



INTESA SANPAOLO
BANK LUXEMBOURG

Order Execution Policy

Version updated as at 18th June 2020

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Introduction

Scope

The aim of this document (hereinafter the “Policy”) is to describe the best execution policy of Intesa Sanpaolo Bank Luxembourg S.A. (hereinafter the “Bank” or “ISPBL”). ISPBL is a credit institution authorised and supervised by the Commission de Surveillance du Secteur Financier (CSSF) and the European Central Bank (ECB), incorporated in the form of a Société Anonyme (public limited company), having its registered office at 19-21 Boulevard Prince Henri, 1724 Luxembourg, Grand Duchy of Luxembourg, and entered in the Luxembourg Trade and Companies Register under number B13859.

Unless otherwise defined herein, capitalised terms shall have the meanings given to them in the Glossary attached to this Policy. The attachments, schedules and glossary hereto form an integral part of this Policy.

The purpose of this Policy is to explain the steps taken by ISPBL to ensure that when executing Orders, the Bank obtains the best possible result for each Client in accordance with MiFID II.

This Policy is issued pursuant to, and in compliance with:

- Directive 2014/65/EU of 15 May 2014 on markets in financial instruments (hereinafter “MiFID II”);
- Commission Delegated Regulation (EU) 2017/565 (hereinafter “MiFID DR”);
- Regulation (EU) 600/2014 on markets in financial instruments (MiFIR);
- ESMA (European Securities and Markets Authority) Questions and Answers On MiFID II and MiFIR investor protection and intermediaries topics;
- Grand-ducal regulation of 13 July 2007 implementing European Directive 2004/39/CE, which it is planned, to be replaced by a national transposition of MiFID II in Luxembourg;
- Law of 30 May 2018 on markets in financial instruments;
- Grand-ducal regulation of 30 May 2018 on protection of financial instruments.

Upon acceptance of an Order and when there is no specific Client Instruction regarding the execution method of such Order, ISPBL will execute such Order in accordance with this Policy.

ISPBL’s commitment

When dealing with Clients, ISPBL shall act honestly, fairly, professionally and in the best interest of its Clients.

In relation to **receipt and transmission of Orders**, ISPBL will take sufficient steps to apply the best selection process when relying on Financial Intermediaries to execute Orders.

When providing **execution** and **discretionary portfolio management** services, ISPBL will take sufficient steps to obtain the best possible result when executing Orders.

Clients

This policy applies to **professional** and **retail** Clients (within the meaning of MiFID). **Eligible counterparties** are not in scope of this Policy unless they request to be treated as Clients. Clients shall have received a formal notification from ISPBL informing them of their Client categorisation. Unless otherwise stated, this policy applies to all Clients regardless of whether they are a **professional Client on request** or a professional or retail Client by definition.

Clients agreement to this Policy

This Policy is provided to help Clients understand how ISPBL executes ‘Orders so that they can make an informed choice on whether to use ISPBL’s services. Clients should ensure that they have read and understood the contents of this Policy.

If a Client proceeds to place an Order with ISPBL, such Client consents to ISPBL executing that Order in accordance with this Policy.

Other matters

In case of discrepancy between this Policy and the Terms and Conditions, the latter shall prevail.

In case of discrepancy between the French and the English versions of this Policy, the French version shall prevail and is the only binding version.

All references herein to laws, regulations, directives or similar documents, are to be interpreted as referring to any amended, restated, modified or coordinated versions of the same available from time to time.

Any complaint in relation to this Policy may be addressed to the Bank to the attention of the Authorised Member of Management Responsible for Complaints. Such complaints shall be treated in accordance with the Bank's Customer Complaint Process available on the Bank's website or directly from the Bank.

The Bank has in place contingency arrangements in case of any significant disruption of its activities. However, it may be possible that the Bank is temporarily unable to apply this Policy due to external factors beyond its control, such as without limitation systems disruptions, communications failures, market disorders or any other significant disruptions. Any Clients having transmitted Orders when such an event occurs shall be informed as soon as reasonably possible by any means the Bank deems appropriate.

Date of effectiveness

This version of this document is effective from the date written on its cover page and replaces any previous versions covering the same subject matter.

The Bank reserves the right to modify or make changes to this document at any time, each new version being brought to the attention of Clients in accordance with articles 6.9 and 10.7 of the Terms and Conditions.

What does ISPBL mean by 'Best Execution'?

Best Execution is the process by which ISPBL seeks to obtain the best possible result when **executing** Orders. The definition of best possible result will vary as ISPBL takes into account a range of execution factors and determines their relative importance based on the characteristics of its Clients, the Orders and the markets in which it operates. These factors are further described in this Policy.

When receiving and transmitting Orders ISPBL will act honestly, fairly and professionally in accordance with the best interests of the Clients concerned.

Execution Factors

ISPBL has considered a number of criteria that might be important to Clients. These are called the Execution Factors and are:

- **Price** – the market price at which the Order is executed;
- **Costs** – any charges incurred in executing the Order;
- **Speed of execution** - time it takes to execute the Order;
- **Likelihood of execution and settlement** – likelihood that the execution of the Order shall succeed;
- **Size** - size of the transaction and how this affects the execution;
- **Nature of the transaction** - how the particular characteristics of an Order can affect how best execution is achieved;
- **Other eventual factors** relevant to particular Order types.

In this regard, the Bank has used the criteria below to determine the relative importance of the Execution Factors.

Execution Criteria

The relative importance that ISPBL attaches to the Execution Factors in any particular case may be affected by the circumstances of the Order. These are called the Execution Criteria.

- **Client Characteristics** – professional customers may have needs different from those of retail customers.
- **Transaction Characteristics** – such as potential impact on the market.
- **Financial Instrument Characteristics** – such as the type and liquid nature of the instrument and the liquidity sources available.
- **Execution Venue Characteristics** – particular features of the liquidity sources available to ISPBL.
- **Other eventual relevant circumstances.**

How ISPBL provides Best Execution

• Retail Clients

When ISPBL executes Orders on behalf of **retail** Clients, Best Execution is determined on the basis of the total consideration, unless the objective of execution of the Order dictates otherwise (Specific Instruction from Clients). Total consideration is the price of the given Financial Instrument and the costs related to Order execution, including all expenses incurred by the Client which are directly related to the execution of the Order such as Venue execution fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the Order.

• Professional Clients

Generally, ISPBL considers that the most important execution factor for its **professional** Clients is the price the relevant financial instrument is executed at. However, there may be circumstances where the primary execution factors may vary and price is no longer the dominant execution factor; for example, for transactions in illiquid securities, likelihood of execution and market impact become more important. During the trading process, when applying consideration to each execution factor, ISPBL will use its experience and expertise to achieve the best balance across the full range of factors, including where they may conflict with each other. However, it should

be noted that, when undertaking a transaction, any specific execution factors specified by the Client will always be paramount in ensuring that best execution is provided.

Execution Venues

Based on its assessment of the Execution Factors and the Execution Criteria, ISPBL will select one or more Venue(s) for the execution of each Order, such as:

- Regulated Markets (RM)
- Multilateral Trading Facilities (MTF)
- Organised Trading Facilities (OTF)
- Systematic Internalisers (SI)
- Third party investment firms which may trade proprietary positions, act as market makers and liquidity providers.

ISPBL will take reasonable care not to discriminate between Execution Venues, to select them on the basis of the Execution Factors of the relevant Order and to identify how to access them when the Execution Criteria require the use of Financial Intermediaries (brokers).

For each category of Financial Instrument, this Policy indicates:

- (i) the Financial Intermediaries and the Execution Venues that can be selected by the Bank to execute Orders, and
- (ii) the criteria for selecting those Financial Intermediaries and Execution Venues.

Best selection process

Best selection process applies when ISPBL provides receipt and transmission of Orders.

Schedule 6 to this Policy contains a list of the Execution Venues and Financial Intermediaries the Bank may use to meet its obligation to take sufficient measures to obtain the best possible execution of Orders.

Where there is **more than one Venue** where an Order can be executed, the Bank will assess and compare the results for the Client that would be achieved by executing the Order on each of the Venues available. The Bank will take into account in this assessment its own fees and the costs of executing the Order on each of the available Venues.

ISPBL does on-going assessments of the Execution Venues used to determine whether they provide the best possible result for Clients taking into consideration any new Execution Venues. In completing this assessment, ISPBL will combine its own assessment with execution quality data reported by Execution Venues under MiFID II and its implementing measures. The factors affecting choice of Execution Venue are price, the need for timely execution, market liquidity, the size and nature of the Order and whether the Client has objected to its Orders being executed Off-Market. ISPBL's Best Selection Process includes a broker review, which assesses Financial Intermediaries and Execution Venues on a regular basis. The outcome of ISPBL's Broker Review is the result of an equally weighted evaluation process, which takes into consideration four key criteria:

- Execution
- Sales
- Primary Market
- Settlement

Use of a single Venue

ISPBL will select only one Execution Venue to execute Orders when such a choice enables it to consistently obtain the best results for Clients.

ISPBL will take into account evolving competitive landscape in the market for Execution Venues operators and therefore the emergence of new players, new Venue functionalities or execution services when determining whether or not to include only one Execution Venue in its Policy.

In Order to act in the best interest of Clients, ISPBL will regularly assess markets to determine whether or not there are alternative Venues that they could use.¹

A list of the main Execution Venues and Financial Intermediaries used by ISPBL is available on <http://www.intesasanpaolobankluxembourg.lu/> and in Schedule 6 to this Policy.

ISPBL reserves the right to modify the contents of annex 6 at any time, such modifications being brought to the attention of Clients in accordance with article 10.7 of the Terms and Conditions, and notably by publication on the Bank's website.

¹ This assessment will benefit from the new metrics available under RTS 27 and from any other relevant source of data. RTS 27 refers to the regulatory technical standards under Article 27(10)(a) of MiFID II adopted by the EC on 08/06/2016, Commission Delegated Regulation (EU) 2017/575

When does Best Execution apply?

Services

This Policy shall apply in relation to the following services provided by ISPBL:

- **Receipt and transmission of Orders (RTO)** in relation to one or more Financial Instruments;
- **Execution of Orders on behalf of Clients** (including discretionary portfolio management service)

The meanings of execution of a transaction and transmission of an Order are available in the Glossary attached to this Policy.

In Scope Transactions

In accordance with MiFIR DR², the following constitute a transaction: the conclusion of an acquisition or disposal of a Financial Instrument.

An **acquisition** includes a purchase of a Financial Instrument and the entering into of a derivative contract.

A **disposal** includes a sale of a Financial Instrument and a closing out of a derivative contract.

When does Best Execution NOT apply?

Best execution does not apply to operations that are not considered as a transaction under MiFID, including³:

- a) a contract arising exclusively for clearing or settlement purposes;
- b) an acquisition or disposal that is solely a result of custodial activity;
- c) the creation or redemption of units of a collective investment undertaking by the administrator of the collective investment undertaking;
- d) the exercise of a right embedded in a financial instrument, or the conversion of a convertible bond and the resultant transaction in the underlying financial instrument;
- e) the creation, expiration or redemption of a financial instrument as a result of pre-determined contractual terms, or as a result of mandatory events which are beyond the control of the investor where no investment decision by the investor takes place at the point in time of the creation, expiration or redemption of the financial instrument;
- f) an acquisition under a dividend re-investment plan;
- g) an exchange and tender offer on a bond or other form of securitised debt where the terms and conditions of the offer are pre-determined and published in advance and the investment decision amounts to a choice by the investor to enter into the transaction with no ability to unilaterally vary its terms.
- h) an acquisition or disposal that is solely a result of a transfer of collateral.

² Article 2 of COMMISSION DELEGATED REGULATION (EU) 2017/590 of 28 July 2016

³ Full list available in Article 2 of COMMISSION DELEGATED REGULATION (EU) 2017/590 of 28 July 2016

General considerations

Trading capacity of ISPBL

- **Principal/Dealing on own account**

ISPBL may be acting purely to action its own proprietary trades or may be acting on own account with a view to fulfilling Orders that it has received from Clients. In the latter case, the trading time and date for the Client side transaction may be the same as for the market side transaction or could be later and the price of the market side transaction and the Client side transaction could be the same or could differ.

- **Matched Principal**

ISPBL may interpose itself between the buyer and the seller to the transaction in such a way that it is never exposed to market risk throughout the execution of the transaction, with both sides executed simultaneously, and where the transaction is concluded at a price where the Bank makes no profit or loss, other than a previously disclosed commission, fee or charge for the transaction.

- **Trading in an 'any other capacity'**

All other activity that does not come under the definitions of Own account dealing or Matched Principal trading is classified with a trading capacity of 'any other capacity' which includes where such activity takes place on an agency basis.

Specific Instructions

Clients may ask ISPBL to execute their Orders in accordance with specific instructions – either generally or on a case by case basis. To the extent that ISPBL is able to accommodate such requests, it will do so.

When ISPBL executes an Order following specific instructions of the Client, best execution obligations are considered satisfied only in respect of the part or aspect of the Order to which the Client instructions relate. The fact that the Client has given specific instructions which cover one part or aspect of the Order is not treated as releasing ISPBL from its best execution obligations in respect of any other parts or aspects of the Order that are not covered by such instructions.

In the absence of express instructions, ISPBL will exercise its own discretion, having regard for the terms of the Order in determining the factors required for the purpose of providing Best Execution.

Core order types

- **At Open/Close Order**

An Open/Close order is an order to buy or sell an instrument immediately at the best price currently available at the time of market opening/closing.

- **Fixing Order**

Where Clients send an Order for execution at a reference price defined by a market fixing (such as a “Close” auction), which ISPBL agrees to accept, but without guaranteeing to fulfil that Order, ISPBL will endeavour to fulfil the Order at the fixing price published by the market by participating in the fixing or auction mechanism whilst strictly respecting any limit price specified by the Clients.

- **Market Price or At Best Order**

Order at market conditions with no prior indication of price, limit price, or price determination mechanism or a specific time of execution. In such circumstances, ISPBL shall execute that Order as soon as reasonably practicable after the Order is accepted and fulfil it with available liquidity at best price.

- **Limit Order**

The buyer or seller sets a price above/beyond which it does not wish to make the trade.

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

- **Stop Order**

Order where the Clients wish to trade on the market as soon as a predetermined trigger price is reached. A “stop buy” Order is triggered if the last price traded is above or equal to the trigger price (below or equal for a “stop sale” Order). The stop Order is only activated when the Order’s trigger price is reached; it then becomes an Order at “Market Price” and there is always the possibility that it will be executed at a price which is higher/lower than the trigger price.

Order types referring to a Benchmark

Clients may send ISPBL an Order to execute according to at a benchmark determined by the market. ISPBL will use an **Algorithmic Order**, which is an Order whose execution is automated, following automated predetermined strategy and according to specific parameters and/or conditions.

- **Volume Weighted Average Price (VWAP)**

The VWAP strategy attempts to match the volume weighted average price over a given period of time. It works by distributing an order over a specified time based on historical trading volume patterns, with the ability to place a constraint on the maximum percentage of trade volume in which the order should participate.

- **Time Weighted Average Price (TWAP)**

The TWAP strategy aims to execute trades evenly over a specified time period. TWAP differs from the VWAP strategy in that a VWAP trade will trade based on historical volume trading patterns and TWAP aims to trade evenly throughout the specified time period regardless of volume.

- **Percentage of volume**

This strategy attempts to trade at a specified percentage of market volume whilst varying participation based on directional price moves by dynamically responding to price movement and adjusting participation based on specified minimum and maximum percentages.

- **Iceberg**

Iceberg orders are sent to Trading Venues where only the specified quantity of the total is displayed at any given time on the Order book. These are only supported for Venues where this native order type is offered.

Validity order request

- **Good till cancelled (GTC) Order**

A conditional request made to keep the Order in effect until it is executed or cancelled.

- **Good till date (GTD) Order**

A conditional request made to keep the Order in effect until it is executed or until a predetermined date.

Direct Market Access (DMA)

When using DMA given by Financial Intermediaries, ISPBL can get access to the Trading Venues and directly controls the execution rather than passing the Order over to those intermediaries for execution.

Over the Counter (OTC)

ISPBL may execute all or part of an Order Off-Market by using alternative sources of liquidity outside of Trading Venues (not on a Regulated Market, MTF, OTF), and executing Orders bilaterally with those counterparties. Some financial products may not be available on Trading Venues and therefore only be traded OTC. By accepting the terms of the Policy, Clients give their consent that Orders may be executed Off-Market.

Request for quote (RFQ)

ISPBL may contact different counterparties (either directly or through an execution platform) to obtain a quote (proposed price for a certain quantity) for the execution of an Order. ISPBL will communicate to the Client the best offer received from counterparties and, upon acceptance, ISPBL will consider having achieved the best possible result for the Client.

Fair-price assessment for OTC products

ISPBL will check the fairness of the price proposed to the Clients when executing Orders or taking decisions to deal in OTC products, including bespoke products, by gathering market data used in the estimate of the price of such products and, where possible, by comparing with similar or comparable products. For this assessment, ISPBL will take into account external market data and externally verifiable reference prices (where available).

When placing Orders resulting from decisions to deal in OTC products, ISPBL will undertake the necessary checks on the fairness of the price and ensure that it is reflected in its arrangements/procedures on a systematic basis.

Monitoring and Review

ISPBL will review this Policy annually and whenever a material change occurs that affects ISPBL's ability to obtain the best possible result for the execution of Clients Orders.

ISPBL will notify Clients of any material changes to its Order execution arrangements or this Policy, which will be made available on ISPBL's website(s) and will be in force as from publication.

Client reporting requirements

The Bank, upon request of a Client, will demonstrate to have executed its Orders in accordance with this Policy.

When Clients make reasonable and proportionate requests to the Bank for information about the Policy, about the arrangements taken by the Bank to execute Orders in compliance with the Policy and about how the Policy is reviewed, the Bank shall answer clearly and within a reasonable time frame.

Public reporting requirements

Once a year, for each category of Financial Instrument, the Bank shall publish a ranking of the top five Execution Venues where it has executed Orders during the previous year based on the volume of transactions and provide information on the quality of execution obtained.

A further ranking of the top five entities (brokers) to which client orders were routed during the relevant period shall also be made available.

In addition, the Bank shall provide a single consolidated report on the execution venues and entities the firms uses most frequently to execute client orders.

Costs and Charges applicable to Clients

As remuneration for the Bank executing and transmitting Orders, the Bank will receive the fees mentioned in the fee schedule⁴. Any changes to the fees mentioned in the fee schedule shall be notified by any means of communication in accordance with the Terms and Conditions.

Each year, the Bank will provide each Client with information on all costs and expenses associated with the Financial Instruments and services related to such Client's Orders executed or transmitted by the Bank.

The Bank does not receive any payment or benefit from Financial Intermediaries or Execution Venues to which it may send Orders.

ISPBL structures and charges its fees in a way which shall not discriminate unfairly between Execution Venues and shall avoid charging different fees or spread to Clients for execution on different Execution Venues when that difference does not reflect actual differences in the cost to the Bank of executing on those Venues.

Best Execution by type of financial instruments

ISPBL provides in the following Schedules an overview of when and how ISPBL will provide best execution in relation to transactions executed for different activities and asset classes.

Financial Instruments are grouped by main asset classes as follows:

Schedules	Financial instruments included
1. Fixed Income	Debt instruments, structured bonds, subordinated bonds, and certificates with guarantee/or protected capital, Sovereign debt
2. Cash Equity	Shares that embedding a derivative, Funds including ETF, Warrants and Rights
3. Derivatives (Listed)	Options and Futures on Fixed Income, Equity index and Equity single stock
4. FX	FX swaps, Forwards, and FX options
5. Funds	Investment Funds

⁴ The fee schedule for Bank services, which the Client receives and accepts when signing the Terms and Conditions, or any other document subsequently received by the Client and showing the fees for the Bank to execute the Client's Orders.

Schedule 1: Fixed Income

Financial Instrument in scope

This schedule deals with the execution of Orders for Fixed Income instruments.

ISPBL's selected Venue

ISPBL favours Regulated Markets on which the Financial Instruments are admitted for trading or MTFs of which ISPBL is a member.

In case the Instrument is not tradable on those Venues or when liquidity is not sufficient, ISPBL can execute the Orders **off-market** and launches a RFQ to third party investment firms (Market Makers or Liquidity Providers).

The main Financial Intermediaries and Execution Venues for the execution of Fixed Income Orders are included in Schedule 6 to this Policy.

Relevant Execution Factors

The ranking of execution factors for Fixed Income is:

- **Liquid Market**
 1. Price
 2. Size/quantity
 3. Other factors (market impact/liquidity)
 4. Likelihood of execution and settlement
- **Illiquid Market**
 1. Likelihood of execution and settlement
 2. Size/quantity
 3. Price
 4. Other factors (market impact/liquidity)

Order Types Available

The Bank accepts the following standard Orders for Fixed Income products:

- At Limit Order
- Market Price or at Best Order
- Market on close
- Market on open
- Fixing
- Stop loss/profit

The Order may be valid until it is executed or until a predetermined date (GTD) and by default valid until cancellation (GTC).

Best Execution Monitoring

ISPBL uses third party market data to benchmark results of execution, monitor best execution and the fairness of the price offered to the Clients.

Trading Capacity

All transactions will be executed in a Matched Principal trading capacity, where the price and the execution time given to the Client is the same as the one obtained in the market, other than a previously disclosed commission, fee or charge for the transaction.

Special cases

Orders on certificates, issued by financial institutions which are also market making those instruments, will be executed directly with the issuers.

Schedule 2: Cash Equities

Financial Instrument in scope

This schedule deals with the execution of Orders for the following Financial Instruments admitted for trading on a Trading Venue: shares, Exchange Traded Funds (ETF), warrants and Rights.

ISPBL's selected Venue

ISPBL favours Trading Venues on which the Financial Instruments are admitted for trading and that can be accessed through either:

- DMA offered by Financial Intermediaries selected by the Bank;
- Financial Intermediaries selected by the Bank in accordance with this Policy and the Best Selection Process (broker review).

The main Venues and Financial Intermediaries selected by the Bank for the execution of Orders for the Financial Instruments concerned in this schedule are included in Schedule 6 to this Policy.

Relevant Execution Factors

ISPBL takes into account primarily the Order type defined by the Client and then considers the following Execution Factors when choosing Execution Venues and Financial Intermediaries:

1. Market Impact/Liquidity
2. Speed of the execution
3. Size/Volume
4. Price

Order Types Available

The Bank accepts the following Order types:

- At Limit Order
- Market Price or at Best Order
- Market on close
- Market on open
- Stop Loss
- Stop Limits
- Time Weighted Average Price (TWAP)
- Volume Weighted Average Price (VWAP)
- Percentage of volume
- Iceberg

The Order may either be valid until it is executed or until a predetermined date (GTD), until cancellation (GTC) and by default with a daily validity.

Best Execution Monitoring

ISPBL uses third party market data to benchmark results of execution, monitor best execution and the fairness of the price offered to the Clients. In addition, the Bank uses Third-party Transaction Cost Analysis (TCA) tool to monitor market conditions on an ex-ante basis and also to benchmark the execution by Financial Intermediaries on an ex-post basis.

Trading Capacity

All transactions will be executed in a Matched Principal trading capacity, where the price and the execution time given to the Client is the same as the one obtained in the market, other than a previously disclosed commission, fee or charge for the transaction.

Schedule 3: Derivatives (listed)

Financial Instrument in scope

This schedule deals with the execution of Orders for Listed Futures and Options.

ISPBL's selected Venue

The Bank doesn't have direct membership on Trading Venues where the listed derivatives are admitted to trading and systematically uses Financial Intermediaries or third party investment firms (Market Makers or Liquidity Providers) that it selects through a RFQ.

Relevant Execution Factors

For listed derivatives, the following factors are taken into account, without any pre-determined relative importance:

- Price
- Expected impact of execution
- Likelihood of execution and settlement
- Costs
- Speed
- Other factors

Order Types Available

The Bank accepts the following standard Order types:

- At Limit Order
- Market Price or at Best Order
- Market on close
- Market on open
- Stop Loss
- Stop Limits
- Time Weighted Average Price (TWAP)
- Volume Weighted Average Price (VWAP)
- Percentage of volume

The Order may either be valid until it is executed or until a predetermined date (GTD), until cancellation (GTC) and by default with a daily validity.

Trading Capacity

All transactions will be executed in a Matched Principal trading capacity, where the price and the execution time given to the Client is the same as the one obtained in the market, other than a previously disclosed commission, fee or charge for the transaction.

Schedule 4: Foreign exchange (“FX”)

Financial Instrument in scope

This schedule deals with execution of Orders on **FX instruments**: swaps, forwards and options.

ISPBL’s selected Venue

ISPBL favours Venues on which the Financial Instruments are admitted for trading and of which ISPBL is a member. In case the Instrument is not tradable on those Venues or when liquidity is not sufficient, ISPBL can execute the Orders **off-market** and launches a RFQ to third party investment firms (Market Makers or Liquidity Providers).

The Execution Venues for the execution of FX Orders are included in Schedule 6 to this Policy.

Relevant Execution Factors

In normal market condition and for an average size Order, the Execution Factors that the Bank will consider when choosing Execution Venues are as follows:

1. Price
2. Likelihood of execution

Order Types Available

The Bank accepts the following standard Order types:

- Market Price or at the Best Order
- Fixing
- Limit Order

Fixing Orders are executed at the WM/Reuters 5 p.m. CET price.

Best Execution Monitoring

ISPBL uses third party market data to benchmark results of execution, monitor best execution and the fairness of the price offered to the Clients. For FX Swaps and Forwards transactions, fair price is calculated via the Reuters calculator Tool or by using a proprietary calculation method based on money market rates. For FX Options, fair price is calculated based via the Reuters calculator Tool.

Trading capacity

The orders on products treated in this schedule are all executed in Principal trading capacity.

Schedule 5: Funds

Financial Instrument in scope

This schedule deals with subscriptions to (or redemptions of) units of investment fund, while Exchanged Traded Funds (ETF) are covered in Schedule 2 (Cash Equities)

Funds can be only subscribed and redeemed in one place (with the transfer agent) and at one price (the net asset value (NAV)). As there is no discretion with regards to the Execution Venue and / or price, the Bank executes the Clients orders with the respective transfer agent of the fund through the fund execution platforms as listed in Schedule 6 of this Policy.

The signatory/signatories state having received and read the Policy and agree to its provisions.

Luxembourg, Date:

Signature(s) of the holder(s):

Schedule 6 : Execution Venues and Financial Intermediaries for the execution and transmission of Orders

A list of the main Execution Venues including Financial Intermediaries used by ISPBL is also available on <http://www.intesasanpaolobankluxembourg.lu/>.

Fixed Income review

AUTHORIZED BROKER LIST 2020	
AMIAS BERMAN	KLIEM
AUREL BGC (EX ETC POLLAK)	MARZOTTO SIM
CANTOR FITZGERALD	NEWEDGE
CHALKHILL PARTNERS	ODDO & CIE
CONDUIT CAPITAL MARKET	RIA CAPITAL MARKETS
EFG FINANCIAL PRODUCTS	STIFEL NICOLAUS EUROPE
ICAP DEUTSCHLAND SEC	TRADITION SA
INVESTEC	TRADITION SIM
INVICTA SECURITIES	TRADITION UK LTD
KEPLER CAPITAL MKT	TULLET TOKYO
KEPLER CHEUVREUX	WALLICH MATTHES

AUTHORIZED COUNTERPARTIES LIST 2020	
ABN AMRO	JP MORGAN
ANZ	KBC
B. POP. EMILIA ROMAGNA (ARCA /MELIORB.)	KBL LUX
BANCA AKROS	LANDES BK BADEN
BANCA IMI	LLOYDS
BANCA PROFILO	MEDIOBANCA
BANCO BILBAO VIZCAYA	MERCK FINK
BANCO BPI	MITSUBISHI UFJ
BANK OF AMERICA / MERRIL LYNCH	MIZUHO INTERNATIONAL
BANQUE DEGROEF	MONTE PASCHI
BANQUE INTERNATIONALE SA - BIL	MORGAN STANLEY
BARCLAYS BANK	NATIONAL BANK OF CANADA
BAYERISCHE LANDESBANK	NATIXIS
BCEE	NATWEST EX ROYAL BK OF SCOTLAND
BELFIUS BANK NV	NIBC (EX SNS SEC NV)
BNP PARIBAS	NIKKO SMBC
CREDIT AGRICOLE	NOMURA
CITIGROUP	NORDDEUTSCHE LANDESBANK
COMMERZBANK / DRESDNER	OPPENHEIMER
COMMONWEALTH BK AUSTRALIA	RABOBANK
CREDIT SUISSE FIRST BOSTON	ROYAL BANK OF CANADA
DAIWA SECURITIES	RZB WIEN
DANSKE BANK A/S	SANTANDER GBM
DEUTSCHE BANK	SCOTIA CAPITAL EUROPE
DZ BANK FFM	SOCIETE GENERALE
ERSTE BANK	STANCHART
GOLDMAN SACHS	TORONTO DOMINION BK
HELABA	UBS
HSBC	UNICREDIT
ING	WELLS FARGO SECURITIES
IST. CENT. BANCHE POPOLARI ITALIANE	WESTPAC BANKING
JANE STREET	ZURCHER KANTONALBANK
JEFFERIES GROUP	



Equities overview

AUTHORIZED COUNTERPARTIES AND BROKER LIST 2020	
EQUITY	ETF
ATLANTIC	BANCA IMI
BANCA AKROS	BLUEFIN
BANCA IMI	CITIGROUP
CITIGROUP	COMMERZBANK
CREDIT SUISSE	FLOW TRADERS
EQUITA SIM	HVB JANE STREET
EXANE	MARKET HUB
GOLDMAN SACHS	OPTIVER
HSBC	SUSQUEHANNA
INSTINET DMA	
INTERMONTE	
INTESA BELGRADE	
JEFFERIES GROUP	
JPM	
KEPLER CHEVREUX	
MACQUARIE	
MAINFIRST	
MEDIOBANCA	
MERRYL LYNCH	
MORGAN STANLEY	
MS PASSPORT	
RAYMOND JAMES	
SAL OPPENHEIMER	
SANFORD BERNSTEIN	
SOCIETE GENERALE	
STIFEL NICOLAUS	
TRADITION TFS	
UBS DMA	

AUTHORIZED COUNTERPARTIES 2020	
DERIVATIVES (listed)	FEX
BANCA IMI	BANCA IMI
	BANCA INTESA
	THOMSON REUTERS FXALL
	360T

Legend

PLATFORM

TRADING PLATFORM 2020	
FUNDS	
ALLFUNDS	
VESTIMA	

Glossary of Definitions

Client	means any person, individual or legal entity, having entered into an account relationship with ISPBL and who gives Orders to ISPBL in relation to Financial Instruments.
Client Transaction	means a transaction executed by ISPBL with a Client where ISPBL acts in a principal, riskless principal or Matched Principal capacity on any of the Financial Instruments listed in the Policy
Dealing on own account	means trading against proprietary capital resulting in the conclusion of transactions in one or more Financial Instruments
Execution of a transaction	<p>means the conclusion of a transaction where any of the following services or any of the following activities have been provided or performed:</p> <ul style="list-style-type: none"> (a) receipt and transmission of Orders in relation to one or more Financial Instruments; (b) execution of Orders; (c) dealing on own account; (d) making an investment decision in accordance with a discretionary mandate granted by a Client; (e) transfer of Financial Instruments to or from accounts.
Execution of Orders on behalf of Clients	means the conclusion of agreements to buy or sell one or more Financial Instruments on behalf of Clients and includes the conclusion of agreements to sell Financial Instruments issued by an investment firm or a credit institution at the moment of their issuance.
Execution Venue (or Venue)	includes Trading Venues (Regulated Market, MTF, and OTF), Systematic Internaliser, or a market maker or other liquidity provider or an entity that performs a function in a third country (non-EU Member States) similar to the functions performed by any of the foregoing.
Financial Intermediaries	means third-party investment firms which act as brokers and to which the Bank transmits orders for execution on Venues.
Financial Instruments	<p>They mean:</p> <ol style="list-style-type: none"> 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 the requirements of Directive 2003/87/EC (Emissions Trading Scheme).

Terms and Conditions	Means the terms and conditions governing the relations between the Bank and its Clients, accepted by the Client upon the opening of an account with the Bank, as the same may be amended from time to time in accordance with their terms.
Market Maker	Means 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	Means 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 in a way that results in a contract in accordance with the provisions of Title II of MiFID II.
Order	means an order to execute a transaction on a Financial Instrument given by a Client to the Bank and a verbal or electronic (e.g. Bloomberg, FIX) agreement to execute such transaction on behalf of such Client regardless of whether ISPBL acts in a principal, riskless principal or agency capacity.
Organised Trading Facility or OTF	Means a multi-lateral system which is not a Regulated Market or an MTF and in which multiple third-parties buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of MiFID II.
Regulated Market or RM	Means a multi-lateral system operated and/or managed by a market operator, which facilitates the bringing together of multiple third-party buying and selling interests in financial instruments in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of MiFID II.
Systematic Internaliser	Means an investment firm which, on an organised, frequent systematic and substantial basis, deals on own account when executing Client Orders outside a regulated market, an MTF or an OTF without operating a multilateral system.
Transmission of an Order	Means that an Order has been transmitted but only if the following conditions are met: a) the Order was received from a Client or results from its decision to acquire or dispose of a specific Financial Instrument in accordance with a discretionary mandate provided to it by one or more Clients; b) the Bank has transmitted the Order details to another investment firm (the "receiving firm"); c) the receiving firm is subject to Article 26(1) of Regulation (EU) No 600/2014 and agrees either to report the transaction resulting from the Order concerned or to transmit the Order details in accordance with this Article to another investment firm.