

Execution Principles – Best Execution Policy

1 Purpose

These execution principles (hereinafter «Best Execution Policy» or «Policy») of Private Bank Bellerive Ltd (hereinafter «PBB») provide information on the measures taken by PBB to ensure the best execution of client orders to buy or sell financial instruments.

The applicable execution principles are published on www.bellerivebanking.ch/legal and are also available in hard copy. PBB assumes that clients have agreed to the execution principles when they issue orders to PBB following their publication.

The Appendix «Execution venues» forms an integral part of this Policy.

2 Scope

The Policy applies to all clients. PBB applies the execution principles to all orders from clients to buy or sell the following financial instruments and transactions, irrespective of the execution type:

- Listed equities and exchange-traded investment funds (ETFs)
- Interest-bearing securities
- Listed derivatives
- Unlisted equities
- Structured products
- OTC derivatives¹
- Foreign currencies
- Precious metals

The execution principles also apply if PBB buys or sells financial instruments for the account of the client in fulfilment of its obligations under an asset management agreement with the client.

Owing to supervisory regulations, PBB is not bound by the execution principles in the following cases:

- Client instructions (see section 4)
- Transactions carried out on the primary market

3 Principles

PBB's processes guarantee the best possible execution of their orders for clients. Within this framework, the factors (according to section 5) and criteria (according to section 6) for the execution of orders are weighted and applied appropriately. The ongoing monitoring of processes in accordance with this Policy ensures that the best possible results can always be achieved.

4 Precedence of client instructions

Instructions from clients take precedence over the principles of order execution regulated here. If an instruction is issued by the client, PBB is expressly released to the extent thereof from compliance with the execution principles. The obligations to achieve the best possible result will be deemed to have been fulfilled in accordance with this scope.

5 Execution factors

In order to ensure the best execution of client orders, PBB takes the following execution factors into account when executing client orders:

1. Price: the execution price of the financial instrument to be traded
2. Costs: the costs (brokerage fees, processing fees, broker commission, fees of the trading venue, etc.) that may be charged to the client by PBB for execution of the order

¹ OTC stands for "over the counter". OTC transactions refer to transactions that are entered into directly between market participants rather than on a stock exchange, a multilateral or organised trading system.

3. Speed: the duration of an order from issue to execution
4. Probability of execution: the probability of executing the client order in full
5. Probability of processing: the probability of executing the client order in full and successfully
6. Volume: the volume of a client order, taking into account the extent to which it influences the price of execution
7. Other factors relevant to the execution of the order

If there are no explicit client instructions, the best possible execution result from the overall assessment determines the execution. In the overall evaluation of execution, price and cost are generally given a higher weighting than the other execution factors. For objective reasons, PBB may decide to give top priority to execution factors other than price and cost (see section 6).

6 Execution criteria

When prioritising execution factors, PBB refers, among other things, to the following execution criteria:

- Characteristics of the client (including the regulatory classification of the client)
- Characteristics of the order
- Features of the individual financial instruments or transactions involved in the order
- Features of the execution venues where the client order can be executed
- Market conditions prevailing at the time of receipt of the client order

7 Execution venues

PBB executes client orders at the following venues:

- Stock exchanges and regulated markets
- Multilateral trading systems
- Organised trading systems
- Systematic internalisers
- Liquidity pools
- Interbank platforms
- PBB's liquidity sources, i.e. market makers or other liquidity providers (brokers, etc.)
- PBB's own trading book, where it acts as a counterparty or provider of liquidity

The list of execution venues in the Annex shows which execution venues are used for the individual classes of financial instruments. This list is not exclusive, but includes places of execution on which PBB relies.

PBB reserves the right to choose other execution venues which, in its view, comply with the requirements of this Policy, and to add or delete execution venues from this list. The list of execution venues is updated from time to time. The aim is to determine the places of execution that fundamentally enable PBB to achieve the best possible result when executing client orders.

8 Transmission of orders

PBB itself is not a member of any stock exchange. The orders are sent to the majority shareholder Graubündner Kantonalbank (GKB), which in turn passes the orders on to another financial institution (broker) for execution. GKB regularly reviews the selection of financial institutions with which it works and the quality of execution so as to ensure that they have taken appropriate steps to achieve best execution of client orders. Transactions are executed within the framework of the measures defined by the financial institution in its best execution policy.

9 Combining orders

PBB does not normally combine the orders of one or more clients. In the event that PBB decides to combine orders, the following conditions must be met cumulatively:

- the combination is appropriate with regard to the characteristics of the corresponding client orders
- it is unlikely that the combination will be detrimental to the clients whose orders are being bundled
- compliance with the applicable order allocation procedures and equal treatment of clients is ensured

Allocation of fully or partially executed orders which have been combined for execution is carried out in accordance with the principles set out in this document. The executed orders are allocated in the best interests of all affected clients.

Orders executed by PBB for its own account are never combined with client orders.

10 Different order processing

If individual markets are subject to exceptional conditions or situations (e.g. partial or complete interruption of trading), PBB may choose a different manner of execution, taking into account the interests of the client.

11 Fixed-price transactions

Fixed-price transactions are always concluded if the client declares that they wish to conclude a contract with PBB to buy or sell financial instruments, foreign currencies or precious metals at a specific price. In this case, the best possible result within the context of the execution principles is achieved by offering the client prices in line with the market.

12 Purchase transactions

OTC derivatives, foreign currencies and precious metals are not executed on a trading venue, but are agreed bilaterally between the parties. This means that PBB and the client conclude a purchase agreement at a specific or specifiable price or enter into a derivatives contract at agreed terms.

In the case of OTC trading, PBB reviews the price offered by using, if available, market data used to estimate the price of that product and, if possible, comparing it with similar or comparable products.

13 Monitoring

GKB has been commissioned by PBB to monitor, evaluate and review the effectiveness of these execution principles at least once a year. Amended execution principles are made available to clients on www.bellerivebanking.ch/legal.

Annex

Execution venues

Financial instrument		Execution venues	Commission or fixed-price business
Equities and exchange-traded investment funds (exchange-traded funds or ETFs) and listed structured products	Listed Swiss equities, ETFs and structured products	via brokers on SIX Swiss Exchange and BX Swiss AG	Commission business
	Equities, ETFs and structured products listed abroad	via brokers on various trading venues	Commission business
	Unlisted Swiss equities	via brokers	Commission business
Interest-bearing securities	CHF bonds and euro bonds	via brokers on SIX Swiss Exchange or OTC	Commission business
	Bonds	via brokers, OTC	Commission business
Exchange-traded derivatives	Eurex and non-Eurex	via brokers at the main trading venue	Commission business
Unlisted structured products	Issued by third-party bank	OTC; the issuer is usually the only market maker	Commission business
Other financial instruments (e.g. OTC derivatives)			Fixed-price transactions with PBB
Foreign currencies			Fixed-price transactions with PBB

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