



J. SAFRA SARASIN



Sustainable Swiss Private Banking since 1841

Order Handling and Execution Policy

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1. Purpose

This Order Handling and Execution Policy (the «Policy») contains information on the arrangements implemented by Bank J. Safra Sarasin Ltd («BJSS» or «Bank») to manage the execution of client orders. BJSS will take all sufficient steps to obtain the best possible result for clients when executing orders or receiving and transmitting orders on their behalf («best execution»), 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 («Execution Factors»). This does not constitute a guarantee to achieve the best possible result in every individual transaction.

2. Scope

The Policy applies to transactions executed with clients classified as private and professional clients. This Policy does not apply to transactions executed with clients classified as eligible counterparties.

This Policy will apply with respect to the financial instruments listed in Appendix I when the Bank receives and transmits client orders for execution or executes orders and requests for quotes on behalf of clients. The list in Appendix I does not mean that all financial instruments are available to clients.

2.1. Receipt and Transmission of Orders

BJSS will owe a duty of best execution in accordance with this Policy when it receives a client order and transmits it to a third party for execution. The Bank will monitor the effectiveness of its execution arrangements such with third party brokers, on an on-going basis (please see Section 8 for more information).

2.2. Execution of Orders on Behalf of Clients

The application of best execution will be limited to where BJSS executes orders «on behalf of clients». This will always apply when dealing as the client's agent or as risk-less principal.

2.3. Requests for Quote

BJSS is not executing orders on a client's behalf and does not owe best execution where BJSS publishes a quote or provides a «request for quote»-service and the client transacts with BJSS on the basis of that quote

3. Client Instructions

Where a client has placed an order with specific instructions in respect to the execution of the order or part of the order (i.e. choice of trading venue), BJSS will follow them to the extent it is possible for BJSS to do so. Clients should be aware that the provision of instructions on orders may prevent BJSS from taking the steps it would otherwise apply to obtain the best possible result in respect of the elements covered by those instructions or influence the results on other aspects of the order not covered.

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

Client instructions take precedence over the best execution principles. When such instructions are given by the client, BJSS is exempted from best execution within the scope of said instructions and the obligation to achieve best execution is deemed to be fulfilled within the scope of the instructions given.

4. Best Execution

4.1. Execution Factors

When executing an order on behalf of a client, BJSS will take all sufficient steps necessary to execute the order in a manner that is intended to achieve the best possible result for the client on an on-going basis. BJSS will take into account the following relevant 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; and
- Any other consideration relevant to the execution of the order such as potential market impact.

Total consideration of price and cost will ordinarily merit a high relative importance in obtaining the best possible result. However, for some clients, orders, financial instruments, markets or market conditions, BJSS may determine that other execution factors shall have the same importance or shall take precedence over price in obtaining the best possible result.

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4.2. Execution Venues

In the absence of a client instruction, BJSS will execute client orders over a number of execution venues, including 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) provide for the best overall result for the clients on an on-going basis.

BJSS undertakes on-going assessments of the execution venues to determine whether existing venues continue to provide for the best possible result for clients and to re-view the suitability of new execution venues. For this assessment, the Bank will use information derived from internal best execution monitoring tools and processes as well execution quality data reported by execution venues.

The bank uses the following main execution venues as a registered member:

- SIX Swiss Exchange
- EUREX

When the Bank receives client orders for which it has no direct access to the trading venue selected by the client, it transmits or places them for execution with brokers. BJSS maintains a selected network of brokers. The broker selection process is supported by a periodical evaluation which monitors and reviews the brokers' overall execution service.

After careful consideration of the aforementioned alternatives, the Bank may itself act as execution venue and may use an internal method of execution, provided that the Bank considers this advantageous to the client.

4.3. Execution Costs

When executing orders on a client's behalf and when providing quotes in response to RFQs, BJSS 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

BJSS 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 the Bank may not make public client limit orders which are not immediately executed under prevailing market conditions.

6. Restrictions

Where BJSS is subject to internal trading restrictions it may not be possible to accept a client order and the client will be notified of this fact at the time of order receipt.

7. Monitoring and Reporting

BJSS will monitor the continued effectiveness of its execution arrangements. For orders in listed financial instruments executed on behalf of clients on execution venues, post trade analysis will be conducted to evidence the effectiveness of the execution arrangements. This analysis will consider the result achieved for clients by assessing the liquidity and pricing levels available on relevant markets at the time of the order and throughout the duration of the order. Proof of best execution is not necessarily based on a transaction-by-transaction system but on an evaluation of a series of past transactions which indicate overall that the best result is obtained.

Upon reasonable and proportionate request BJSS will, within a reasonable timeframe, provide clients with information regarding this Policy, how it is reviewed and the performance of the Bank in its handling of their orders.

8. Governance

BJSS has established internal governance processes to assess its execution arrangements, order handling, and execution monitoring and reporting infrastructure. This Policy will also be subject to an annual review including an assessment of the execution venues used. In addition, should any material change to the Bank's execution arrangements affecting the ability to continue to obtain the best possible result for its clients be identified outside of any formal periodic review processes, this will be subject to a separate review process. The actual version of the policy will be published on the Internet.

9. Order Handling

9.1. General Considerations

This section provides information on how orders will be handled, with the overriding objective to ensure that orders are executed promptly, fairly and in due course.

Orders received from a client will be executed promptly, accurately recorded and allocated.

In the event that the Bank receives comparable orders from two or more clients, the orders will be executed promptly and sequentially unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the client require otherwise. Orders will not be considered as comparable if they are received via different execution channels or via different trading desks within the Bank or otherwise where it would not be practicable for them to be treated sequentially.

When arranging the settlement of an executed order, the Bank will take all reasonable steps to ensure that any client financial instruments or client funds received in settlement of that executed order are promptly and correctly delivered to the account of the client.

9.2. Aggregation and Allocation

It is not the general practice of BJSS to aggregate client orders with other client orders or transactions for its own account. However, in certain circumstances aggregation may occur but only when the following conditions are met:

- It is unlikely that the aggregation of orders and transactions will be to the disadvantage of any client whose order is aggregated;
- Aggregated orders are fairly allocated taking into account the size of the order and price of the fills received;
- For client orders aggregated with own account orders that have only been partially executed, priority in allocation will be given to the client order and will be done in a manner that is not detrimental to the client. However, if the Bank can demonstrate on reasonable grounds that without the aggregation the transaction could not have been executed or executed on such favorable terms, then allocation may be made on a basis proportional to the relative size of the client and the Bank's own account order; and
- Should the Bank determine that an allocation of a transaction for our own account which was executed in combination with one or more client orders, requires reallocation, this will only occur where it is fair, reasonable and not to the detriment of clients.

Appendix I

List of Financial Instruments Subject to this Policy

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, a MTF, or an OTF; and
11. Emission allowances

Appendix II

Definitions

Best Execution: Obligation to take all sufficient steps to obtain 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 multi-lateral or a bi-lateral 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 multi-lateral system operated by an authorized 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.

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