



J. SAFRA SARASIN



Sustainable Private Banking since 1841

Order Execution Policy

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Content

1. Introduction	3
1.1. Purpose	3
2. Scope	3
3. Client Instructions	3
4. Best Execution	4
4.1. Execution Factors	4
4.2. Execution Venues	4
4.3. Execution Costs	5
5. Order Execution outside of a Regulated Market, MTF or OTF	5
6. Restrictions	5
Appendix 1	6
List of financial instruments subject to the policy of order execution and reception and transmission of order	6
Appendix 2	7
Definitions	7

1. Introduction

Bank J. Safra Sarasin (Gibraltar) Ltd. (the “bank”, “we”, “us” “our”) is part of the J. Safra Sarasin Group and provides investment services as a part of its private banking business. This order execution policy information covers the arrangements we have implemented to manage the execution and handling of your orders as a client (the “client” or “you”). For ease of reading, we have included a glossary of terms in Appendix 2.

1.1. Purpose

The bank is subject to the regulatory requirements for execution and order handling in line with applicable legal and regulatory requirements, including the Gibraltar Financial Services Commission (“GFSC”) rules.

Where this policy applies, we will take steps to obtain the best possible result for its clients when executing orders or receiving and transmitting orders on the client’s behalf, taking into account factors such as price, costs, speed, likelihood of execution and settlement, size, nature or any other relevant consideration to the execution of the order (these are the “execution factors”).

We have implemented this policy and arrangements for execution and order handling with a view to achieving the best potential results on an ongoing basis (sometimes referred to as “best execution”). This does not guarantee that the best possible result will be achieved in every individual transaction.

If you have any questions about the policy or execution at BJSS or if you have any additional execution requirements, please contact your representative at BJSS.

By giving us your order you are giving your consent to this policy.

2. Scope

The execution principles apply to orders for trades in financial instruments (listed in Appendix 1) that we execute or receive and transmit for execution on behalf of retail or professional clients. This Policy does not apply to transactions executed with clients categorised as eligible counterparties.

We will apply our execution policy when we receive a client order and transmit it to a third party for execution.

This is known as RTO, or Reception and Transmission of Orders.

When you have a direct client relationship with another booking centre in our group and we operate as the service centre you may ask us to send your order directly to that booking centre. We will do so. In those cases we will be unable to apply our policy by sending your order to one of a range of different recipient entities as you have told us to send it to the booking centre. The booking centre’s execution policies will apply and we will not be responsible to you for the execution approach that is applied by the booking centre (please see section 3, below, for further considerations that apply).

In any other case, we generally ensure that the execution principles of the third party sufficiently cover the best execution requirements. We will monitor the effectiveness of the recipient firm’s execution arrangements on an ongoing basis.

3. Client Instructions

Where a client has placed an order with specific instructions in respect to the execution or handling of the order or part of the order (i.e. choice of trading venue or recipient), we will follow them to the extent it is possible for us to do so and also follow our execution and order handling policy execution to the extent possible, i.e. on any parts of the order not covered by the specific instructions. When you provide instructions on orders this is likely to prevent us from taking the steps we would otherwise to obtain the best possible result in respect of the elements covered by those instructions, the instructions may also influence the results on other aspects of the order.

In such circumstances we may seek to discuss the potential impact of the instruction with you where the nature of the order permits, but we are under no obligation to do so.

Client instructions take precedence over the execution principles. When such instructions are given, we are exempt from our usual obligations within the scope of the instructions and the obligation to achieve best execution is deemed to be fulfilled within the scope of the instructions given.

Order Execution

4. Best Execution

4.1. Execution Factors

When executing an order on behalf of a client, we will take all sufficient steps necessary to execute the order in a way that is intended to achieve the best possible result for the client on an ongoing basis. We will take into account the following execution factors:

- price, aiming to achieve the best possible price for the client;
- size of the order and the available market liquidity;
- speed of execution;
- execution costs;
- likelihood of execution and settlement;
- nature of the order;
- reliability of the venue;
- creditworthiness of the venue; and
- any other consideration relevant to the execution of the order (e.g. such as potential market impact).

Total consideration (price plus cost) will ordinarily merit a high relative importance in obtaining the best possible result. However, the execution of an order in a way that is most favourable for the client involves the exercise of commercial judgement in the context of client categorisation, available market information and market restrictions. As such for some clients, orders, financial instruments, markets or market conditions, we may determine that other execution factors shall have the same importance or shall take precedence over total consideration in obtaining the best possible result.

4.2. Execution Venues

In the absence of a client instruction, we, or a broker that directly or indirectly receives the order for execution, may execute client orders using one of a range of execution venues, which may include Regulated Markets, Multilateral Trading Facilities ("MTF"), Organised Trading Facilities ("OTF") Systematic Internalisers or Market Makers. The selection of the execution venue will be based on which venue (or venues) are likely to provide the best overall result for the clients on an on-going basis.

Currently, where we have agreed to execute your order, we will do so by using an affiliate in the BJSS group located in Switzerland. The selection of our head office as the trading venue takes into account the execution factors, as reflected in the execution and order handling policy of our affiliate.

After careful consideration of the alternatives, we may act as execution venue and may use an internal method of execution, if we consider this advantageous to the client.

Currently, the bank indirectly uses the following execution venue for the following instruments:

Swiss equities and listed derivatives: Swiss equities and listed derivatives are traded on the SIX Swiss Exchange. The head office in Basel is a member of the SIX Swiss Exchange and places the orders directly.

International equities: We place an order with our head office in Switzerland, which maintains a selected network of global brokers and brokers with local expertise.

Bonds: Swiss bonds are directly traded on the SIX Swiss Exchange. International bonds are mainly executed through market makers, who quote bid and ask prices. Quotes are listed and ranked on Bloomberg, which gives traders a market reference price prior to execution. The trader selects subsequently the market maker, the lead manager, the broker or the exchange/venue based on experience. Orders can only be executed with approved counterparties. The decision is mostly liquidity driven. The trader may also delay execution due to price or liquidity issues that might negatively affect the order.

Funds: Funds that are not listed on an exchange, for example open ended collective investment scheme units, are mainly traded directly through the fund administrator by issuing and redeeming units. A minority of the funds (i.e. exchange traded funds/ETFs) is listed and might be traded directly on different market venues. When there is a choice between an exchange and the fund administrator, the trader decides, based on experience, where to execute the order, taking liquidity into consideration in order to ensure proper execution.

Structured products: When products are not listed on an exchange, our affiliate will aim to provide or negotiate fair and competitive (market) prices for structured products. However, it will usually assume that the client is generally not relying on any member of the BJSS group to provide best execution protection. When products are listed on an exchange (e.g. on SIX Structured Products Exchange AG), best execution has to be ensured by the trader executing the order.

Financial futures / traded options: EUREX listed options and financial futures are traded by the bank directly on this particular exchange, where our affiliate acts as a member. Other listed options and financial futures are traded on the relevant exchange through a limited number of preferred brokers that seek to ensure best execution.

ent will be notified of this fact at the time of order receipt.

4.3. Execution Costs

When executing orders on a client's behalf, we may charge a fee, commission or apply a mark-up or spread to the execution price. These charges will be made to cover the costs and risks associated with the transaction.

5. Order Execution outside of a Regulated Market, MTF or OTF

We or an affiliate may decide that in certain circumstances it would be beneficial to execute all or part of an order outside a Trading Venue. Whilst this may provide the advantage of an improved execution price and faster execution, the following additional risks may be incurred:

- Transactions will not be subject to the rules of Trading Venues, which are designed to provide for a fair and orderly treatment of orders;
- Transactions will not benefit from additional but unpublished liquidity, such as hidden limit orders that may be available on Trading Venues;
- Executions may not benefit from additional pre and post trade transparency in respect of pricing and liquidity that is required to be published by Trading Venues; and
- For transactions executed away from a Trading Venue a settlement risk may be incurred as transactions will be subject to counterparty risk and will not be covered by the relevant clearing and settlement rules of the Trading Venue and relevant Central Counterparty Clearing House.

In placing an initial order, clients give their general approval to orders being executed outside a regulated market or MTF. In addition, the clients acknowledge and agree that we or our affiliate may not make public client limit orders which are not immediately executed under prevailing market conditions.

6. Restrictions

Where we are subject to internal trading restrictions it may not be possible to accept a client order and the cli-

Appendix 1

List of financial instruments subject to the policy of order execution and reception and transmission of order

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, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
5. Options, futures, swaps, forwards 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 other than by reason of 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, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;
7. Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of this Section and not being for commercial purposes, which have the characteristics of other derivative financial instruments;
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 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 other than by reason of 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 regulated market, OTF, or an MTF;
11. Emission allowances consisting of any units recognised for compliance with relevant Emissions Trading Scheme.

Appendix 2

Definitions

Best Execution: Regulatory obligation to take steps with a view to obtaining the best possible result for clients when executing orders or receiving and transmitting orders on their behalf, taking into account Execution Factors.

Execution Factors: Factors such as price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a particular order.

Execution Venue: A Regulated Market, an MTF, a Systematic Internaliser, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.

Market Maker: a person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial instruments against that person's proprietary capital at prices defined by that person.

Multilateral Trading Facility or MTF: a multi-lateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments.

Organised Trading Facility or OTF: a multilateral or a bilateral 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.

Regulated Market or RM: a multilateral system operated by an authorised market operator bringing together of multiple third-party buying and selling interests in financial instruments in a way that results in a contract in respect of financial instruments admitted to trading under its rules and/or systems.

Systematic Internaliser: an investment firm which, on an organised, frequent and systematic basis, deals on own account by executing client transactions outside a Regulated Market or an MTF.

Trading Venue: A Regulated Market, an MTF or an OTF.

A limited company incorporated in Gibraltar with registration number 82334 whose registered offices are 57/63 Line Wall Road, Gibraltar. Authorised and regulated by the Gibraltar Financial Services Commission.

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