



POLICY ON THE EXECUTION OF ORDERS RELATING TO FINANCIAL INSTRUMENTS

Last update : June 2024



Article 1: Order execution policy – General principles

1.1. In application of the regulatory requirements relating to markets in financial instruments (hereinafter “the Regulation”), Banque et Caisse d'Épargne de l'État, Luxembourg (hereinafter “Spuerkeess”) shall inform its Customers or potential Customers (hereinafter the “Customer(s)”) of its policy on the execution of orders relating to financial instruments for each category of financial instrument.

This policy is provided to the Customer solely for information purposes and should not be construed as legal advice or an offer to sell or buy any financial products.

This policy is reviewed at least on an annual basis and may be updated whenever an amendment becomes necessary in order to guarantee the best possible execution for the Customer. Spuerkeess will notify in writing any material change to this order execution policy, either by circular letter, via a statement of account, by posting on Spuerkeess's website at www.spuerkeess.lu, or by any other means of communication as Spuerkeess shall decide. By using the services of order execution and/or reception and transmission offered by Spuerkeess, the Customer is deemed to have accepted the latest version of this policy in force, obtainable on request and free of charge.

1.2. Spuerkeess undertakes to execute the Customer's orders in accordance with the execution policy as described in the following articles.

1.3. Acceptance of the General Terms and Conditions concerning Financial Instruments (hereinafter the “GTCFI”) of Spuerkeess shall indicate express acceptance of the order execution policy for the various categories of financial instruments.

1.4. The present policy describes the execution systems that enable Spuerkeess to obtain the best execution result for the Retail Customer (Customer categorisation in accordance with the Regulation) within the meaning of the Regulation.

The order execution policy applicable to Retail Customers shall equally apply to Professional Customers (Customer categorisation in accordance with the Regulation) unless a different order execution policy has been expressly agreed between the parties. Professional Customers shall themselves assess their information requirements with regard to Spuerkeess's order execution policy.

This order execution policy does not apply to Eligible Counterparties (Customer categorisation in accordance with the Regulation).

1.5. Spuerkeess takes all sufficient steps to obtain, when executing orders, the best possible result for its clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

When Spuerkeess executes an order on behalf of a Retail Customer, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs relating to execution, which shall include all expenses incurred by the client which



are directly relating to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

1.6. To this end, Spuerkeess follows a qualitative approach based on the continuous analysis of the financial markets. Spuerkeess regularly monitors the effectiveness of its execution systems and its order execution policy.

1.7. Spuerkeess has established procedures and provisions to ensure the prompt, fair and expeditious execution of Customers' orders.

In the context of transactions in financial instruments governed by the Regulation, Spuerkeess does not carry out a Customer order or a transaction for own account in aggregation with another Customer order, unless the following conditions are met:

- It is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any Customer whose orders are to be aggregated.
- A Customer for whom an order is aggregated is made aware of the fact that the aggregation may work to his / her disadvantage in relation to a particular order.

If Spuerkeess has aggregated transactions for own account with one or more Customer orders it will not allocate the related trades in a way that is detrimental to the Customer. If Spuerkeess aggregates a Customer order with transactions carried out for its own account, and if the aggregated order is partially executed, Spuerkeess allocates the related trades to the Customer in priority to Spuerkeess. However, if Spuerkeess is able to demonstrate that, without the aggregation, it would not have been able to execute the order under such favourable conditions, or execute it at all, Spuerkeess is entitled to proportionally allocate the transaction made for its own account.

1.8. Considering the constant fluctuations of financial markets, Spuerkeess reserves the right to modify the execution venue at any time in order to ensure the best possible execution for the Customer. This provision applies to the entire order, including specific instructions.

1.9. If the Customer has given specific instructions, Spuerkeess will execute the order according to these instructions. In this case, Spuerkeess is released from its best execution obligation to the extent that the order or a precise aspect of the order is executed in accordance with the specific instructions given by the Customer. The portion of the order not covered by specific instructions from the Customer shall be processed in accordance with the present order execution policy. The Customer is informed that the specific instructions may prevent Spuerkeess from taking the necessary measures provided for in its best execution policy to obtain the best possible result when executing the order.

1.10. If Spuerkeess is not a participating member of a trading venue or another execution venue or does not have a direct membership link to such an execution venue, Spuerkeess shall pass orders via counterparties with which it has a contractual relationship. Such counterparties are selected and regularly assessed on the basis of criteria of quality, rapidity and efficiency of execution in order to ensure strict compliance with Spuerkeess's order execution policy.

1.11. Spuerkeess is expressly authorised, in compliance with the principle of best execution and in order to satisfy requests made by a Customer relating to an order involving a non-standardised



financial instrument, to execute the order on an execution venue not provided for by the present order execution policy.

1.12. It is expressly agreed between the parties that, to enable Spuerkeess to ensure best execution within the meaning of the Regulation, the Customer authorises Spuerkeess to execute certain individual orders, or orders in certain financial instruments, outside the regulated markets or outside an MTF (Multilateral Trading Facility) or OTF (Organised Trading Facility), i.e. over-the-counter.

By trading on an over-the-counter market, investors are exposed to the risk of the seller or purchaser becoming insolvent. On the contrary, there is no counterparty risk on an organised market as the central counterparty guarantees completion of the transaction.

Unlike organised markets, on which all parties are entitled to the same quoted prices, transparency is not a feature of over-the-counter markets, as prices often vary depending on the identity of the parties and/or the size of orders.

In relation to over-the-counter derivatives, one of the parties to the contract may no longer be able to honour its commitment(s) (if the buyer is no longer able to pay or the seller is no longer able to deliver the securities). Under these circumstances, it is difficult or even impossible to be released from the contract, especially if the contract was established specifically for the investor.

When executing a Customer order on an over-the-counter market, Spuerkeess will systematically check the fairness of the price proposed to the Customer, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products.

1.13. Where a Customer makes a reasonable and proportionate request to Spuerkeess for information about its order execution policy or about its arrangements and how it is reviewed, Spuerkeess will answer clearly and within a reasonable timeframe.

Article 2: Order execution policy for listed equities and similar instruments

2.1. Spuerkeess considers the following execution venues for orders involving listed equities and similar instruments: regulated markets, MTFs (Multilateral Trading Facilities), OTFs (Organised Trading Facilities), Systematic Internalisers or trading venues outside of the European Economic Area in compliance with the Regulation. The execution of orders on one of these execution venues will be done either directly on a trading venue on which Spuerkeess is a member or through a counterparty (broker) linked to Spuerkeess.

2.2. Customer orders involving listed equities and similar instruments shall be executed by taking into account the following criteria:

- In the absence of specific instructions from the Customer, an order involving listed equity instruments and similar instruments will be directed, at Spuerkeess's discretion, to the most liquid execution venue(s) to which Spuerkeess has access to, guaranteeing thus, in most cases, the best result in terms of the total price of the transaction. The report of the



execution of an order includes an average execution price and the main market as execution venue.

- In the specific case of orders to sell shares, it is agreed, for reasons linked to the cost of execution, that the execution venue will be determined depending on the place where the securities are deposited.

2.3. When a limit order given by the Customer involving equities admitted for trading on a regulated market cannot be executed immediately in the prevailing market conditions, the Customer agrees that Spuerkeess can exercise discretion with regard to the publication of the order, unless the Customer has given specific instructions.

2.4. When a Customer gives an order that is large in scale or on an instrument with a low trading volume, the order can be executed on a discretionary basis by Spuerkeess, in respect of market practices and in order to limit the market impact of the order.

Spuerkeess may reject any order which cannot be accepted by a trading venue or its counterparties.

2.5. A list of Spuerkeess's execution venues for orders on listed equities and similar instruments is available under Annex 1. This list is updated at least annually and the Customer is informed through posting on Spuerkeess's website.

2.6. For investment vehicles such as ETFs (Exchange Traded Funds) or similar instruments, Spuerkeess shall execute Customers' orders applying the order execution policy for listed equities and similar instruments as described above.

2.7. A list of Spuerkeess's execution venues for orders on Exchange traded products (ETPs), in particular Exchange Traded Funds (ETFs), is available under Annex 2. This list is updated at least annually and the Customer is informed through posting on Spuerkeess's website.

Article 3: Order execution policy for bonds and similar instruments

3.1. Spuerkeess considers the following execution venues for orders involving bonds and similar instruments: regulated markets, MTFs (Multilateral Trading Facilities), OTFs (Organised Trading Facilities), Systematic Internalisers or trading venues outside of the European Economic Area in compliance with the Regulation.

3.2. Customer orders involving bonds and similar instruments shall be executed taking into account the following criteria:

- In the absence of specific instructions from the Customer, an order involving bonds and similar instruments will be directed to the most liquid execution venue to which Spuerkeess has access to guaranteeing thus, in most cases, the best result in terms of the total price of the transaction.
- In the specific case of orders to sell bonds, it is agreed, for reasons linked to the cost of execution, that the execution venue will be determined depending on the place where the securities are deposited.

3.3. Spuerkeess reserves the right to execute orders involving bonds outside trading venues (within the meaning of the Regulation), i.e. over-the-counter, as long as such execution does not work to the disadvantage of the Customer.

3.4. The rapidity and probability of the full execution of orders is dependent on the liquidity of the markets.

3.5. A list of Spuerkeess's execution venues for orders on bonds and similar instruments is available under Annex 3. This list is updated at least annually and the Customer is informed through posting on Spuerkeess's website.

Article 4: Order execution policy for UCI units

4.1. Spuerkeess considers that the preferred execution venues for orders concerning UCI shares or units are the issuers of such instruments or their respective distribution channels (notably distributors, fund promoters, depositary banks, transfer agents or registrars, UCI distribution platforms, international central securities depositories).

Accordingly, the Customer expressly authorises Spuerkeess to execute subscription and redemption transactions involving UCI units outside the regulated markets or MTFs (Multilateral Trading Facilities). Spuerkeess executes Customers' orders involving UCI units according to the nature and origin of the instruments.

4.2. Spuerkeess is authorised to consider that the subscription, redemption or conversion of UCI units carried out directly or indirectly with a central administration at the net asset value (NAV) can be considered as fulfilling best execution criteria.

4.3. For "in house" UCIs, for which Spuerkeess acts in its capacity as promoter, Spuerkeess guarantees full execution of the order unless otherwise stipulated in the sales documents.

4.4. For external UCIs, Spuerkeess selects the distributor, promoter, depositary bank, transfer or registrar agent or UCI distribution platform. The rapidity of execution of such orders is notably dependent on the calculation of the NAV as provided for in the prospectus. In order to guarantee the subscription/redemption at the next NAV, all orders involving external UCIs must be received by Spuerkeess at the latest two hours before the official cut-off time. In case the order has to be placed with a new counterparty with which Spuerkeess has no existing relationship or if a new register account needs to be opened, Spuerkeess cannot guarantee that the order will be executed for the next available NAV and also reserves itself the right to reject an order.

4.5. Spuerkeess reserves the right to execute orders in UCIs on regulated markets or MTFs (Multilateral Trading Facilities). The execution venue will thus differ from the best-execution venue selected by Spuerkeess.

4.6. A list of Spuerkeess's execution venues for orders on UCI units is available under Annex 4. This list is updated at least annually and the Customer is informed through posting on Spuerkeess's website.

**Article 5: Order execution policy for money-market instruments**

5.1. Regarding money-market instruments, Spuerkeess distinguishes between:

- term deposits, deposits and similar,
- treasury bills, commercial papers and similar.

5.2. Money-market orders mostly involve over-the-counter instruments and are exclusively executed at the initiative of the Customer. With the exception of deposit instruments (term deposits, deposits and similar), transactions involving money-market instruments are essentially addressed to investment professionals.

5.3. All orders involving money-market instruments are subject to sending an express request to Spuerkeess that Spuerkeess will analyse and based on which it will propose a price and special conditions to the Customer. The transaction will only be executed after express acceptance by the Customer of the terms and conditions of the transaction.

Article 6: Order execution policy for currency derivatives

6.1. Spuerkeess considers the following execution venues for orders in currency derivatives: MTFs (Multilateral Trading Facilities) and OTFs (Organised Trading Facilities). Spuerkeess reserves the right to execute orders in currency derivatives outside trading venues, i.e. over-the-counter.

6.2. Currency derivative transactions are carried out by Spuerkeess under the best conditions available and as quickly as possible. Whether the transaction is completed against Spuerkeess's own account or hedged on the market, Spuerkeess bases itself on the best price, namely the market price at the time of the transaction.

6.3. A list of Spuerkeess's execution venues for orders on currency derivatives is available under Annex 5. This list is updated at least annually and the Customer is informed through posting on Spuerkeess's website.

Article 7 : Order execution policy for listed derivatives

7.1. Spuerkeess considers the markets for listed derivatives to be less fragmented than those of other asset classes and considers the choice of the contract to be the determining factor when selecting a venue for the order to be executed on.

Spuerkeess uses a Direct Market Access (DMA) through its counterparties (brokers) when executing listed derivatives orders.

Spuerkeess considers the nature of the contract, the liquidity as well as the market depth at the time of placement of the order when determining the placement criteria.

7.2. When a Customer submits a large order, the order can be executed on a discretionary basis by Spuerkeess, in respect of market practices and in order to limit the market impact of the order.

Spuerkeess may reject any order which cannot be accepted by its counterparties.



7.3. A list of Spuerkeess's execution venues for orders on listed derivatives is available under Annex 6. This list is updated at least annually and the Customer is informed through posting on Spuerkeess's website.

Article 8: Order execution policy for other financial instruments

8.1. Best-execution obligations are applicable to all eligible financial instruments in accordance with the Regulation. Nevertheless, as financial instruments entering into the present category vary substantially in terms of standardisation, liquidity and/or the number of execution venues, the application of the best-execution principle has to be adapted to the characteristics of each financial instrument in question.

8.2. As in the case of money-market instruments, it is the Customer that initiates any orders. Spuerkeess will then propose a price and any special conditions to the Customer. The transaction will only be executed after express acceptance by the Customer of the terms and conditions of the transaction.

8.3. Spuerkeess ensures that the trading of other financial instruments is done, as far as possible, on organised and regulated venues.



Annex 1: Execution venues for orders in equities and similar instruments

Non-exhaustive list subject to modifications. Only execution venues for which the volume of executed orders is above 1% for the instrument class are listed.

Market:

- Bourse de Luxembourg, Luxembourg

Broker:

- Berenberg Bank GmbH, Hamburg
- BNP Paribas Securities Services, Paris
- Citibank NA, New York
- RBC Capital Markets (Europe) GmbH, Frankfurt
- Virtu ITG Europe Ltd, Dublin

Annex 2: Execution venues for orders in Exchange Traded Products (ETPs), in particular Exchange Traded Funds (ETFs)

Non-exhaustive list subject to modifications. Only execution venues for which the volume of executed orders is above 1% for the instrument class are listed.

Market:

- TWEM (Tradeweb EU), Amsterdam

Broker:

- Berenberg Bank GmbH, Hamburg
- BNP Paribas Securities Services, Paris
- Citibank NA, New York
- RBC Capital Markets (Europe) GmbH, Frankfurt
- Virtu ITG Europe Ltd, Dublin

Annex 3: Execution venues for orders in bonds and similar instruments

Non-exhaustive list subject to modifications. Only execution venues for which the volume of executed orders is above 1% for the instrument class are listed.

Market:

- BTFE (Bloomberg), Amsterdam
- Bourse de Luxembourg, Luxembourg

Annex 4: Execution venues for orders in UCI units

Non-exhaustive list subject to modifications.

- Issuers of such instruments or their respective distribution channels
- CACEIS, Paris
- Clearstream
- Euroclear



Annex 5: Execution venues for orders in currency derivatives

Non-exhaustive list subject to modifications.

Market :

- BTFE (Bloomberg), Amsterdam
- Financial and Risk Transactions SVCS, Dublin

Annex 6: Execution venues for orders in listed derivatives

Non-exhaustive list subject to modifications.

Broker :

- BNP Paribas Securities Services, Paris
- Deutsche Bank AG, Frankfurt
- Société Générale, Paris