders of significant size, the likelihood of execution can also be a decisive factor.

The execution on ETF is generally made by a way of Request for Quote (RFQ), through dedicated platforms, with a minimum of 3 brokers which are contacted real time and same time to finally execute the order with the best offered price. The AMUNDI INTERMEDIATION's platform provides pre-trade information on counterparties' instantaneous interests (axes) as well as historical data statistics helping to target the most relevant counterparties according to the ETF issuer, the underlying or the security itself.

The determining factors of the most appropriate execution strategy are mainly :

- Client identity
  - The counterparties list validated with the client
  - Portfolio Manager's instruction (order type)
  - The order size and so, the liquidity of the security (and also of that of the underlying)
  - Whether or not the possibility to deal Outright (Straight) or Working Stocks (worked Delta)
- a) Technical & Human resources  
In order to achieve the best possible results as part of its RTO and execution services, AMUNDI INTERMEDIATION deploys significant resources :
- technical : OMS, the traders have at their disposal a multi-screen environment including Bloomberg screens, surveillance and warning tools to carry out 1st and 2nd levels of controls (see below), ...
  - human : staff of traders specialized in ETF and spread over 4 hubs (in France and abroad) and experienced personnel in charge of ensuring respect of the regulatory obligations.
- b) Order execution report & confirmation  
Upon completion of the order execution, the data from the transaction are incorporated into ALTO order transmission system and immediately made available to the AMUNDI's Middle-Office. The transaction confirmation sent by the intermediary can then be checked.
- c) Partial execution  
In the event of partial execution of orders, AMUNDI INTERMEDIATION, in accordance with the regulations in force, will allocate the executions in proportion to the initial orders sent by its clients, while respecting any minimum quotas per instrument.
- d) AMUNDI INTERMEDIATION's Controls & Monitoring on behalf of Fund Channel S.A.  
**1 st level of controls**  
Alert / Monitoring reports (Dashboards) are made available on a daily basis to each trading desk in charge of the monitoring of the 1st level of controls and the respect of the master ("CADRE") list / the Brokers lists defined by AMUNDI INTERMEDIATION's Selection Committees.

## Fund Channel

AMUNDI INTERMEDIATION has also put in place a tool that enables it to carry out exhaustive checks on all orders traded, either directly or via intermediaries.

For price-driven markets, such as ETF, these checks involve ensuring that the Request For Quote (RFQ) procedure has been correctly applied by submitting the competitive bidding to various counterparties in order to obtain the best possible quotes. In addition and in accordance with the MiFID II directive, controls are performed to analyze the difference between the execution price and the benchmark defined according to the concerned type of instrument.

A specific deviation threshold compared with the execution benchmark is defined for each financial instrument. Any difference that exceeds the deviation thresholds must be justified by the trader involved. All the relevant data are centralized in a database available to teams in charge of the 1<sup>st</sup> level and 2<sup>nd</sup> level of controls (see below). The deviation thresholds in relation to the execution benchmarks are reviewed on an annual basis.

According to the financial instruments, AMUNDI INTERMEDIATION may also call upon external service providers to evaluate the quality of service provided by the selected intermediaries.

### 2<sup>nd</sup> level of controls

AMUNDI INTERMEDIATION Compliance ensures that AMUNDI INTERMEDIATION complies with :

- the intermediaries selection procedure
- the CADRE list / the brokers lists defined by the Selection Committees.

AMUNDI INTERMEDIATION Compliance also checks that AMUNDI INTERMEDIATION has :

- performed the completeness of the 1<sup>st</sup> level of controls
- justified all differences that exceed the deviation thresholds and all exclusions
- respected the RFQ procedure and exceptions to the procedure were duly justified.

AMUNDI INTERMEDIATION archives all documents used for the intermediaries selection and keeps track of every stages of an order execution during a period of five years. The concerned clients may request if they wish, for best execution evidences of an order.

### 5.3.3 FORWARD EXCHANGE

The best execution criteria followed by CACEIS Bank for this type of financial instrument are mainly the size of the order, the price and the likelihood of execution and settlement.

As a general rule, the price offered for a transaction by CACEIS Bank takes account of the costs linked to its economic model, including the costs linked to the hedge of this transaction or the use of its capital.

In most cases, CACEIS Bank acts as a counterparty. Client orders on these financial instruments are therefore executed against CACEIS Bank's own account.

In certain cases, CACEIS Bank may execute these transactions on MTFs.

### 5.3.4 CORPORATE ACTIONS

CACEIS Bank may receive orders from its customers concerning processing of Corporate Actions (such orders concern in particular rights, odd lots, etc.).

In that case, CACEIS Bank can call on its network of sub-custodians; the criterion of "capacity to perform the settlement in the best possible way" is used for their selection.

## Fund Channel

# 6. POLICY FOR SELECTION OF INTERMEDIARIES

## 6.1 SELECTION POLICY FOR FUND EXECUTION

The quality of execution provided by these ISP-Dealers, selected by CACEIS Bank on behalf of Fund Channel S.A., is assessed periodically to ensure that they constantly provide the expected level of service. The level of service shall be determined according to the following criteria:

- Quality of execution: overall appropriateness of the execution policy and the commitment shown by ISP-Dealers in finding the best overall price, including their ability to access various places of execution and by the quality of routing of orders to execution venues;
- Coverage of places of execution and financial instruments handled by CACEIS Bank;
- Proven expertise, reputation and notoriety for the financial instruments concerned;
- Quality of middle-office and back-office services (settlement/delivery, clearing);
- Offer of added value further auxiliary services.

When CACEIS Bank is not a direct member of the market concerned, the orders transmitted by customers are routed to other ISP-Dealers whom CACEIS has selected based on the above criteria. These criteria have led CACEIS Bank to retain a list of ISP-Dealers.

## 6.2 SELECTION POLICY FOR ETF EXECUTION

To obtain the best possible execution of orders on behalf of Fund Channel S.A., AMUNDI INTERMEDIATION has put in place a procedure for selecting brokers, counterparties and trading platforms, « the intermediaries ».

### Selection procedure

The selection is carried out through an annual voting process based on an established method with relevant and objective criteria. It aims to draw up a list suitable for the volume and the types of orders handled by AMUNDI INTERMEDIATION and also in view of general and/or specific needs in terms of service for its clients.

Due to their regulatory obligations, the intermediaries selected are required to offer the best possible execution when they provide investment services to AMUNDI INTERMEDIATION.

Orders are directly transmitted to selected brokers, or by accessing to selected trading platforms (FXAll, MarketAxess, Tradeweb, ...) or by negotiating directly with selected counterparties.

### Criteria for selection

The number of criteria is adapted to each class of financial instruments, including ETFs, and rely particularly on :

- quality of business support
- quality of operational support (Legal and Middle-Office)
- quality of trading information and trading environment: range of instruments processed, direct access to trading venues, ability to collect market interests, pre-trade metrics allowing an evaluation of the securities liquidity, ...
- quality of execution based particularly on :
  - ✓ execution factors listed by the ESMA authority with their attributed relative importance
  - ✓ TCA (Transaction Cost Analysis) reports that are either internal or external, enabling the price and brokerage fee levels obtained to be compared against benchmarks
  - ✓ hit ratios (number of times the intermediary has won the competition) for traded instruments through Request for Quotes from liquidity suppliers

### CADRE List

## **Fund Channel**

Following the annual selection review process, a master (“CADRE”) list is drawn up, by type of instrument, of all the best-performing intermediaries for each type of financial instrument according to the criteria and methodologies described above.

The CADRE list aims to provide a global overview focused on the main intermediaries chosen for all traded financial instruments. This selection aims to:

- obtain the best coverage of RTO or execution services for clients
- meet best execution objectives, be that at the level of brokerage fees or the quality of prices obtained.

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After reviewing the statistics on order volumes handled over the relevant period, a proposed allocation of trading flows is presented to the AMUNDI INTERMEDIATION's Selection Committees for approval. For Instruments that are subject to brokerage fees, AMUNDI INTERMEDIATION will be able to concentrate orders at a small number of brokers in order to obtain the lowest possible brokerage execution fees while ensuring it benefits from good-quality services and meets regulatory requirements.

The list of the main intermediaries selected for ETF order execution is indicated in **Appendix**.

### Intra-period events

AMUNDI INTERMEDIATION is responsible for the overall relationship with the selected intermediaries. It can suspend or review the objectives set by the Selection Committee if an intermediary fails to meet its engagements or at the request of any stakeholder in the selection procedure, if there is a serious event and with Compliance's approval.

The accreditation outside the Selection Committee of a new intermediary is subject to a prior approval by the head manager of the Trading business line as well as by the Risks (if outside Delivery Versus Payment process) and the Compliance departments.

These control bodies may at any time inform AMUNDI INTERMEDIATION of the prohibition to work with one of the selected intermediaries in the event that they present a major risk (e.g. default risk) or are the subject of an event (sanction, withdrawal of authorization, etc...) which may justify its temporary or final withdrawal from the CADRE List.

## 6.3 CONFLICTS OF INTEREST

The measures and controls adopted by CACEIS Bank and AMUNDI INTERMEDIATION on prevention of conflicts of interest risks include a conflicts of interest management policy, a mapping of potential conflicts of interest risks as well as procedures in place to manage the transmission or the execution of orders and to select the intermediaries ensuring the primacy of clients' interests.

In consideration of their services, CACEIS Bank and/or AMUNDI INTERMEDIATION receive transaction fees. These transaction fees are applied according to predefined scale of fees, the rate or the amount depend on the nature of the financial instrument. CACEIS Bank and/or AMUNDI INTERMEDIATION do not structure or charge transaction fees in such a way which would introduce an unfair discrimination during the intermediaries selection process.

CACEIS Bank and/or AMUNDI INTERMEDIATION do not receive from an intermediary, any incentive to transmit for execution orders or to execute orders. In case CACEIS Bank and/or AMUNDI INTERMEDIATION received monetary or non-monetary benefit from a third party, they would inform their client about the existence and the nature of the advantage received in order to comply with its transparency duty.

## Appendix - Definitions

**Unlisted mutual fund centralising agent:** establishment in charge of centralising subscription / redemption orders on unlisted mutual fund units.

**Investment advice:** The investment advice service supplies personalised recommendations to a third party, either at his request or on the initiative of the company which supplies the advice, concerning one or more transactions involving financial instruments.

**Systematic Internaliser (or SI):** an investment company which in an organised, frequent and systematic manner trades for own account when it executes client orders outside a regulated market, MTF or OTF without operating a multilateral system.

**Place of execution:** place where orders can be sent for execution (Regulated Market, Multilateral Trading Facility, Systematic Internaliser, etc.).

**Regulated Market:** an established stock exchange such as Euronext.  
MR: see Regulated Market.

**Order on a traded financial instrument:** Order transmitted by a customer to CACEIS Bank for execution. Specific and/or permanent instructions are excluded from the scope of this definition.

**OTC:** “Over The Counter”, structured products traded by private agreement

**Trading venue:** A regulated market, MTF or OTF.

**Production and dissemination of investment recommendations:** Financial analyses produced or disseminated by a provider of investment services.

**ISP-Dealer:** Investment Services Provider that provides a dealing service.

**RTO:** Order Reception/Transmission: the entity that receives client orders and sends them to an ISP-Dealer for execution.

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

**MTF:** see Multilateral Trading Facility.

**Organised Trading Facility (OTF):** a multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of this Directive EN L 173/382 Official Journal of the European Union 12.6.2014.

**OTF:** see Organised Trading Facility.

## Appendix- CACEIS Bank Policy on aggregation and distribution of orders (To be applied only on FUNDS execution – ETF excluded)

In principle, CACEIS Bank does not aggregate the orders of a client with those of other clients.  
In principle, CACEIS Bank does not aggregate customer orders with transactions carried out on CACEIS Bank's own account.

However, if an aggregation of orders was envisaged in certain specific circumstances, the following conditions must be met:

- 1) It is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of a client whose order is grouped;
- 2) Each client whose order is aggregated is informed that the aggregation may disadvantage him in relation to a particular order;
- 3) When executed, the aggregated orders are distributed in an equitable manner taking into account the size of the order and the price of the orders executed;
- 4) When several client orders, having the same characteristics and coming from the same principal, are partially executed, the allocation will be made according to the instructions of the principal;
- 5) Concerning customer orders which are aggregated with orders for CACEIS Bank's own account having been partially executed, priority in terms of distribution will be granted to the customer and the distribution will be without prejudice to the customer.

On the other hand, to the extent that CACEIS Bank can demonstrate on reasonable grounds that in the absence of aggregation of the order with an order for CACEIS Bank's own account, the transaction could not have been executed or could have been on such favorable conditions, the distribution will be based on the relative size of the client's order and the order for CACEIS Bank's own account.

### **Appendix- List of intermediaries and trading platforms for ETF Execution**

**Brokers/MarketPlace:** FLOW TRADERS, JANESTREET, OPTIVER, MORGAN STANLEY, KEPLER.

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