



Best Execution Policy

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Objectives & Responsibilities.....	3
General considerations.....	4
A. BIL Suisse e-banking.....	4
B. Grouped orders	4
C. Short sales	4
D. Special instructions from the Client.....	4
E. Limited orders and off-exchange execution	4
F. Fees	4
G. Monitoring and evidencing	4
H. Broker selection.....	5
I. Change to the Policy.....	5
J. Complaints	5
K. Client information.....	5
Equities, Warrants & Exchange Traded Funds	6
A. Financial intermediaries for the execution of trades	6
B. Financial Intermediary selection criteria	6
C. Transmission of Orders	6
Derivatives	7
A. Financial intermediaries for the execution of trades	7
B. Financial Intermediary selection criteria	7
C. Transmission of Orders	7
Investment funds.....	8
A. Financial intermediaries for the execution of trades	8
B. Financial Intermediary selection criteria	8
C. Transmission of Orders	8
D. Cut-Off.....	8
Bonds.....	10
A. Financial intermediaries for the execution of trades	10
B. Financial Intermediary selection criteria	10
C. Transmission of Orders	10



Structured products	11
A. Financial intermediaries for the execution of trades	11
B. Financial Intermediary selection criteria	11
C. Transmission of Orders	11
FX derivatives (options, forward exchange contracts and swaps).....	12
A. Financial intermediaries for the execution of trades	12
B. General Information concerning Execution Factors.....	12
C. Execution methods	12
Appendix 1: Glossary	13



Objectives & Responsibilities

The aim of this document is to describe the Best Execution Policy (**Policy**) of Banque Internationale à Luxembourg (Suisse) SA (the '**Bank**' or '**BIL Suisse**'). Banque Internationale à Luxembourg (Suisse) SA is an authorised Bank supervised and regulated by FINMA, having its registered office at Bahnhofstrasse 20, 8001 Zurich, Switzerland. BIL Suisse operates in private and corporate banking and executes orders on behalf of his clients through brokers. The Bank is not direct member at any Stock Exchange.

The purpose of this Policy is to ensure that when executing orders, the Bank takes all sufficient steps to obtain the best possible result for each Client taking into account price of the financial instrument, execution cost (execution and settlement costs), speed and probability of execution/settlement, size and nature of trading venues in accordance with FinSA. Pursuant to art. 17 FinSA and 20 FinSO, for the purpose of handling client orders, the Bank upholds the principles of good faith and equal treatment when handling client orders and has in place processes and systems which are appropriate with regard to its size, complexity and business activity and safeguard the interests and equal treatment of clients.

For each category of Financial Instrument this Policy will indicate (i) the Financial Intermediaries selected by the Bank to execute Client Orders, and (ii) the criteria for selecting these Financial Intermediaries.

The Policy is brought to Clients' attention so that they can understand how the Bank executes Orders for each Financial Instrument in full knowledge of the facts.

General considerations

A. BIL Suisse e-banking

The Policy applies to Orders received via e-banking, amongst others. However, the number of marketplaces available and the scope of Financial Instruments for Orders received via e-banking could be limited.

B. Grouped orders

When handling client orders, BIL Suisse will uphold the principles of good faith and equal treatment. This entails that client orders are registered and allocated immediately as well as correctly. The Bank may group Orders from different Clients and would check that the grouping of these Orders is in no way prejudicial to all Clients.

C. Short sales

The Bank will not accept any Order where a Client does not have enough securities (Sale Order) in the account held with the Bank. Short sales in Futures and Options are allowed.

D. Special instructions from the Client

Where a Client gives a Special Instruction for the execution of an Order (e.g. to execute an order in a given trading place), the Order will be executed according to the terms of this Special Instruction as far as is reasonably possible.

Clients should however be aware that Special Instructions prevent the Bank from taking the steps that have been implemented within this Policy to obtain the best possible result for the execution of Orders with respect to the elements impacted by the Special Instructions.

E. Limited orders and off-exchange execution

Where, in the case of a limited Order for a Financial Instrument placed on the Stock Exchange, the transaction is not executed immediately or in full on the prevailing market conditions, the Order remains accessible to other market participants throughout its validity to facilitate the quickest execution possible, unless the Client gives Special Instructions to the contrary.

Where the Order is executed off-exchange, counterparty risks may arise in relation to this execution. These risks may concern the settlement of the transaction (delivery failure) and solvency of the Financial Intermediary. At the Client's request, the Bank may provide further information on the consequences of this execution method.

F. Fees

As remuneration for the Bank executing the Client's orders, the Bank will receive the fees mentioned in the Services and Tariffs. Any fees and commissions from Financial Intermediary and tax are charged separately.

G. Monitoring and evidencing

The Bank monitors and controls the effectiveness of its order execution arrangements and compliance with its FinSA policy. The Bank also monitors the quality of executions and will



demonstrate to Clients, at their request, that their Orders have been executed in accordance with this Policy.

H. Broker selection

A list of the broker in which BIL Suisse has the most faith to meet its obligation to take all reasonable measures to obtain the best possible execution of its Clients' Orders in the majority of cases is maintained and available.

I. Change to the Policy

To ensure that the Policy is adapted to market developments and Clients' interests, the Bank undertakes to review the content of this document on a yearly basis.

J. Complaints

Any complaint concerning this execution policy may be addressed to:

Banque Internationale à Luxembourg (Suisse) SA
Legal Department
Bahnhofstrasse 20
8001 Zurich
Switzerland

www.bil.ch

K. Client information

The Policy is made available to clients on request and is also accessible on the website of BIL Suisse.

Equities, Warrants & Exchange Traded Funds

This chapter deals with the execution of Clients' Orders for the following Financial Instruments admitted for trading on a Stock Exchange: securities representing part of a company's equity (shares) or investment funds (Exchange Traded Funds or ETF) or securities representing an issuer's commitment to pay, on maturity, a guaranteed amount if a market event arises (warrants).

A. Financial intermediaries for the execution of trades

Orders are executed through a Financial Intermediary chosen by the Bank in accordance with this Policy.

A list of the main Financial Intermediaries selected by the Bank for the execution of Orders for the Financial Instruments concerned by this chapter is maintained and available.

B. Financial Intermediary selection criteria

The Execution Factors that the Bank will consider when choosing a Financial Intermediary are as follows:

- Price of the financial instrument
- Execution cost (execution and settlement costs)
- Speed and probability of execution/settlement
- Size and nature of trading venues
- Ability to execute and settle the trade in a prompt, orderly and satisfactory manner.
- Consistent quality of service
- Reputation of such Financial Intermediary.

Financial Intermediaries must review their best execution policies on a regular basis and provide trade cost analysis (TCA) on request.

C. Transmission of Orders

Orders are placed below a certain threshold automatically with the preselected Financial Intermediaries via FIX, using routing rules established by the Bank according to the criteria set out in the previous paragraph.

Orders that are above the threshold may be executed on a discretionary basis. This is done in the interest of the Order's best execution. It ensures a price suited to the market situation and Liquidity of the Financial Instrument in question.

Any instruction to the contrary from the Client constitutes a Special Instruction.

Derivatives

This chapter deals with the execution of Clients' Orders for derivatives admitted for trading on a Stock Exchange.

The Bank offers two kinds of derivatives:

- Listed options: a contract whereby the buyer acquires the right (but not the obligation) to buy (call option) or sell (put option) a certain quantity of Financial Instruments at a given price and until a date specified in the contract. The seller depends on whether or not the buyer decides to exercise this right. Stock exchanges offer standardised contracts on different underlying with different maturities.
- Futures: a future commitment from the buyer of the contract to buy, and for the seller of the contract to sell, a certain underlying at the price determined on a given date. Stock exchanges offer standardised contracts on different underlying with different maturities.

A. Financial intermediaries for the execution of trades

Orders are executed through a Financial Intermediary chosen by the Bank in accordance with this Policy.

A list of the main Financial Intermediaries selected by the Bank for the execution of Orders for the Financial Instruments concerned by this chapter is maintained and available.

B. Financial Intermediary selection criteria

The Bank executes an Order on the marketplace where the derivative is most liquid. Any instruction to the contrary from the Client constitutes a Special Instruction.

Due to the complexity of derivatives (which are contracts and not securities), specific settlement constraints and the daily management of margin calls, the Bank has chosen to centralise the execution and management of derivatives admitted to trading on the Stock Exchange with a single Financial Intermediary.

C. Transmission of Orders

The trader sends Orders to the Financial Intermediaries using the standard market tools for executing Orders in Derivatives.

Investment funds

This chapter deals with the execution of Clients' Orders for Financial Instruments classified as investment funds. These Financial Instruments are securities representing a percentage of the capital, or joint ownership of an investment fund.

These investment funds may invest in different strategies. The Bank also advises its Clients to carefully read (i) the prospectus of the investment fund in question, (ii) the key investor information document (KIID) if the investment fund is an undertaking for collective investment in transferable securities, or the key information document (KID) relating to packaged retail and insurance-based investment products and, (iii) in particular, the section of these documents concerning the risks taken by anyone investing in this type of Financial Instrument.

A. Financial intermediaries for the execution of trades

Subscriptions to or redemptions from an investment fund are placed through a Financial Intermediary chosen by the Bank in accordance with this Policy.

A list of the main Financial Intermediaries selected by the Bank for the execution of Orders for the Financial Instruments concerned by this chapter is maintained and available.

Following the Client's Special Instruction, an Order relating to an investment fund may also be routed to a Stock Exchange, provided that the Financial Instrument is admitted for trading on it. The execution criteria are mentioned in the chapter entitled Equities, Warrants and Exchange Traded Funds.

B. Financial Intermediary selection criteria

The Execution Factors that the Bank will consider when choosing a Financial Intermediary are as follows:

- Speed of order processing and settlement
- Execution cost (execution and settlement costs)
- Access to Transfer Agents and fund execution platforms
- Consistent quality of service
- Reputation of such Financial Intermediary

The execution price of the transaction will be the investment fund's net asset value (NAV) calculated by the calculation agent appointed by the investment fund, based on the frequency stipulated in the investment fund prospectus, provided that the Order has been sent within the time specified in the prospectus.

C. Transmission of Orders

Orders are placed with Financial Intermediaries by Swift or Email, using the routing rules established by the Bank according to the criteria set out in the previous paragraph.

D. Cut-Off

The Cut-Off is the time until which the Transfer Agent accepts investment fund Orders for execution on the next NAV date. If the Transfer Agent receives the Order after the Cut-Off, the execution price may not be that of the next NAV but rather the one after that.



The Bank sends the Orders via the Financial Intermediary to the Transfer Agents or execution platforms as soon as they are received.

The placement of an Order may be delayed when the relationship with the Financial Intermediary and the Transfer Agent is not yet set-up. Under certain circumstances, the opening of an account may take several days.

A delay may also occur when the Financial Instrument is not known by the Bank, or the Financial Intermediary and the necessary data need to be collected.

The Order may not be changed or cancelled after the Cut-Off.

Bonds

This chapter deals with the execution of bond orders: These Financial Instruments are securities representing an entity's debt.

A. Financial intermediaries for the execution of trades

Orders are executed through a Financial Intermediary chosen by the Bank in accordance with this Policy.

A list of the main Financial Intermediaries selected by the Bank for the execution of Orders for the Financial Instruments concerned by this chapter is maintained and available.

On the Client's Special Instructions, a bond Order may also be routed to a Stock Exchange, provided that the Financial Instrument is admitted for trading on it. The execution criteria are mentioned in the chapter entitled Equities, Warrants and Exchange Traded Funds.

B. Financial Intermediary selection criteria

The Execution Factors that the Bank will consider when choosing a Financial Intermediary are as follows:

- Price of the financial instrument
- Execution cost (execution and settlement costs)
- Speed and probability of execution/settlement
- Size and nature of trading venues
- Consistent quality of service
- Reputation of such Financial Intermediary

Financial Intermediary must review their best execution policies on a regular basis and provide trade cost analysis (TCA) on request.

C. Transmission of Orders

Orders are placed below a certain threshold automatically with the preselected Financial Intermediaries via FIX/SWIFT, using routing rules established by the Bank according to the criteria set out in the previous paragraph.

Orders that are above the threshold may be executed on a discretionary basis. This is done in the interest of the Order's best execution. It ensures a price suited to the market situation and Liquidity of the Financial Instrument in question.

Any instruction to the contrary from the Client constitutes a Special Instruction.



Structured products

Structured products are debt securities issued by banks, where the income is determined based on an underlying asset's performance.

A. Financial intermediaries for the execution of trades

The Bank contacts the product's issuer directly or via a Financial Intermediary for the execution of the Order. If the issuer is a Bank, the issuer will execute the trade for its own account.

For Financial Instruments that are both listed on the Stock Exchange and tradeable over the counter, the Bank will favour the execution of the trade on the Stock Exchange unless the Client gives a Special Instruction to the contrary.

A list of the main Financial Intermediaries selected by the Bank for the execution of Orders for the Financial Instruments concerned by this chapter is maintained and available.

B. Financial Intermediary selection criteria

The Liquidity of these Financial Instruments is very low and a market with several Financial Intermediaries cannot be guaranteed. The product's issuer, or lead manager, is normally the only market maker.

C. Transmission of Orders

Orders are sent to the Financial Intermediary using the likelihood of execution with the Financial Intermediary as the main criterion.

FX derivatives (options, forward exchange contracts and swaps)

This chapter concerns currency derivatives, namely: outright futures, forex swaps, non-deliverable forwards, currency options. It concerns the execution of trades and management of Clients' limited Orders for the above-mentioned products.

This chapter also covers Orders for derivatives of precious metals (gold, silver, platinum, palladium, etc.), which the Bank may receive from a Client.

Orders in spot foreign exchange (FX) and physical delivered commodities are not covered by this policy. However, we apply the same standards as for FX derivatives.

A. Financial intermediaries for the execution of trades

BIL Suisse executes its Client Orders and trades against its own trading portfolios.

B. General Information concerning Execution Factors

The Bank has identified a number of important Execution Factors to ensure best execution, meeting the need to obtain the best possible result for Clients in terms of execution price. These factors are taken into account when the trade is executed and are ranked in descending order of importance:

- Market conditions
- Size and nature of the transaction
- Speed and likelihood of execution
- Reference price

C. Execution methods

FX forwards and swaps

This product is admitted to trading directly in different locations (banks' various proprietary trading platforms, multibank portals, MTF, etc.). This Policy applies to these products in accordance with the Execution Factors mentioned in paragraph B above.

Currency option

Specific parameters apply to the execution of Orders for this product. The calculation of a currency option's price depends on several parameters, and the Execution Factors mentioned in paragraph B above apply to each one of these. These factors are as follows:

- The spot price of the underlying
- The volatility for the maturity in question in the currency pair
- The price of the currency swap for the currency pair and maturity in question

Appendix 1: Glossary

Unless expressly stipulated otherwise, terms and expressions starting with a capital letter and not defined in this Policy have the meaning attributed to them in the General Terms and Conditions (as defined below):

- **Client**
Any legal entity or natural person having a banking relationship with the Bank, and to whom an investment product or service is provided.
- **Financial Intermediary**
Any external entity to which the Bank may send Orders for execution (counterparty, execution platform or broker).
- **Financial Instrument**
Financial instruments as defined by FinSA
- **FinSA**
The Swiss Financial Services Act seeks to protect the clients of financial service providers and to establish comparable conditions for the provision of financial services by financial service providers, and thus contributes to enhancing the reputation and competitiveness of Switzerland's financial centre.
- **General Terms and Conditions**
The Bank's general terms and conditions, governing relations between the Bank and its Clients.
- **KID**
Key Information Document
- **KIID**
Key Investor Information Document
- **Liquidity**
The most liquid market based on the volume of trade noted over a given observation period.
- **MTF**
A multilateral system used by an investment company or market trader, which matches (within the system, according to non-discretionary rules) the various interests of buyers and sellers for Financial Instruments, expressed through third parties, in a manner leading to the agreement of contracts.
- **Order**
Instruction to sell or buy (redeem or subscribe) a Financial Instrument.
- **Special Instruction**
Any Client Order received by the Bank, and which imposes one or more Execution Factors.
- **Stock Exchange**
A regulated market or MTF