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Information on the Order Execution and Order Allocation Policy for UBS AG London Branch, Wealth Management

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Each of the terms which appear in **bold** below is defined in the 'definitions' section at the end of this document.

1. Purpose

We, UBS AG London Branch, Wealth Management ('UBS', 'us', 'we') will take all sufficient steps in order to get the best possible results for our clients when executing, receiving and transmitting their orders.

The purpose of this document is to tell you about our order execution policy.

2. Scope of application

Our policy for executing orders is applied to **financial instruments** if we:

- receive and transmit client orders;
- execute orders on behalf of clients; and
- provide portfolio management services.

The policy for executing orders is not applied if clients:

- are classed as an 'eligible counterparty' unless we have agreed with the eligible counterparty to treat them as a professional client or a retail client; or
- have concluded direct order handling agreements with a different entity in the UBS group.

We will follow any local rules and regulations that apply to the reception and transmission of client orders as well as to their execution. If any provision of UBS' order execution policy is prohibited by applicable local law or regulation, the relevant provision will not apply.

3. Executing orders – getting the best possible result

Subject to any express instructions that may be given by you (see section 7), when executing orders in your name, when receiving and transmitting your orders, or when providing portfolio management services, UBS will take all sufficient steps to get the best possible result for you. This will take into account the execution criteria and 'total consideration' – overall cost - in accordance with section 3.1 and 3.2. We will apply our commercial judgment and experience, and incorporate available market information.

3.1. Execution criteria

In addition to taking into account the total consideration from Section 3.2, and unless you have told us otherwise, we will consider the following criteria when executing orders:

- a) the client classification (either as a retail client or a professional client);
- b) characteristics of the client order;
- c) the **financial instruments** involved in the order; and
- d) the **execution venues** or intermediaries to which that order can be directed.

3.2. Total consideration and other factors

In order to obtain best execution for our clients, the same approach is applied regardless of whether you are a retail or professional client.

This offers the highest level of protection and uses the overall cost, or 'total consideration' as the primary guideline for attaining the best possible result for you.

The total consideration is made up of the price of the **financial instrument** and all related execution costs. We will look at other factors which could influence the outcome only if they could be instrumental in delivering the best possible result.

Total consideration and execution factors are made up of the following:

- a) the price of the **financial instruments** offered by the intermediary or the **execution venue**; and
- b) the direct and indirect costs which are connected to executing **financial instruments**, including:
 - i. all expenditures that arise, which are directly connected with executing the order;
 - ii. fees relating to **execution venues**;
 - iii. clearing and settlement fees; and
 - iv. all other fees which are paid to third parties in connection with the execution of the order;
- c) speed;
- d) the likelihood of the client order being executed and settled;
- e) size and nature of the order; and
- f) other relevant factors (such as market effects and implicit transaction costs).

4. Execution venues

A list of the **execution venues** which we have selected along with the respective class of **financial instrument** is included in the appendix section. This list is neither exhaustive nor fixed.

It includes all venues to which we commonly refer orders for execution which can be other entities in the UBS group. We reserve the right to use other



execution venues if we determine that they are appropriate, after taking the criteria and factors listed in section 3 into consideration.

We monitor **execution venues** regularly, in order to identify those which consistently enable the best possible result. The list is updated with any changes when required.

Where there is more than one competing venue to execute an order, we will take into account our own commissions and the cost of executing the order for each eligible execution venue.

We shall not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular **trading venue** or **execution venue**.

5. Selection of a venue where orders are executed

Subject to any express instructions that may be given by you (see section 7), we use the following methodology when selecting a venue where orders are executed:

- a) subject to the proper consideration of the execution factors mentioned above, another legal entity in the UBS group can act as an **execution venue** where orders are executed. This is based on our assessment that it is in your best interest (and/or at the very least, will not lead to any disadvantage for you);
- b) subject to the above conditions, we select an **execution venue** that we deem the most appropriate in order to get the best possible result for you. This may include execution of trades outside a **trading venue**. There may be additional risks such as counterparty risk when executing in this way; and
- c) there may also be regulatory requirements that require execution on a **trading venue**. As an example, certain derivative classes must be executed on a **trading venue**.

UBS may also use other entities within the UBS group as intermediaries to which UBS will route orders for subsequent execution on **regulated markets**. If so, this entity must consider all reasonably available sources of information (including **RMs**, **MTFs**, **systematic internalisers**, **OTFs**, local stock exchanges, brokers and data providers) in order to get the best possible result for the order.

For certain instruments, there may be only one venue where orders are executed. For these **financial instruments**, we transmit the orders to this single venue. In order to ensure that best execution is achieved we will use benchmark pricing, with properly defined thresholds, and provide client disclosure of internally-generated fees and costs.

6. Execution methods

Subject to any express instructions that may be given by you (see section 7), we will execute an order by one of the following methods or combination of methods:

- a) outside of **trading venue** by means of:
 - i. a different legal entity in the UBS group which itself, acts as an **execution venue** where orders are executed; and/or;
 - ii. execution by a different broker or market maker;
- b) directly in a **regulated market** or **MTF** or **OTF**, if we are not a direct participant in the relevant **regulated market** and/or **MTF**; and/or
- c) with a third party, if there is an agreement for executing orders in this **regulated market** or **MTF** with this party.

7. Express instructions of the client

If you give express instructions for executing an order (e.g. direct market access orders which are entered via an electronic system), we will execute the order in accordance with these. If your instructions only relate to part of the order, we will still apply our policy for executing orders to the part not covered by your express instructions.

Please note that under certain circumstances your express instructions for executing an order may affect our ability to get the best possible result for that order.

8. Receipt and forwarding of orders

Subject to any express instructions that may be given by you (see section 7), we can transfer an order to another legal entity in the UBS group or to a third party (e.g. an external broker) for execution. We would do this if the intermediary can prove that it has principles for executing orders which allow us to fulfill our best execution obligations to you. After checking the execution policies and methods of potential execution locations, we have decided that the **execution venues** listed in the appendix to this document best enable us to comply with our best execution obligations. We reserve the right to use other intermediaries if we deem these suitable.

9. Processing orders

We ensure that client orders are immediately and fairly executed in relation to other client orders and our trading interests. When executing orders, we ensure that:

- a) all executed orders are immediately and accurately documented and assigned;
- b) similar orders are executed immediately and in the sequence in which they are received,



- unless the order characteristics or the prevailing market position makes this impossible or the interests of the client require a different procedure; and
- c) where practical, orders which are entered via several different media are processed with the aim of handling them in the sequence in which they are entered.

10. Limit orders

If you provide an instruction to place an order at a specific price limit or better, and/or for a specific size (a limit order), then it may not always be possible to immediately execute that order under prevailing market conditions. We are required to make client orders of this type public (disclose to the market) unless you expressly instruct us otherwise.

The Execution and Order Handling clause in our Terms and Conditions contains your express instruction. This means that by signing our Terms and Conditions you expressly instructed us not to make such orders public immediately unless you issue specific instructions to the contrary or we consider publication will be in your best interest.

11. Aggregation and allocation of orders

Client orders or transactions will not be carried out in aggregation with another client order unless:

- a) aggregation of orders and transactions does not disadvantage any client whose order is to be aggregated;
- b) each client involved has been informed that the effect of aggregation may work to their disadvantage in relation to a particular order; and
- c) the provisions relating to order allocation set out in our internal policies have been complied with.

In respect of market orders and limit orders, we should not withdraw or withhold client orders for our own convenience, or for the convenience of any other party. If we aggregate an order with one or more other orders and the aggregated order is partially executed, we must allocate the related trades promptly and fairly in accordance with our relevant internal policies.

12. New issues procedures (IPOs)

It is our policy that all clients are treated in a fair and transparent way when allocating new issues. Where new issues are oversubscribed and allocation is cut back, reallocation will generally take place on a pro-rata basis. Allocation will always be in the best interests of all relevant clients and reallocation will be done on a fair and reasonable basis.

13. Monitoring and review

We will regularly monitor how well we are following our arrangements for executing orders. If deficiencies are identified they will be corrected.

The policy and arrangements are reviewed annually and whenever a material change happens which might affect our ability to continue getting the best possible result for you. We will notify you of any material changes to the execution arrangements or our execution policy.

14. Top five execution venues publication

We will publish the following on an annual basis (for the preceding year):

- a) the top five **execution venues** for each class of **financial instrument**, and;
- b) the top five **execution venues** in terms of trading volumes for executed client orders, and;
- c) information on the quality of execution obtained.

Please visit the UBS Wealth Management website and search 'best execution' for this information.

15. Client consent

This document provides information on the Order Execution and Order Allocation Policy we have put in place to meet our best execution obligations. You understand and accept the arrangements we describe within this document when you next place an order for execution with us. Where you only wish to receive discretionary portfolio management services, you understand and accept at the point you ask us to provide these services.

16. Definitions

execution venue - describes a regulated market, a **MTF**, an **SI**, an **OTF**, a market maker or different liquidity provider and/or an entity that performs a similar function.

financial instrument(s) – include, but are not limited to:

- a) equities and stock market-traded investment funds (so called ETFs);
- b) bond issues and money-market instruments;
- c) securitised derivatives;
- d) non-securitised standardised forward contracts (futures) and options (ETD) handled on a stock exchange;
- e) non-securitised and non-standardised derivatives traded on the open market; and
- f) shares in open investment funds.



In order to rule out misunderstandings, "Financial instrument(s)" does not include "spot transactions".

MiFID II means Directive 2014/65 EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

multilateral trading facility ("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 – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with MIFID II.

organised trading facility ("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 able to interact in the system in a way that results in a contract.

regulated market - 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 – in the system and in accordance with its non-discretionary rules – 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 MIFID II.

systematic internaliser ("SI") - 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.

trading venue means a regulated market, MTF or an OTF.



Appendix: execution venues provided by UBS entities

UBS AG London Branch, Wealth Management may route orders to another UBS entity for execution therefore the list of execution venues below includes those also used by other UBS entities.

Note that this list of execution venues is neither exhaustive or fixed. It will be kept under review and updated in accordance with our order execution policy. We reserve the right to use other execution venues additional to those listed here where it is deemed appropriate in accordance with our order execution policy. Where a UBS entity has received an order for execution, it will consider all sources of reasonably available information, including MTFs, local exchanges, brokers and data vendors to obtain the best possible result for the order. This list of execution venues applies to both retail and professional clients as we do not distinguish between categories of client when selecting an execution venue.

Execution Venues as of September 2017

Cash Equities

Country / Liquidity Pool	Execution Venue Name
Europe	
Austria	Wiener Börse
Belgium	Euronext Brussels
Cyprus	Cyprus Stock Exchange
Denmark	NASDAQ OMX Nordic Exchange - Copenhagen
Finland	NASDAQ OMX Nordic Exchange - Helsinki
France	Euronext Paris
Germany	Börse Berlin
Germany	Börse Düsseldorf
Germany	Börse Hamburg
Germany	Börse Hannover
Germany	Börse Frankfurt
Germany	Börse München
Germany	Börse Stuttgart
Germany	Deutsche Börse Xetra
Greece	Athens Exchange
Ireland	Irish Stock Exchange
Italy	Borsa Italiana
Luxembourg	Bourse de Luxembourg
Netherlands	Euronext Amsterdam
Norway	Oslo Bors (incl. NFF (OTC))
Portugal	Euronext Lisbon
Spain	Bolsa de Madrid
Sweden	NASDAQ OMX Nordic Exchange - Stockholm (incl. NGM (OTC))
Switzerland	BX Berne Exchange
Switzerland	SIX Swiss Exchange
United Kingdom	London Stock Exchange (plus IOB)
Eastern Europe	
Bulgaria	Bulgarian Stock Exchange
Croatia	The Zagreb Stock Exchange
Czech Republic	Prague Stock Exchange
Estonia	NASDAQ OMX Baltic - Tallinn
Hungary	Budapest Stock Exchange



Latvia	NASDAQ OMX Baltic - Riga
Lithuania	NASDAQ OMX Baltic - Vilnius
Poland	Warsaw Stock Exchange
Romania	Bucharest Stock Exchange
Russian Federation	Moscow Exchange
Serbia	Belgrade Stock Exchange
Slovakia	The Bratislava Stock Exchange
Slovenia	Ljubljana Stock Exchange
Middle East & Africa	
Israel	Tel Aviv Stock Exchange
Kuwait	Kuwait Stock Exchange
Morocco	Casablanca Stock Exchange
Qatar	Qatar Stock Exchange
South Africa	Johannesburg Stock Exchange
Turkey	Borsa Istanbul
United Arab Emirates	Abu Dhabi Securities Exchange
United Arab Emirates	NASDAQ Dubai
United Arab Emirates	Dubai Financial Market
North America	
Canada	Toronto Stock Exchange
Canada	TSX Venture Exchange
United States	NASDAQ
United States	NYSE - New York Stock Exchange
United States	NYSE American
United States	NYSE Arca
United States	OTC Bulletin Board
Latin America	
Brazil	BM&FBOVESPA
Chile	Bolsa Comercio Santiago
Mexico	Bolsa Mexicana de Valores
Peru	Bolsa de Valores de Lima
Asia & Pacific	
Australia	Australian Securities Exchange
China	Shanghai Stock Exchange
China	Shanghai Stock Exchange - Hong Kong Stock Connect
China	Shenzhen Stock Exchange
China	Shenzhen Stock Exchange - Hong Kong Stock Connect
Hong Kong	Stock Exchange of Hong Kong
India	The Stock Exchange, Mumbai // National Stock Exchange
Indonesia	Indonesia Stock Exchange
Japan	Nagoya Stock Exchange
Japan	Tokyo Stock Exchange
Korea, Republic of	Korea Exchange
Malaysia	Bursa Malaysia
New Zealand	New Zealand Stock Market
Philippines	The Philippine Stock Exchange



Singapore	Singapore Exchange
Sri Lanka	Colombo Stock Exchange
Thailand	The Stock Exchange of Thailand
Multilateral Trading Facilities	
Aquis Exchange	
BATS Europe	
BATS Europe Dark	
Bloomberg MTF	
Chi-X	
Chi-X Dark	
Tradeweb MTF	
Turquoise	
Turquoise Dark	
UBS MTF	
Systematic Internalisers	
UBS AG - PIN	

Exchange Traded Funds

Country / Liquidity Pool	Execution Venue Name
Where instruments listed, same as Cash Equities markets	(see Cash Equities)
Bloomberg MTF	
Tradeweb MTF	

Fixed Income – Cash Bonds

Country / Liquidity Pool	Execution Venue Name
OTC	
Various liquidity providers in the OTC-market as well as non-MIFID trading platforms and liquidity pools	
European MTFs (RFQ-based)	
Bloomberg MTF	
MarketAxess MTF	
Tradeweb MTF	
European RMs/MTFs (CLOB-based)	
Austria	Wiener Börse
Germany	Börse Berlin
Germany	Börse Düsseldorf
Germany	Börse Hamburg
Germany	Börse Hannover
Germany	Börse Frankfurt
Germany	Börse München
Germany	Börse Stuttgart
Germany	Deutsche Börse Xetra
Italy	Borsa Italiana (selected segments only)
Italy	EuroTLX
Netherlands	Euronext Amsterdam (selected segments only)
Switzerland	SIX Swiss Exchange



Securitised Derivatives & Convertible Bonds

Country / Liquidity Pool	Execution Venue Name
OTC	
Interdealer-broker market (OTC) including UBS AG	
Bloomberg MTF	
Tradeweb MTF	
Europe	
Austria	Wiener Börse
Belgium	Euronext Brussels
Finland	NASDAQ OMX Nordic Exchange - Helsinki
France	Euronext Paris
Germany	Börse Berlin
Germany	Börse Düsseldorf
Germany	Börse Frankfurt
Germany	Börse München
Germany	Börse Stuttgart
Greece	Athens Exchange
Italy	Borsa Italiana
Italy	EuroTLX
Netherlands	Euronext Amsterdam
Norway	Oslo-Bors
Portugal	Euronext Lisbon
Sweden	NASDAQ OMX Nordic Exchange - Stockholm
Switzerland	SIX Swiss Exchange
United Kingdom	London Stock Exchange
North America	
Canada	Toronto Stock Exchange

ETD – Exchange Traded Derivatives (Futures & Options)

Country / Liquidity Pool	Execution Venue Name
Switzerland / Germany / France / Netherlands / Italy Austria / Spain / Russia / Belgium	EUREX
North America	
USA	AMEX
USA	ARCA
USA	BATS
USA	BOX
USA	BX
USA	CBOE
USA	CME
USA	CS
USA	EDGX
USA	ISE
USA	ISE Gemini
USA	ISE Mercury
USA	MIAX



USA	Nasdaq OMX
USA	NYSE
USA	PHLX
Other markets	
Australia	Australian Securities Exchange
Belgium	Euronext Brussels
Canada	Montreal Exchange
Denmark	Nasdaq OMX
France	Euronext Paris
Italy	Borsa Italiana
Japan	Osaka Securities Exchange
Netherlands	Euronext Amsterdam
Norway	Oslo Bors
Portugal	Euronext Lisbon
Spain	Bolsa de Madrid
Sweden	Nasdaq OMX
United Kingdom	ICE Futures
United Kingdom	London Stock Exchange

Non-securitised Derivatives excluding ETD's

Country / Liquidity Pool	Execution Venue Name
OTC	
Interdealer-broker market (OTC Closed Architecture)	

