

**J.P. MORGAN EMEA SECURITIES SERVICES: EXECUTION
POLICY**

APPENDIX 4

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where we receive specific instructions in relation to your order, including but not limited to agreed investment/ lending parameters, to the extent that we accept and follow your instructions we will have satisfied any *best execution* requirements with respect to that aspect of your order. The remaining elements of the order not covered by your specific instructions will remain subject to *best execution* requirements.

Spot FX transactions: are not regarded as *financial instruments* and therefore *best execution* does not apply to such transactions.

Whilst spot FX is not a *financial instrument*, so far as is reasonably possible, J.P. Morgan will seek to apply similar standards in respect of executions of spot FX transactions carried out via the AutoFX product. There are certain markets where our ability to apply similar standards is limited as indicated the “Specific Application to Securities Services” section below.

Execution away from a regulated market or multilateral trading facility

We may execute all or part of your order outside of a regulated market or a multilateral trading facility.

Further information

In producing the Overarching Best Execution Policy and this Appendix, we have provided information we believe to be appropriate to facilitate you making an informed decision regarding our execution practices.

Please contact your usual J.P. Morgan sales or client services contact should you require any further information.

2. Execution factors

J.P. Morgan may consider any of the following factors as applicable when executing your order for Securities Services Products:

- a. Price
- b. Costs
- c. Speed
- d. Likelihood of execution
- e. Likelihood of settlement
- f. Size
- g. Other aspects of the order

When any of these factors are applicable, certain of them may be more important than others.

General Application to Securities Services

This General Application section applies to Securities Services Products with the exception of Foreign Exchange Services which is covered in the “Specific Application to Securities Services” section.

If applicable, we will consider the factors listed below to be the most important. Notwithstanding this, there are certain situations in which the relative importance of these factors will change in response to the instructions that you provide or the nature of the transaction.

Key Execution Factors:

Price: this refers to the resulting price of the transaction, excluding our own execution charges, if any. If applicable to a Securities Services Product, price will usually be our most important consideration.

After price, speed and likelihood of execution are usually our most important considerations in cases where they apply to a Securities Services Product.

Speed: we interpret speed as the rate at which we are able to progress your order. Where your instructions do not refer to speed, we will progress your order at a rate which we believe represents a balance between creating *market impact* and executing your order in a timely fashion so as to reduce execution risk.

Likelihood of execution / size: we interpret this as the likelihood that we are able to fill your order, or at least a substantial part of it, in its entirety. This factor increases in importance in situations where access to liquidity in the relevant instrument is constrained in some way. For example, if you provide a limit price which is not marketable.

Other Execution Factors:

Likelihood of settlement: we expect transactions that we execute for you to settle in a timely fashion.

Costs: these relate to commissions, costs and the fees that are charged for executing your order.

Specific Application to Securities Services

Product area where an in scope execution may arise within Securities Services	Application of Best Execution
<p><u>Fund Order Routing Services</u></p> <p>Within our fund order routing services product offering, currently an execution will arise where you instruct us to subscribe for, or redeem, units in certain funds. In certain cases, including, but not limited to, where we do not have a direct relationship with a fund, we may use third parties to execute your order.</p>	<p><u>Speed:</u> we will always try to execute your order in a timely fashion. We will endeavor to process any orders received before any relevant cut-off time in accordance with any agreed documentation in place with you and the terms applicable to subscriptions or (as the case may be) redemptions for the relevant fund. As the price is static during any subscription or redemption period, however, “speed” is not relevant with respect to the point during any subscription or redemption period at which an order is placed.</p> <p><u>Likelihood of execution / size:</u> this refers to the likelihood that we are able to process your subscription in accordance with your instructions if.</p> <p><u>Price:</u> due to the nature of the instruments (e.g. units in a fund) there is only one price per subscription or redemption period, as applicable. This means that “price” is not a relevant factor for these transactions.</p> <p><u>Other factors:</u> there will commonly be only one method of purchasing or redeeming units, for example via the manager, administrator, transfer agent or general partner of the fund, and this limits the applicability of the other factors. For example, venue selection is not relevant where there is no choice of venue.</p> <p>When placing your orders with third parties for execution, our assessment of the key execution factors remains as that described in this section.</p> <p><u>Target Investment Funds:</u> Please note that some of the investment vehicles available to you through our platform may include investment funds of our affiliates.</p>
<p><u>Investor Services Liquidity Products</u></p> <p>Where you instruct us to invest excess cash held with us in a money market fund we may owe you an obligation of best execution.</p>	<p><u>Speed:</u> we will always try to execute your order in a timely fashion. Following our calculations at the times agreed with you in the client documentation, we will endeavor to process any resulting transactions in accordance with any agreed documentation in place with you and the terms applicable to subscriptions or (as the case may be) redemptions for the relevant fund. As the price is set daily, as described above, “speed” is not a relevant factor in terms of what time during the day the order is placed.</p> <p><u>Price:</u> due to the nature of the instruments (i.e. units in a fund) there is typically only one daily valuation point. This means that “price” is not a relevant factor for these transactions.</p>

	<p><u>Other factors:</u> there will commonly be only one method of purchasing or redeeming units, usually via the manager or administrator of the fund, and this limits the applicability of the other factors – for example, we will not be able to select a venue which offers the best likelihood of settlement where there is no choice of venue.</p> <p><u>Costs:</u> Annual management fee represents fees and charges of the manager of the money market funds as indicated in the relevant fund documentation. We receive an agreed share of the annual management fee from the fund manager and disclose the details of such share to you.</p> <p>We may also receive non-monetary benefits from fund manager such as market study data.</p> <p><u>Fund Providers:</u> We apply a detailed fund selection procedure based on objective criteria. Some of the considerations are: providing daily liquidity, favourable cut-off times, size of assets under management, fund range and credit rating. Please note that some of the investment vehicles we make available to you may include money market funds of our affiliates.</p>
<p><u>Agent Lending:</u> Securities Financing Transactions and Investment of Cash or Cash Collateral</p>	<p>Where you instruct us to (i) enter into securities financing transactions (SFTs) ; and (ii) invest any received cash or cash collateral into instruments including but not limited to SFTs, debt instruments, money market instruments, structured products and units in money market funds, in accordance with the parameters as documented in the Securities Lending Agreement or any other product agreement, the following execution factors are relevant:</p> <p><u>Price:</u> J.P. Morgan will endeavour to generate a competitive return assessed across a client’s portfolio of lendable assets (rather than on an individual transaction basis).</p> <p><u>Costs:</u> J.P. Morgan will take into account costs associated with execution (including costs to J.P. Morgan). These could include but are not limited to transaction costs and J.P. Morgan’s capital costs.</p> <p><u>Likelihood of execution:</u> counterparties may be looking for certain trade attributes which can impact their ability to trade or impact trade pricing. These may include but are not limited to netting opinions, collateral and dividend status of a client.</p> <p><u>Likelihood of settlement:</u> if we become aware that a particular execution strategy may compromise likelihood of settlement, we may not pursue that strategy. This covers both settlement of the</p>

	<p>underlying loan/cash investment and the ability to settle client transactions e.g. sale of loaned securities.</p> <p><u>Size</u>: large transactions will be filled by clients that have the required number of securities/amount of cash or who are part of a pool of securities/cash that can facilitate that trade.</p> <p><u>Other factors</u>: any other relevant considerations including duration of loans or lending/collateral parameters and/or counterparty restrictions imposed by a client.</p> <p>Subject to specific instructions, price and costs (including costs to J.P. Morgan) are likely to be the most important factors.</p>
<p><u>Foreign Exchange Services</u></p> <p>Where we execute spot FX transactions pursuant to our AutoFX product.</p>	<p>We consider the following execution factors to be typically the most important factors.</p> <p><u>Price</u>: this refers to the resulting price of the transaction excluding our own execution charges or other transaction costs (see “Costs” section below), if applicable. Price may include costs and charges applied by third parties. FX transactions are priced using one of three sources: external FX benchmark rates, internal FX rates or third party FX rates. Forward points may be applied to certain FX transactions where applicable to settlement tenors other than standard spot settlement tenors and for these FX transactions, the forward points are determined by J.P. Morgan in its sole discretion or by the local sub custodian (or other local liquidity provider).</p> <p>Where J.P. Morgan executes your order, whilst our own costs do not influence the way in which we execute your order, costs and charges applied by third parties, which form part of “price” where external liquidity is obtained, may do so.</p> <p><u>Likelihood of execution</u>: we interpret this as the likelihood that we are able to fill your order in its entirety or at least a substantial part of it. Where we have entered into an agreement with you, this may outline J.P. Morgan’s commitment to execute FX transactions in predefined circumstances. This factor increases in importance in situations where access to liquidity in the relevant instrument is constrained in some way - for example, if currencies of the transaction are illiquid.</p> <p>Other execution factors:</p> <p><u>Speed</u>: this refers to the rate at which we are able to execute an FX transaction, subject to your specific instructions. The rate of execution may be affected by prevailing market conditions.</p> <p><u>Costs</u>: Any transaction costs including any commissions or spreads charged by J.P. Morgan (i.e. excluding any costs and charges applied by third parties), are notified to you. Such notification is communicated before transactions are executed – typically at the outset of our relationship.</p>

	<p>For certain restricted market currencies, FX transactions are routed directly to and managed entirely by J.P. Morgan's sub-custodian (or other local liquidity provider) and J.P. Morgan's ability to apply best execution standards to such transactions is limited.</p> <p>J.P. Morgan is not a party to the FX transaction between the client and the sub-custodian (or other local liquidity provider) and no cost, as defined above, is added to the rate charged by the local sub-custodian (or other local liquidity provider).</p>
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3. Order handling

There are certain circumstances, for some Securities Services Products, in which we, once we have accepted your order, will consider the different execution factors in the context of the instructions that you have provided to form a suitable execution strategy. Under this execution strategy we will take sufficient steps to obtain the best possible result for you by employing appropriate aspects of our execution arrangements.

The execution strategy employed will be formed by the judgment of the individuals assigned to handle your order, together with the automatic processes available to them, subject to your specific instructions and any agreement between you and us, if applicable.

Application to Securities Services

Product area where an in scope execution may arise within Securities Services	Order handling
<p><u>Fund Order Routing Services</u></p> <p>Within our fund order routing services product offering, currently an execution will arise where you instruct us to subscribe for, or redeem, units in certain funds. In certain cases, including, but not limited to, where we do not have a direct relationship with a fund, we may use third parties to execute your order.</p>	<p>There will commonly be only one method of purchasing or redeeming units, for example via the manager, transfer agent, administrator or general partner of the fund, and this dictates how we will handle your order.</p> <p>Client orders will be executed or transmitted to a third party for execution first, so as to meet any applicable cut-off times for execution or transmission and, second, in the order in which they are received.</p>
<p><u>Investor Services Liquidity Products</u></p> <p>Where you instruct us to transfer excess cash held with us into a pooled investment in a money market fund we may owe you an obligation of best execution.</p>	<p>There will commonly be only one method of purchasing or redeeming units and this dictates how we will handle your order.</p> <p>We will endeavour to execute your order in a timely fashion, before the respective fund cut-off time, taking into consideration your cleared projected end of day balances and target balances as defined in the client documentation we have in place with you. If for any reason the system fails to execute the trade on an automated basis, we will process such an order manually through the investment portal of the manager or administrator or by fax.</p>
<p><u>Agent Lending:</u></p> <p>Securities Financing Transactions and Investment of Cash or Cash Collateral</p>	<p>Subject to any applicable restrictions imposed by you, J.P. Morgan will enter into securities loans and/or investments on your behalf by dealing with the borrowers/ counterparties directly or through a trading platform (the full list of execution venues J.P. Morgan uses is available here).</p> <p>Our execution strategy may result in us routing your order to one or more execution venues. The execution strategy employed will be formed by the judgement of the individuals responsible for that particular asset class and/or market, together with the</p>

	<p>automated processes available to them. Where we use an electronic trading platform, the execution strategy will usually be formed automatically based on predetermined criteria.</p> <p>J.P. Morgan will endeavour to ensure a fair allocation of loans and investments between you and other clients, taking into account the factors discussed in section 2 and your specific instructions.</p> <p><u>Factors affecting our choice of execution venues:</u></p> <p>Where you instruct us to enter into securities financing transactions (SFTs), the following factors govern our approach to selecting <i>execution venues</i>:</p> <ul style="list-style-type: none"> (i) Liquidity and price (importance: high) – we consider whether a venue provides sufficient liquidity and whether the price we want to achieve is available on the venue. (ii) Speed of access, immediacy and likelihood of execution (importance: high) – where a venue provides a platform through which we can lend securities in an efficient, fast and automated way. (iii) Settlement efficiency (importance: high) – ability of a venue to facilitate automated execution results in operational efficiencies from automatic trade matching to the post trade services such as contract comparison. (iv) Resilience & reliability (importance: high) – we consider whether a venue provides stable and reliable service, including its contingency planning. (v) Business model (importance: medium) – we assess whether a venue supports development of products and services which can benefit our clients. (vi) Cost (importance: low) – the cost we incur when we use a venue is included in the cost of providing our services and it is not a critical factor in our execution strategy. <p>Where you instruct us to invest any received cash or cash collateral into instruments including but not limited to SFTs, debt instruments, money market instruments, structured products and units in money market funds, the following factors govern our approach to selecting <i>execution venues</i>:</p> <ul style="list-style-type: none"> (i) Liquidity and price (importance: high) – whether a venue provides access to transparent and timely pricing from market participants for the relevant products we may invest on behalf of our clients, which benefit our ability to achieve best execution. (ii) Speed of access, immediacy and operational efficiency (importance: medium) – ability of a venue to provide consolidated pricing information helps us to identify and evaluate trading opportunities. Fast connectivity to trading counterparties assists us in providing best execution and efficient trade confirmation exchange promotes orderly settlement process. (iii) Resilience & reliability (importance: medium) – we consider whether a venue provides stable and reliable service in varying market conditions.
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	<p>(iv) Business model (importance: medium) – we assess whether a venue supports development of products and services which can benefit our clients.</p> <p>(v) Cost (importance: low) – the cost we incur when we use a venue is included in the cost of providing our services and it is not a critical factor in our execution strategy.</p>
<p><u>Foreign Exchange Services</u></p> <p>Where we execute spot FX transactions pursuant to our AutoFX product.</p>	<p>FX transactions executed pursuant our AutoFX product may be executed on the basis of one of the following, unless otherwise agreed:</p> <p>(a) an external reference or benchmark price; (b) a price provided by J.P. Morgan ; or (c) a price provided by an external liquidity provider.</p>

4. Affiliates and third parties

The arrangements described in this policy apply when J.P. Morgan carries out services for you. There may be circumstances where J.P. Morgan deems it appropriate to use an affiliate or third party for the execution of your order.

Using affiliated entities and third parties allows J.P. Morgan to access markets where it otherwise may not be able to execute or, where we believe it to be in your best interests, to address certain characteristics of your order. However, you should be aware of the potential difference in approach to execution standards where this is the case; whilst J.P. Morgan retains its obligations regarding best execution, the execution of the transaction may be carried out by an entity which is not subject to *MiFID II* or the FCA Rules.

If you would like further information on the entities which may carry out execution of your orders in specified markets, please contact your usual J.P. Morgan contact.

Where J.P. Morgan engages either an affiliate or a third party for order execution, we will:

- (a) carry out due diligence on that entity and will take steps to ensure that the entity is able to provide an appropriate standard of execution in the relevant market; and
- (b) monitor our executions with that entity to satisfy ourselves that they are providing appropriate standards of execution.
- (c) subject to your authorisation, J.P. Morgan may enter into loans and investments of cash and cash collateral on your behalf with an affiliate.

In relation to affiliates specifically, whilst we believe that using affiliates provides benefits to clients (including consistency of order handling; governance and oversight processes and the transparency thereof; and integrated technology, allowing more efficient communication and front to back trade processing), we acknowledge that the opportunity for potential conflicts of interest exists. J.P. Morgan is committed to mitigating these to the extent possible, performing due diligence on our affiliates and monitoring our executions with affiliate entities to satisfy ourselves that they are providing appropriate standards of execution.

5. Execution monitoring and review

J.P. Morgan monitors best execution for the relevant Securities Services products and services on a regular basis, through post-trade controls. For all spot FX transactions, publicly available market data will be used to benchmark against execution pricing. The purpose of the monitoring is to identify execution situations which are potentially subject to best execution and to monitor the correct application of internal decision processes. Further, where best execution is deemed applicable, J.P. Morgan will identify whether the relevant executions fulfil the applicable requirements.

The results of the best execution monitoring are reviewed by the control-related functions within J.P. Morgan on an ongoing basis and raised to J.P. Morgan management by the relevant control functions. The results of execution monitoring are also reviewed on a periodic basis or more frequently if determined appropriate by J.P. Morgan management in order to evaluate the effectiveness of the firm's execution arrangements for the relevant Securities Services products and services and, where appropriate, take any corrective action that may be required.

Annex A – Glossary of Terms

Best Execution	The obligation to obtain, when executing orders, the best possible result for our clients taking into account the relevant execution factors.
Execution Venue	Execution venues include Regulated Markets, Multilateral Trading Facilities, Organised Trading Facilities (not applicable to equity instruments), <i>Systematic Internalisers</i> , Market Makers and Liquidity Providers
FCA	The Financial Conduct Authority's Conduct of Business sourcebook
Financial instruments	As defined by MiFID in Annex I Section C.
Market Impact	Movement of the price of a security that may follow orders or transactions in that security.
MiFID	The Markets in Financial Instruments Directive (2004/39/EC).
MiFIR	Markets in Financial Instruments Regulation
MiFID II	Collective name for MiFID/MiFIR
Securities Financing Transaction (SFT)	As defined in Article 3(11) of the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions
Systematic Internaliser	An investment firm which, on an organised, frequent, systematic and substantial basis, deals on own account when executing client orders outside a regulated market or MTF.