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Information on Best Execution of LGT Capital Partners Ltd.

Principles of Order Execution

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1. Introduction and purpose

In accordance with its regulatory obligations LGT Capital Partners Ltd. (hereinafter "LGT CP") is required to take all sufficient steps to consistently obtain, when executing or transmitting orders, the best possible result for its clients considering relevant execution factors and any specific client instructions – commonly referred to as best execution.

This obligation includes orders that arise in relation to discretionary portfolio management for professional clients and fund management activities.

This communication describes the process for taking all required steps when either directly executing orders on one or more execution venues or transmitting orders to intermediaries (affiliates or third party brokers) to achieve the best possible result for clients.

Furthermore, this communication explains:

- the critical factors used to select an execution venue for order execution or an intermediary for order transmission ("broker") and the relative importance of each factor;
- how the best execution factors are considered for order execution and transmission and thus venue selection and specific execution strategies;
- the procedures and processes used to analyze the quality of execution obtained and how LGT CP monitors and verifies that the best possible result was obtained for its clients on a consistent basis.

2. Obtaining best execution

There are in principle two possibilities for the handling of orders on behalf of client portfolios:

- LGT CP can transmit orders to affiliates (e.g. LGT Bank Ltd., Vaduz) or other third party broker for subsequent execution;
- LGT CP can execute the relevant transaction directly on an execution venue (e.g. by dealing directly with a Systematic Internalizer (SI)).

Before executing orders or placing orders with a broker that may execute these orders outside a trading venue LGT CP has to obtain the express consent of its discretionary mandate clients. Such consent is generally obtained in the form of a general agreement and not on individual transactions' basis. In case the order is executed outside a Trading Venue, clients may be exposed to counterparty risk, which refers to an event where the counterparty to a transaction fails to honor its obligations resulting from such a transaction, e.g. by failing to pay for the delivered financial instruments.

In order to achieve the best result for execution and transmission of orders on behalf of client portfolios, LGT CP considers the following factors:

- Price of the financial instrument – the price a financial instrument is executed at;
- Costs related to the execution of the order – including implicit costs such as spreads and explicit costs such as exchange or clearing fees;
- Speed of executing the order – the time it takes to execute a transaction including settlement;
- Likelihood of execution and settlement – the likelihood that a transaction is completed;
- Size of the order – for large orders only a partial fill may be received;
- Nature of the order and any other relevant consideration – this covers any other factor not listed in the regulations that LGT CP may wish to prioritize in order to achieve the best result for its clients.

LGT CP is required to consider and assess the relative importance of the relevant execution factors in respect of each class of financial instrument in which it trades. **Best execution is assessed on the basis of a total consideration, representing the price of the financial instrument and the costs relating to execution.**

This includes 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. LGT CP's own commission and costs for executing the order on each of the eligible execution venues are taken into account in that assessment.

Depending on the situation, LGT CP may give priority to other factors besides price and cost in the best interest of the client. In some markets, price volatility may mean that timeliness of execution is a priority. In markets with low liquidity, the fact of execution may itself already constitute best execution, i.e. the likelihood of execution may become the primary factor. In other cases, LGT CP's choice of venue may be limited because of the nature of the order. For example, there may be little (or no) choice of alternative venues when trading certain bespoke products.

All aforementioned execution factors must be taken into account and the relative importance must be determined by reference to the execution criteria being:

- the characteristics of the client including its categorization (e.g. institutional client, fund);
- the characteristics of the client order (e.g. size and urgency);
- the characteristics of the financial instruments that are subject to the order and
- the characteristics of the brokers and/or execution venues to which that order can be directed (relevant considerations might be the reputation and reliability of the venue).

The order execution principles will not apply in cases where LGT CP follows specific instructions from a client when placing an order with, or transmitting an order to, another entity for execution. In general, LGT CP (as discretionary portfolio manager and fund manager) will make all dealing decisions itself and will therefore control the allocation of orders among brokers and execution venues, which are used for execution. If LGT CP receives an order instruction from a client within a discretionary portfolio mandate, such an order may only be obtained in writing and not only via phone.

3. Selecting brokers and execution venues

LGT CP has mainly entrusted LGT Bank Ltd., Liechtenstein, (hereinafter "LGT Bank FL") with the execution of orders on behalf of client portfolios. As such, LGT Bank FL is LGT CP's primary service partner for order transmission and execution in all asset classes. LGT CP ensures that the best execution principles followed by LGT Bank FL are in line with LGT CP's own best execution principles. The most recent best execution policy of LGT Bank FL can be found at www.lgt.com/en/publications/downloads/.

LGT Group has a rigorous process for on-boarding new execution venues and brokers. It maintains a list of approved brokers and execution venues on which the trading desks place significant reliance in respect of each class of financial instruments. The list of eligible brokers and execution venues is not exhaustive and may change at any time. The most recent version of the list can be found at www.lgt.com/en/publications/downloads/.

4. Application of the best execution principles across asset classes

4.1. Equity, equity-like instruments and derivatives other than foreign exchange (FX)

This section covers the following financial instruments: equities, exchange-traded funds, exchange-traded options and futures, Over-the-Counter (OTC) derivatives with various underlyings other than FX and structured products.

Generally, the most important execution factors will be the price and costs. LGT CP places significant reliance on LGT Bank FL to provide the best result and to take all sufficient steps to obtain best execution for these asset classes.

As execution partner, LGT Bank FL provides LGT CP with access to the market and executes orders on execution venues or transmits them to other third party brokers for execution.

4.2. FX derivatives

LGT CP mainly routes FX derivatives orders directly to LGT Bank FL who acts as SI for these instruments. Generally, the most important execution factors for orders will be the price and costs at which the relevant financial instrument is executed at.

LGT CP must be able to check the fairness of the price proposed, by gathering market data used in the estimation of the price of such products and when possible by comparing with similar or comparable products. If the market price for an FX derivative is not available, specific offers must be obtained from at least two potential counterparties.

In case of discretionary portfolio mandates, LGT CP places orders via the client's custodian for execution (based on the client's instruction). The custodians will validate the orders and then transact either directly or indirectly following their best execution policies.

4.3. Fixed income

Generally, the most important execution factors for orders will be the price and costs.

LGT CP places significant reliance on LGT Bank FL to provide the best result and to take all sufficient steps to obtain best execution for this asset class.

LGT CP will also execute orders itself directly with a counterparty or transmit orders to a third party broker for execution. LGT CP must be able to check the fairness of the price proposed, by gathering market data used in the estimation of the price of such products and when possible by comparing with similar or comparable products.

4.4. Primary market transactions

The order execution principles do not apply to primary market transactions. For primary market transactions, there is only one seller/ price, hence the best result is automatically achieved.

5. Disclosure to clients

LGT CP must provide appropriate information to its clients on its order execution principles. This is achieved through the publication of this communication on LGT CP's webpage. The latest version can be found at <https://www.lgtcp.com/en/regulatory-information/>.

In case of any material changes of the Directive on Best Execution and/or execution arrangements clients need to be informed respectively. Examples of material changes may be LGT CP starting to trade a new type of instrument that requires new and different execution arrangements to be put in place. Such material changes will be reflected in this communication, the most recent version of which will be available to clients on the aforementioned link.

Clients may request further information about LGT CP's order execution principles or proof on how best execution is achieved by contacting their relationships manager.

6. Third party payments and research

The provision of research by third parties to LGT CP is not regarded as an inducement if it is received in return for (i) direct payments by LGT CP out of its own resources or (ii) payments from a separate, client funded research payment account controlled by LGT CP and not linked to the volume and/or value of transactions executed on behalf of the clients. Where LGT CP makes use of the research payment account, it must inform its clients ex ante

about the budgeted amount of research and the amount of the estimated research charge for each of the client and provide an annual summary of total research cost that each of them has incurred for third party research.

7. Monitoring and review

LGT CP will regularly assess whether the selected brokers and execution venues consistently provide the best possible result for the client portfolios or whether there is need to make changes to the execution arrangements. In order to assess the execution quality of brokers and execution venues, LGT CP will request and analyze data published by the brokers and execution venues on their quality of order execution.

With regard to the direct execution of fixed income and FX orders LGT CP is required to take into account the information published on a quarterly basis by the systematic internalizers relating to the quality of the execution of transactions.

Appendix - Definitions

Trading venue	Trading venues include regulated markets, multilateral trading facilities (“MTFs”) and organized trading facilities (“OTFs”).
Execution venue	Execution venues include trading venues (regulated markets, MTFs and OTFs), systematic internalizer, market makers or any other liquidity provider.
Multilateral trading facility (MTF)	MTF means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – within the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with Title II of Directive 2014/65/EU.
Regulated market (RM)	RM means a multilateral system, operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – within the system and in accordance with its non-discretionary rules – in a way that results in a contract in respect of the financial instruments for which trading is permitted under its rules and/or systems, and which is authorized and functions in a proper manner and in accordance with Title III of Directive 2014/65/EU.
Organized trading facility (OTF)	OTF means a multilateral 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 brought together within the system in a way that results in a contract in accordance with Title II of Directive 2014/65/EU.
Systematic internalizer (SI)	SI means an investment firm which on an organized and systematic basis – and frequently in substantial volumes – trades on its own account when executing client orders outside a regulated market, an MTF or an OTF without operating a multilateral system.
Over-the-Counter (OTC)	OTC means trading in financial instruments outside a trading venue.
Primary market	Primary market is the part of the capital market that deals with issuing new securities. In particular but not limited to the new issue of bonds, shares and structured products as well as the subscription and redemption of funds.