

# Order Execution Policy – Banque Pictet & Cie SA

2024

## 1. PURPOSE AND SCOPE OF APPLICATION

This document lays down the order execution policy (the “Policy”), established in accordance with the Swiss regulatory requirements of Banque Pictet & Cie SA (the “Bank”).

This Policy applies solely to the financial instruments (each as defined in the relevant Swiss regulation) listed in annex 1 of this document.

Swiss regulations require the Bank to take all sufficient steps to obtain the best possible result for its clients considering several factors listed below. This overarching obligation to obtain the best possible result for clients is referred to, in this document, as its Best Execution obligation.

### Specific client instructions

If a client or one of their duly authorised representatives gives specific instructions for the execution of their order, the Bank will comply with said specific instructions as far as possible, it being understood that this may prevent the Bank from taking the measures planned to ensure best execution of the order in question.

In the context of specific client instructions, the execution of the client’s specific instructions will be deemed to fulfil the obligation to ensure best execution of the order.

Nevertheless, if the client’s instructions relate only to part of the order, the Bank will continue to apply the Policy to those parts of the order not covered by the specific instructions. Limit, care, block and stop-loss orders are considered special instructions from the client.

## 2. BEST EXECUTIONS

### Methodology

When the Bank receives, transmits or executes clients’ orders, the Bank will take all sufficient steps to obtain the best possible result for its clients using the resources available and taking into account the execution criteria and execution factors set out below, subject to any specific instruction given by the client relating to one or more factors (as already mentioned in the above “Specific client instructions” section).

Whilst the Bank will endeavour to obtain the best available result for carrying out each client order, this does not mean obtaining the best possible result for each individual order on a transaction-by-transaction basis.

The factors taken in consideration are:

- price;
- costs;
- speed;
- likelihood of execution;
- likelihood of settlement;
- size of the order;
- nature of the trade;
- securities lending or borrowing rate;
- any other consideration relevant to the execution of the order.

The Bank assesses the relative ranking and the relative importance of the aforementioned factors, based on its experience and judgment in light of the available market information and market conditions at the relevant time, and taking into account the following execution criteria:

- characteristics of the client;
- characteristics of the client order;

- characteristics of the financial instruments which are the subject of the client order;
- characteristics of the execution venues to which the client order can be directed.

Total consideration of price and cost will ordinarily merit a high relative importance in obtaining the best possible result. However, under special circumstances, for some client orders, the Bank may determine that other execution factors are just as important or should take precedence over price in achieving the best possible result.

In the absence of specific instructions from the client, the Bank will exercise its own discretion, having regard for the terms of the client order in determining the factors that it needs to take into account for the purpose of providing the client with Best Execution.

A list of the main factors relevant for ensuring the Best Execution process by asset class can be found as an annex 1 to this document.

### Execution venues

The Bank takes a selective and practical approach to choosing the different execution venues. Whenever several execution venues are possible, the Bank will assess the efficiency of the various venues before selecting the one that enables the Bank to consistently obtain the Best Execution.

The Bank may use only one of the following execution venues or a combination thereof:

- Stock exchanges and/or regulated markets
- multilateral trading facilities (MTF)
- organised trading facility (OTF)

- systematic internalisers (SI)
- other securities firms and other liquidity providers or financial counterparties located within or outside Europe
- other entities of the Pictet Group acting as banking counterparty or market maker, including Banque Pictet & Cie SA acting as principal, Pictet Canada S.E.C. and Pictet Overseas

For reasons of cost and efficiency, the Bank has chosen not to systematically join all possible pools of liquidity. Relationships with new execution venues will be established only if the improvements are noticeable and significant in terms of price and liquidity.

Annex 1 presents a non-exhaustive list of execution venues relevant for the last period where the Bank reasonably believes it can achieve the best possible result on a consistent basis.

The list is reviewed regularly (at least annually) and available on the Bank's website.

Consequently, the Bank may use other execution venues where it deems appropriate in light of the client's interests. Unless the client specifically instructs the Bank, the Bank does not offer the possibility of choosing the execution venue.

Unless the client instructs the Bank otherwise, the client's orders may be executed outside a regulated market if the Bank believes that, in doing so, it can achieve the best possible result for execution of such orders.

The decision to use any of the venues set out above may also be influenced by other additional criteria, although this is always conditional upon obtaining the best possible result for the clients.

Under unusual market conditions, the Bank may be authorised to temporarily disregard this Policy if it is in the client's interest to do so. However, the Bank will still seek to provide the same quality of service and execution as during normal market conditions

(on a best effort basis). The Bank may *inter alia*:

- execute an order at a different price from an available quotation or from the last paid price;
- execute orders partially or split up orders at different prices.

For OTC products, whether the Bank acts as principal by providing quotes at the client's request or as agent by arranging tailored-made structured products, the Bank relies on a test based on four cumulative criteria to assess whether or not the Bank owes a duty of Best Execution to the client.

The test entails the consideration of:

- Which party initiates the transaction
- Market practices and whether it is customary to shop around
- The level of transparency within a market
- The information and special agreement provided to the client

#### Cost of execution

The Bank takes into account the costs related to the execution; as a consequence, the Bank chooses execution venues with the best efficiency/cost ratio. However, the Bank may deviate from this principle when doing so would have obvious benefits for the client (e.g. complete execution of large orders with limited market impact, higher probability of execution and settlement).

#### Processing of client orders

The Bank manages all client transactions quickly and fairly.

Whenever the Bank processes orders for its clients, in principle:

1. the executed orders are registered in the client's name and invoiced quickly and precisely;
2. comparable orders are executed in the order in which they were received, unless:
  - the client (including the client's relationship manager or attorney-in-fact) issues other instructions (such as care, max. 1/3 volume,

VWAP, closing, opening, etc.);

- the nature of the order or prevailing market conditions make this difficult to achieve, or the client's best interests call for a different procedure;
  - the characteristics of the order do not allow it (e.g. the highest limit will override the processing order).
3. the relationship manager is informed of any serious difficulties likely to impact the Best Execution of a private client's order.

#### Aggregation of orders

Client orders may be aggregated, offset or cumulated for execution purposes, provided that the following conditions are met:

- the characteristics of the clients' orders make them suitable for aggregation;
- the aggregation will safeguard the interest of the clients whose order is to be aggregated and will not work to their disadvantage on the whole;
- the Bank complies with its order allocation procedures.

The Bank is not obliged to inform the client if it combines client transactions. As a general rule, if the aggregated order is partially executed, the corresponding transactions are allocated in proportion to the size of the orders received.

#### Verification of Best Execution

The Bank has procedures and systems in place that enable it to analyse the trading performance of a specific order against industry standard benchmarks (e.g. arrival price, VWAP).

The client may request verification of the quality of execution. Upon request, the Bank will provide clients with proof that this Policy was observed.

As far as limit orders are concerned, the conditions of Best Execution are met once the orders are sent to the reference market. However, the Bank is authorised to exercise its power of

discretion, depending on the size of the order, by not disclosing the full extent of pending limit orders to the other market participants.

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### 3. MONITORING

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The Bank will ensure that the organisational structure in place makes it possible to monitor the effectiveness of these rules. In particular, the various functions of the trading departments involved will regularly check whether the execution system provided for in this Policy enables the Bank to obtain the best results or whether changes are required in terms of execution.

The Bank reviews this Policy (including Annex 1) frequently (at least annually) and whenever a material change occurs that affects the Bank's ability to continue to obtain the best results for its clients.

The Bank will monitor the effectiveness of the Policy and execution arrangements to identify and, where appropriate, correct any deficiencies. This will include an assessment of the execution venues to ensure the best possible result for its clients.

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### 4. IMPORTANT NOTE

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If, despite the measures that have been implemented, the Bank notices that such measures are insufficient or unsuitable for guaranteeing with reasonable certainty that the risk of jeopardising its clients' interests can't be avoided, the Bank must immediately take all necessary steps to remedy the situation.

This Policy does not form part of any contractual agreement between the Pictet Group and any of its clients or prospective clients and simply describes the measures taken by the Bank to obtain the best possible result for clients in accordance with Swiss regulatory obligations.

# ANNEX 1

## Main execution venues used by Banque Pictet & Cie SA and importance given to each execution factor by category of financial instrument

Banque Pictet & Cie SA uses the following execution venues when obtaining Best Execution. This list is not exhaustive and will be subject to change as described in the Policy and will be re-issued from time to time. Banque Pictet & Cie SA may also use other venues where it deems appropriate in accordance with the Policy.

<b>BEP – Asset Class Family – Factors &amp; Venues for clients’ flow</b>				
<b>Asset classes</b>	<b>Sub asset-classes</b>	<b>Product coverage</b>	<b>Factor with normal market conditions</b>	<b>Execution venues for Banque Pictet &amp; Cie SA (subject to change)</b>
			price, cost, speed, likelihood of execution and settlement, size, and type of the order as well as all other consideration relative to its execution.	
(a) Equities – Shares & Depositary Receipts	(i) Tick size liquidity bands 5 and 6 (from 2000 trades per day)	– Equities – ADR (American Depositary Receipt) / GDR (Global Depositary Receipt) – Equities assimilated products	1. Price/liquidity 2. Size 3. Speed 4. Likelihood of execution for less liquid equities	<ul style="list-style-type: none"> <li>• SIX Swix Exchange AG, Zurich</li> <li>• Pictet Canada, Montreal</li> <li>• Virtu ITG Europe Ltd, Dublin</li> <li>• Citigroup Global Markets Ltd, London</li> <li>• Goldman Sachs International, London</li> <li>• Bank of America Securities, London</li> <li>• Bank of America Securities New York</li> <li>• JP Morgan Securities Plc, London</li> <li>• Macquarie Capital (Europe) Ltd London</li> <li>• Jefferies International Ltd London</li> <li>• Instinet Europe Ltd, London</li> <li>• BNP Paribas, Paris</li> </ul>
	(ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)			
	(iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)			
(b) Debt instruments	(i) Bonds	– Bonds listed on a RM – Convertible – Corporate Bonds – Government Bonds – Supranational Bonds (SSA) – Municipal Bonds	1. Price/liquidity 2. Size 3. Likelihood of execution for less liquid market 4. Speed	<ul style="list-style-type: none"> <li>• Bloomberg (BTBS)</li> <li>• Tradeweb LLC</li> <li>• MarketAxess Singapore PTE (RMO)</li> <li>• SIX Swiss Exchange AG, Zurich</li> <li>• Barclays Bank Plc, London</li> <li>• Citigroup Global Markets Ltd, London</li> <li>• UBS AG, Zurich</li> <li>• UBS Europe SE, Frankfurt</li> <li>• JP Morgan Securities Plc, London</li> <li>• Bank of America Merrill Lynch International Ltd, London</li> <li>• HSBC Bank Plc, London</li> <li>• Goldman Sachs International, London</li> <li>• MarketAxess Capital Ltd London</li> <li>• Toronto Dominion Bank, London</li> <li>• Royal Bank of Canada, London</li> <li>• Morgan Stanley &amp; Co International, London</li> <li>• BNP Paribas SA, Paris</li> <li>• Zürcher Kantonalbank, Zurich</li> <li>• Jane Street Financial BV, Amsterdam</li> <li>• Nomura International Plc, London</li> <li>• Deutsche Bank AG, London</li> </ul>
	(ii) Money market instruments	– Commercial paper – Certificate of deposit – Swiss Confederation debt claim – Murabaha note	1. Price/liquidity 2. Size 3. Likelihood of execution for less liquid market	<ul style="list-style-type: none"> <li>• The Swiss National Bank</li> <li>• Barclays Bank Plc, London</li> <li>• Citigroup Global Markets Ltd, London</li> <li>• UBS Europe SE, Frankfurt</li> <li>• JP Morgan Securities Plc, London</li> </ul>

				<ul style="list-style-type: none"> <li>• Bank of America Merrill Lynch</li> <li>• HSBC Bank Plc, London</li> <li>• Goldman Sachs International, London</li> <li>• Toronto Dominion Bank, London</li> <li>• Belfius Bank SA Brussels</li> <li>• Morgan Stanley &amp; Co Intl, London</li> <li>• BNP Paribas SA, Paris</li> <li>• Deutsche Bank AG, London</li> <li>• Nomura International Plc, London</li> <li>• Société Générale, Paris</li> <li>• BRED Banque Populaire, Paris</li> <li>• BNP Paribas Bahrain, Manama</li> <li>• Pictet (Canada), Montreal</li> <li>• Zürcher Kantonalbank, Zurich</li> <li>• ING Bank NV, Amsterdam</li> </ul>
(c) Interest rates derivatives	(i) Futures and options admitted to trading on a trading venue	– Interest futures – Interest options	1. Price	<ul style="list-style-type: none"> <li>• Pictet Overseas Inc, Montreal</li> <li>• UBS AG, Zurich</li> </ul>
	(ii) Swaps, forwards, and other interest rates derivatives	– OTC swaps such as OIS/IRS	1. Price/liquidity	<ul style="list-style-type: none"> <li>• Banque Pictet &amp; Cie SA as principal</li> </ul>
(d) Credit derivatives	(i) Futures and options admitted to trading on a trading venue	N/A	N/A	N/A
	(ii) Other credit derivatives	– Credit Default Swap - Index – Single name credit default swap	1. Price/liquidity	<ul style="list-style-type: none"> <li>• Banque Pictet &amp; Cie SA as principal</li> </ul>
(e) Currency derivatives	(i) Futures and options admitted to trading on a trading venue	– Forex Option – Forex Futures	1. Price/liquidity	<ul style="list-style-type: none"> <li>• Pictet Overseas Inc, Montreal</li> <li>• UBS AG, Zurich</li> </ul>
	(ii) Swaps, forwards, and other currency derivatives	– Complex Forward – OTC forex forward and options – NDF – NDF options	1. Price/liquidity	<ul style="list-style-type: none"> <li>• Banque Pictet &amp; Cie SA as principal</li> </ul>
(f) Structured finance instruments		– CDO – ABS – CMO	1. Price/liquidity	<ul style="list-style-type: none"> <li>• Zürcher Kantonalbank, Zurich</li> <li>• UBS AG, Zurich</li> <li>• JP Morgan Securities Plc, London</li> <li>• Merrill Lynch International, London</li> <li>• Morgan Stanley and Co International Plc, London</li> <li>• Six Swiss Exchange AG, Zurich</li> <li>• Société Générale, Paris</li> <li>• Natixis, Paris</li> </ul>
(g) Equity Derivatives	(i) Options and Futures admitted to trading on a trading venue	– Equity option – Equity future – Index futures & Option	1. Price/liquidity	<ul style="list-style-type: none"> <li>• Pictet Overseas Inc, Montreal</li> <li>• UBS AG, Zurich</li> </ul>
	(ii) Swaps and other equity derivatives	– OTC Equity forward and options, – Swaps on equities	1. Price/liquidity	<ul style="list-style-type: none"> <li>• Banque Pictet &amp; Cie SA as principal</li> </ul>

(h) Securitised Derivatives	(i) Warrants and Certificate Derivatives & (ii) Other securitised derivatives	<ul style="list-style-type: none"> <li>– Capital Protected Note</li> <li>– Certificate with leverage</li> <li>– Certificates, such as baskets/PEC</li> <li>– Certificates Reverse convertibles</li> <li>– Exotic covered warrants</li> <li>– Participation certificate</li> <li>– Warrants on equities (except those traded on the SIX)</li> </ul>	<ol style="list-style-type: none"> <li>1. Price/liquidity</li> <li>2. Size</li> <li>3. Likelihood of execution for less liquid market</li> </ol>	<ul style="list-style-type: none"> <li>• Barclays Bank Plc, London</li> <li>• Bank of China Financial Products Ltd</li> <li>• BNP Paribas SA, Paris</li> <li>• Société Générale, Paris</li> <li>• HSBC Bank Plc, London</li> <li>• RBC Europe Ltd, London</li> <li>• UBS AG, Zurich</li> <li>• Natixis, Paris</li> <li>• Goldman Sachs International, London</li> <li>• Banque Pictet &amp; Cie SA</li> <li>• Pictet Bank &amp; Trust LTD, Nassau</li> <li>• Leonteq Securities AG, Zurich</li> <li>• JP Morgan Securities Plc, London</li> <li>• SIX Swix Exchange AG, Zurich</li> <li>• Morgan Stanley &amp; Co Intl PLC London</li> </ul>
(i) Commodities Derivatives	(i) Options and Futures admitted to trading on a trading venue	– Commodity futures and options listed on a Trading Venues (Metal, Agricultural, Energy, other commodities)	1. Price/liquidity	• Pictet Overseas Inc, Montreal
	(ii) Other commodities derivatives	– OTC Commodity forward and options	N/A	N/A
(j) Contracts for difference		– CFD	1. Price/liquidity	• Banque Pictet & Cie SA as principal
(k) Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)			<ol style="list-style-type: none"> <li>1. Price/liquidity</li> <li>2. Size</li> <li>3. Speed</li> <li>4. Likelihood of execution for less liquid equities</li> </ol>	<ul style="list-style-type: none"> <li>• Pictet (Canada) Montreal</li> <li>• Tradeweb LLC</li> <li>• Flow Traders B.V., Amsterdam</li> <li>• Virtu ITG Europe Ltd, Dublin</li> <li>• Merrill Lynch Intl, London</li> <li>• Citigroup Global Markets Ltd, London</li> <li>• UBS AG, London</li> <li>• Société Générale, Paris</li> <li>• Optiver VOF, Amsterdam</li> <li>• SIX Swix Exchange AG, Zurich</li> <li>• Morgan Stanley &amp; Co Intl PLC London</li> <li>• Goldman Sachs International, London</li> <li>• Jane Street Financial BV, Amsterdam</li> <li>• BNP Paribas, Paris</li> <li>• Jefferies Intl Ltd, London</li> </ul>
(l) Securities lending	(i) Securities	<ul style="list-style-type: none"> <li>– Equities</li> <li>– Bonds</li> </ul>	1. Price/liquidity	• Banque Pictet & Cie SA acting as principal
(m) Collective investment schemes units	Orders for units of collective investment schemes are executed through subscription or redemption with a fund provider (primary market) as the sole execution venue. However, certain units of collective investment schemes may be traded on a secondary market or over the counter (OTC). In the latter case, the Bank will always act as the counterparty. Trading on the secondary market or OTC execution will be done only on the explicit instruction of the client or when the Bank considers it appropriate in the client's sole interest			