

EFFECTIVE DATE: JANUARY 2018
ANNUAL REVIEW: AUGUST 2023



Global Trading Desk Policy



CONTENTS

1	INTRODUCTION	4
1.1	Objectives	4
1.2	Scope of Policy	4
1.3	Related Documents	4
2	POLICY REQUIREMENTS	5
2.1	Best Execution and Order Handling	5
2.2	Delegation	5
2.3	Execution Factors	5
2.4	Execution Criteria	6
2.5	Execution Venues - Order Classification	6
2.5.1.	Equity	6
2.5.2.	Fixed Income	7
2.5.3.	Foreign Exchange	7
2.6	Execution Venues - Counterparty Selection	8
2.7	Order Aggregation	8
2.8	Order Allocation	10
2.8.1.	Exceptions	10
2.9	Internal Crossing / External Crossing	10
2.10	Execution Results	11
2.11	Governance and Oversight	11
3	APPENDIX	13
3.1	Schedule A- Equity Instruments	13
3.1.1.	Cash Equities	13
3.1.2.	Equity Derivatives	13
3.1.3.	Contracts for Difference	15
3.1.4.	Exchange Traded Products	15
3.2	Schedule B - Bond Instruments	17
3.2.1.	Cash Bonds	17
3.2.2.	Fixed Income Derivatives	17
3.2.3.	Convertible Bonds	18
3.2.4.	Money Market	19
3.2.5.	Loans	20
3.3	Schedule C- List of Broker Venues	21
	Including, but not limited to, the following:	21
3.4	Definitions and Key Concepts	24
3.5	Document History	27

1 Introduction

1.1 Objectives

FIL Limited and its relevant subsidiaries (collectively “FIL”) are required to take all sufficient steps to achieve the best possible result on a consistent basis in the execution of Equity, Fixed Income and Foreign Exchange transactions on behalf of its clients. This Global Trading Desk Policy (“the Policy”) sets out the practices that are undertaken by FIL to obtain the best possible results for its clients, in line with legal and regulatory requirements.

The Policy also details our order handling with regards to Order Aggregation, Order Allocation and **Internal/External cross** trading by following applicable laws within each jurisdiction.

1.2 Scope of Policy

The Policy is applicable to all trading desks across FIL and its subsidiaries except for Canada investment entities and the FIL Retail Brokerage business.

FIL deems all its clients to be classified as **Professional Clients**.

The scope of the policy covers foreign exchange and securities transactions.

Foreign Exchange: The Policy refers to all clients’ fund or client Foreign Exchange (“FX”) transactions carried out by the FIL FX trading desk. This includes FX forwards, **Non-Deliverable Forwards (NDFs)**, and other currency instruments.

FIL is careful to avoid the potential for conflicts of interests to arise, and so FX trading as **Agent** for funds or clients to which the Policy applies is not aggregated with FIL’s principal FX trading.

Securities Transactions: The Policy is supplemented by an Appendix which provides additional details, broken down by the type of financial instrument. The Appendix represents an integral part of this Policy and covers the following subjects:

13.1 Schedule A - Equity Instruments	13.2 - Schedule B - Bond Instruments
13.1.1 - Cash equities	13.2.1 - Cash Bonds
13.1.2 - Equity Derivatives	13.2.2 - Fixed Income Derivatives
13.1.3 - Contracts for Difference	13.2.3 - Convertible Bonds
13.1.4 - Exchange Traded Products	13.2.4 - Money Market
	13.2.5 - Loans

A list of Brokers used by the FIL Trading desks can be found in 13.3 - Schedule C - List of Broker venues.

Securities not noted in this policy are covered under the Private Credit Order Handling Procedure taking into consideration the practices set out in this policy wherever possible and appropriate.

1.3 Related Documents

- Corporate Conflicts of Interest Policy
- FIL Aggregation and Holdings Guidelines
- Fund Counterparty Risk Framework
- Private Credit Order Handling Procedure

2 Policy Requirements

2.1 Best Execution and Order Handling

Regulations require FIL to implement a best execution and order handling policy to take all sufficient steps to obtain the best possible result on behalf of its clients.

2.2 Delegation

FIL may delegate portfolio management and/or trading execution to companies within and outside of the FIL group of companies. These delegates may be located in other jurisdictions and may not be subject to the same regulatory rules as FIL.

When appointing a third-country sub-advisor, FIL must ensure that any such delegation is made in the best interest of its clients and that clients receive equivalent level of protections as provided for under this Policy.

2.3 Execution Factors

The FIL Trading Desks (“the Desk”) will determine on an order-by-order basis the relative importance of the following execution factors:

- a) Price;
- b) Costs;
- c) Speed of executing a transaction;
- d) Likelihood of execution and settlement;
- e) Size and nature of the whole order;
- f) Information Slippage
- g) Counterparty rating;
- h) Counterparty exposure;
- i) Liquidity provision; and
- j) Any other factors considered relevant to the execution of the transaction, together, “the Execution Factors”.

The Desk will trade in accordance with the Policy except when in receipt of legitimate client instructions (e.g. broker restrictions and/or broker limits), in which case:

- the desk will endeavour to take into account all of the Execution Factors, subject to the client instructions; and
- FIL will be considered as having satisfied its best execution obligations in respect of the requirements of the client instructions.

Where a client provides FIL with specific instructions in relation to their order, the order will be executed in line with the instructions. Where a client provides specific instructions that relate to only a part of the order, the Policy will be followed to those aspects of the order that are not covered by the instruction. Any instructions provided by a client may prevent FIL from following all steps of the Policy, which has been designed to obtain the best possible result for clients in respect of the elements that are covered by that instruction.

Any **Authorised Participant** Transactions related to creation and redemption of exchange-traded funds (ETF's) will be handled by the respective trading desk. Due to the pre-agreed nature of those transactions - between the FIL ETF team and the relevant Authorized Participant (AP) - those transactions do not follow the regular Best Execution Oversight protocol.

In certain instances (i.e., flow related to hedged share classes), the FIL FX desk will execute coordinated trading of the share class conversions and associated hedges around the valuation point of the funds in order to limit unwanted performance volatility and ensure the best overall result for clients. For segregation of responsibility controls, FIL **Portfolio Managers** are not permitted to direct orders to specific venues or counterparties for execution, this is at the discretion of the Desk.

2.4 Execution Criteria

While ordinarily price and costs will merit a high importance in obtaining the best possible result, when executing orders, the desk will consider the following criteria to determine the importance of the Execution Factors:

- a) the characteristics of the order;
- b) the characteristics of the financial instrument; and
- c) the characteristics of the available **Execution Venues**.

To understand how these execution factors are used to drive best execution please refer to Schedule A and B.

2.5 Execution Venues - Order Classification

2.5.1. Equity

Orders are classified by the Desk as **Low Touch** eligible upon entering the **Order Management System**, depending on a regionally set threshold primarily based on the notional and **Average Daily Trading Volume** of the stock ("regional threshold").

Orders below the relevant regional threshold are classified as Low Touch and are expected to be executed via **Electronic Channels** in a relatively standardised manner, using similar price and volume parameters across all Brokers.

Orders above the relevant regional threshold or orders that have to be executed in accordance with specific Portfolio Manager instructions are deemed to be as **'High Touch'** and are expected to be executed via High Touch channels with significant Trader input and potentially multiple trading strategies. Volume, liquidity, **Market Impact**, price and potential for information leakage will be aspects of consideration for High Touch orders to achieve the best result for the client.

If parameters of the order, market conditions or specific client or Portfolio Manager instructions dictate, an individual order's classification may be amended. Classification overrides are reported on a T+1 basis to the Head Traders (or designate). The results are analysed quarterly and used as one of the inputs towards potential threshold updates. Thresholds are reviewed and changes reported on by the Trading Governance and Oversight Committee, and Trade Oversight Committee.

The determination of the applicable regional threshold between High and Low Touch (refer to schedule A) is based on multiple factors and is set on a regional basis to account for local market differences that may impose restrictions on the execution approach. Factors include:

- a) Local market structure, taking into account country and sector;
- b) **Historic liquidity advertisement** information;
- c) FIL **Order Book** composition; and
- d) Market Impact.

Reasons for an ad-hoc threshold change may include, but are not limited to:

- a) Liquidity in the market;
- b) Market and/or single stock volatility;
- c) Portfolio Manager instructions; and
- d) News event.

2.5.2.Fixed Income

Orders are classified upon entering the Order Management System, where applicable and depending on the liquidity classification and size of the order. The two primary inputs used to determine the method of execution are based on the notional size of the order and ESMA's liquidity classification of the instrument (where applicable).

Orders, in applicable instruments, within the defined liquidity classifications are expected to be executed by the Desk via electronic trading platforms (where available) in a relatively standardized manner, focusing on price and speed of execution. If an electronic trading platform is not available, **Voice Trading** will be utilised.

Orders, in applicable instruments, outside the liquidity threshold are viewed as requiring more trader input and thus are traded via channels which may include Voice Trading, electronic trading, alternative crossing networks.

If parameters of the order, market conditions or specific client or Portfolio Manager instructions dictate, an individual order's classification may be amended. Classification overrides are tracked and monitored on a T+1 basis by the Head Traders (or designate). Thresholds are reviewed and changes reported on a periodic basis to the Trading Governance and Oversight Committee, and Trade Oversight Committee.

2.5.3.Foreign Exchange

Venues used by the Desk are multi-bank FX execution platforms that allows FIL FX Traders to efficiently manage order execution for clients, directly engaging with approved FX counterparties.

Orders are reviewed by the desk and are classified as "request for" or working orders.

Orders that are smaller in size, in liquid currencies, during normal market hours will be considered "request for" orders. These orders will be traded through an **Multilateral Trading Facility (MTF)** using **Request for Stream** or **Request for Quotes** order types seeking the best price for the order in the fastest manner from multiple counterparties where available.

Orders that are larger in size, are in regulated or illiquid currencies, and/or are trading outside of normal market hours will be considered working orders. These orders will be traded through an MTF by using the **Working Order at Best**, Request for Quotes order types or Voice Trading using single or multiple counterparties in order to limit Market Impact while assessing and accessing available liquidity.

It is the responsibility of the FIL Trader to consider in what manner the order should be quoted / executed on each individual trade, having taken into account the relevant execution factors and criteria outlined above.

If parameters of the order, market conditions or specific Portfolio Manager/client instructions dictate, an individual order may be traded differently.

All FIL Traders use independent price sources (e.g., Bloomberg, **EMS**, vendor platforms) to ensure the indicative price bids or offers they obtain from Counterparties are competitive and a fair

representation of the market price at that exact time. For voice trades the traders always check external sources before negotiating / accepting a quote and may choose to obtain comparable indicative quotes from other counterparties to help negotiate the best rate for the client.

2.6 Execution Venues - Counterparty Selection

The FIL broker/counterparty selection process ensures that suitable firms are selected to execute FIL orders. All brokers are subjected to a separate counterparty approval and monitoring process with clear policies and guidelines that brokers must meet to be approved for trading. When deciding where to trade an order the following non-exhaustive list of criteria may be taken into consideration when selecting a counterparty:

- a) an indication that they have activity in the security, or that they have had recent trading activity for clients and/or their proprietary risk books;
- b) that they have systems capable of handling and routing orders where applicable;
- c) that they have local knowledge of the security, sector or market which is likely to be an advantage;
- d) past performance in terms of the general value and quality of the services they have provided;
- e) the size and type of the transaction;
- f) the structure and conditions of the markets for the security;
- g) execution consistency;
- h) settlement capability and financial condition of the investment firm; and
- i) any commissions, charges and fees.

Equity: For Low Touch orders, broker selection is randomized within those eligible to trade the strategy. Quarterly reviews determine the weighting for each broker within a given strategy. Cost, results, risks and controls, and venue access are all part of the weighting determination.

For High Touch orders, broker selection is determined by (but not limited to) liquidity offering, venue access and access to information (including regional and sector expertise). Aggregate broker selection will be reviewed quarterly or whenever required.

Fixed Income: The Desk utilises all available trading channels (e.g. **Regulated Market, Organised Trading Facility**, MTF, Swap Execution Facility or a **Systematic Internaliser**), which offer the best outcome for the client. For trades conducted Over the Counter (OTC) we will utilise third party market pricing data, where available, to help appraise execution quality.

The execution factors outlined above will generally be the most relevant for FIL's choice of execution venue for each instrument type traded. However, venue selection will in each case also be subjected to any legal, regulatory or credit restrictions on where a particular order may be executed.

2.7 Order Aggregation

The Desk may, when feasible and when consistent with the fair and equitable treatment of all client accounts in accordance with applicable local law and regulation, aggregate orders for execution.

Where deemed appropriate, the Equity desk will aggregate (block) all orders that are received at, or about, the same time. If orders arrive at different times, the desk may book out any executed portion of the order which has been traded to date, and then aggregate the order residuals with the new orders.

When aggregated FX orders of the same currency pair (buy and sell) are combined across value dates unless otherwise determined by characteristics of the order or other execution criteria listed above. When aggregated, only the net positions of FX pair orders are traded in the market with the balances crossed at the execution price. This is common market practice, seeks to minimize the market impact, and spreads costs which is viewed as beneficial for all clients over time.

When specific instructions are given by a Portfolio Manager or client, their orders might not be aggregated, and they might be traded separately to fulfil specific requirements. Trades will not be prioritised due to Portfolio Manager specific instructions; total liquidity demand will be taken into account when trading. In some circumstances if there are specific client instructions or limitations on an order, such orders may be traded after unrestricted client orders.

Proprietary Orders: The desk will aggregate Proprietary Orders with client orders only if such aggregation would benefit the client funds. Client orders will always be prioritised over Proprietary Orders in accordance with the Pilot Fund Trading Policy.

Short Trades (Equity): The desk will place long and short sales in accordance with the aggregation and allocation policies subject to local market restrictions. While long and short sales cannot be aggregated for operational reasons, the desk will treat the liquidity requirement as if the orders were one larger order while taking local short sale restrictions into account. There may be times, based on borrow availability, short sale bans, restrictions, or uptick rules where the long sale may outpace the short sale. A long sale will not be unduly held up because of specific market short sale restrictions (e.g., uptick rules).

Long Synthetic Trades (Equity): Synthetic transactions to gain economic exposure or to hedge existing long positions cannot be aggregated and allocated with physical trades. Synthetic transactions must therefore be traded in parallel and at equivalent fill rates with any physical trades. This will involve the desk managing the synthetic instructions alongside actual or expected allocations for physical trades and replicating (as far as is possible) the allocations as if all trades were in physical form. Physical trades will not be held up due to restrictions on the synthetic trade. For example, if there is a block opportunity at a counterparty that cannot fill the synthetic order, the physical trade may still trade even if the synthetic trade cannot participate.

Capital commitment funds (Fixed Income): For investment products that are established with unfunded capital commitments (i.e., Capital Commitment Funds), until all capital commitments are secured, as established by the portfolio's governing documents, Target/Expected Net Assets equals the total net assets of the portfolio as calculated periodically for the portfolio plus the amount of remaining expected but unsecured capital commitments. After the capital commitments are secured, Target/Expected Net Assets equals the total net assets of the portfolio as calculated periodically for the portfolio plus the amount of any secured but as yet unfunded capital commitments. After all capital commitments have been funded, Applicable Net Assets equals the total net assets of the portfolio as calculated periodically for the portfolio. A Capital Commitment Fund that is managed primarily by a single investment division will be treated as a portfolio of that division following review by the Global CIO. The Commitment funds Target/Expected Net Assets will apply on activity conducted by the trading desk.

2.8 Order Allocation

All trade allocations will be made in a manner consistent with FIL's fiduciary duty in accordance with applicable law, taking into account all relevant factors. When purchase orders exceed available supply or when sell orders exceed available demand in the market, allocations will be made on a pro-rata basis based on the relative percentage of the order submitted for each account.

Portfolios may have an allocation increased or decreased to establish a position that constitutes a basic unit of trading based on local market, currency and trading conventions. If the residual balance of a fund's order is less than the minimum security denomination, the balance will be reverted to the Portfolio Manager to take action to cancel or increase in a way consistent with applicable policies.

Manual interventions by the Desk, outside of the above automated allocation process, are monitored by Head Traders on T+1 and reviewed by Compliance.

2.8.1. Exceptions

Equity: Special allocations are exceptions to the procedures described in 2.7 Order Aggregation. Special allocations require pre-authorisation and will be made on either trade date or order date, whichever is appropriate. Determinations as to whether a special allocation is appropriate and how it will be implemented shall be made by the Head Traders (or designate), reviewed/challenged by first/second line oversight. If required, special allocations will be reported to effected clients within a reasonable period of time.

Fixed Income (Private Credit): In specific circumstances accounts/vehicles or funds may receive priority allocations. Considerations may include but not limited to ramp-up/wind-down, capital commitments, de minimis, legal, regulatory, tax and indenture rules. Where priority has applied transactions will be approved by Global CIO and CIO/Head of Asset Class, reviewed/challenged by first/second line oversight.

2.9 Internal Crossing / External Crossing

Where permitted by the client and local law and regulation, the desk may effect Internal Cross and/or External Cross transactions among client funds and accounts. FIL will utilise an approach designed to achieve fairness and not to purposefully disadvantage comparable client orders over time when crossing orders.

There is no requirement that orders must be crossed if an order exists on both sides of the market internally. However, crossing is believed to have cost benefits to clients and no Market Impact, a cross will only be effected if it is in the best interest of all accounts participating in the cross. In evaluating potential cross trades, the desk will continue to consider all best execution factors. Market taxes and reporting requirements are handled as per usual execution channels when applicable.

Equity Crossing:

In consideration of delivering a fair price to all clients, the Desk will take into account other factors, such as, but not limited to, the order-size versus market liquidity, last price, and the bid/offer spread.

In some scenarios there may be issues easily identifying the price at which to cross. In such instances, the Desk will take into consideration market levels from various tools and execute the order with reference to fair value considerations, the Execution Factors and sign-off of the price by the Head Traders, and with consultation with Investment Compliance where required.

Fixed Income Crossing:

In general, the External Crossing route is preferred as availability and utilisation of representative composite prices and the clean pricing structure for crossing on market-leading trading venues, such as MarketAxess, offers the best and most objective client outcome in FIL's view.

Where the desk chooses to effect an External Cross transaction, Traders are encouraged to utilise the main electronic trading venues, given the benefits highlighted above. Where External Crossings are not possible, for example when a security may not have representative composite pricing, FIL will effect an Internal Cross. For Fixed Income securities, the execution price of the cross transaction must be at the average of the highest current independent bid and the lowest current independent offer at the time the cross is executed, generally seeking three brokers bid and offer prices where available.

If a security is deemed less liquid, seeking multiple quotes in the market may alert the market to FIL's trading strategy which could be detrimental to clients. Therefore, for such securities, FIL will take into consideration market levels from a variety of tools and execute the order with reference to the Execution Factors. In such circumstances, a cross will be permitted provided a single bid and offer can be obtained. The sign off of the mid-price used should be done by either Head Traders or the Head of Trading.

If a cross is to be affected between two client portfolios managed by the same Portfolio Manager, CIO/Head of Asset class (or their delegate) pre-approval is required. This approval requires that the Portfolio Manager and CIO/Head of Asset class must assess that no conflicts of interest exist for the proposed trades on each participating portfolio.

Crosses are not permitted between client and FIL Proprietary Orders.

2.10 Execution Results

FIL frequently reviews, assess and improve its trading process and it monitors the effectiveness of its execution arrangements to ensure that it consistently achieves the best possible result for its clients. This is achieved through regular reviews of, a mix of, internal data analytics and external TCA information Relevant participants, such as, Traders, Investment Compliance, Data Analytics as well as investment management are active participants in the review process. Where areas for improvement in FIL's execution arrangements are identified, FIL will effect appropriate changes to its execution arrangements and/or execution policy.

2.11 Governance and Oversight

In addition to the oversight performed by the Desk, Head Traders and **Trading Oversight**, regular monitoring is performed by Investment Compliance to help ensure that trading practices are in line with all applicable laws, regulations, policies and procedures.

Governance and oversight of the trading process and results is facilitated by the following:

- a) Daily Oversight by the Head Traders or designate and Trading Oversight. As part of the oversight, exceptions are documented
- b) Regular reviews by trading with relevant counterparties/brokers, twice a quarter Global Trading Governance and Oversight Committee (First line oversight, all asset classes) meetings between regional Head Traders for each desk and asset class, Trading Oversight,

Investment Management Services, Global Risk, Investment Compliance, and any other groups as needed

- c) Quarterly Trade Oversight Committee (Second line oversight, all asset classes) meetings between the Head of ISS Legal and Compliance, CIO Fixed Income, Global CIO - Asset Management, Chief Operating Officer - ISS, Head of Investment Compliance and Monitoring, Head of Investment Risk Oversight and any other groups as needed.
- d) Periodic review of execution platforms
- e) Annual review of Global Trading Desk Policy

3 Appendix

3.1 Schedule A- Equity Instruments

3.1.1.Cash Equities

The Desk uses the same execution methodology across all cash equity orders, regardless of the tick and/or order size. The desk classifies cash equity orders based on the liquidity requirements of the order. The two main aspects considered to determine the method of trading are the notional size of the order and the order size as compared to average daily trading volume.

Low Touch

Venue Selection - Low Touch trades in normal market conditions are typically executed via **Broker Algorithms** or **Program Trade** desks.

Execution Factors These orders will consider all execution factors noted in Section 4 with focus typically on:

- Costs
- Speed of executing a transaction
- Price

High Touch

Venue Selection - The desk may use multiple channels including voice, electronic and alternative liquidity pools for execution

Execution Factors - These orders will consider all execution factors noted in Section 4 with focus typically on:

- Price;
- Costs;
- Speed of executing a transaction;
- Information Slippage and any other factors considered relevant to the execution of the transaction; and
- Likelihood of execution and settlement.

3.1.2.Equity Derivatives

The Desk classifies derivative trades based on order structure and liquidity. There may be circumstances where other factors may be more important, such as speed of execution or likelihood of settlement.

Futures

Low Touch

Venue Selection - These orders will be traded via Electronic Channels whenever possible. Limitations may include instrument, clearing requirements of the client, and liquidity at time of trade.

Execution Factors - These orders will consider all execution factors noted in Section 4 with focus typically on:

- Costs;
- Speed of executing a transaction; and

- Price.

High Touch

Venue Selection - The desk may use multiple channels including *voice* and the request for quote (RFQ) process. The desk will consider multiple factors including the minimum block size requirements, on-screen liquidity of the instrument and the expertise of a broker. Futures rolls fall automatically into this category due to limitations of broker algorithmic strategies and the larger notional / liquidity profiles of roll packages.

Execution Factors - These orders will consider all execution factors noted in Section 4 with focus typically on:

- Price;
- Liquidity provision;
- Information Slippage and any other factors considered relevant to the execution of the transaction; and
- Size and nature of the whole order.

Options

Low Touch

Venue Selection - Listed options with small notional and low liquidity requirements in relation to Average Daily Trading Volume that will typically be traded via Electronic Channels (where available).

Execution Factors - These orders will consider all execution factors noted in Section 4 with focus typically on:

- Liquidity provision;
- Speed of executing a transaction; and
- Price.

High Touch

Venue Selection - The desk may use multiple channels including *voice* and the request for quote (RFQ) process. Brokers chosen for quoting are driven by historic scoring based on quantitative and qualitative metrics, published or announced indications and access to liquidity in the underlying hedge.

Execution Factors - These orders will consider all execution factors noted in Section 4 with focus typically on:

- Liquidity provision
- Speed of executing a transaction
- Price
- Cost

Other Instruments

The desk does not currently trade equity swaps apart from contracts for difference (CFD).

This policy does not affect the use of written call options for income enhancement.

3.1.3. Contracts for Difference

For Contracts for Difference, the desk uses a similar methodology to that used for cash equity orders, taking into consideration any restrictions relating to eligible counterparties. The desk classifies CFD orders as Low Touch or High Touch, based on the liquidity requirements of the order.

Venue Selection - The CFD provider will be determined within the constraint of which brokers with whom the client has underlying agreements. The financing cost and availability of borrow will then be assessed. For general collateral ("GC") securities, the desk does not distinguish between providers.

Execution Factors - Give-up Markets

Give-up markets: where the hedge may be executed with a broker that is not the writer of the CFD and the hedging and financing trades can be separated. When selecting the **Prime Broker** the focus will be on:

- Costs

Once the broker is selected, the order is handled as a cash equity trade. High and Low Touch channels are used according to the profile of the underlying hedge and relevant venue selection and execution factors as in 13.1.1.

Execution Factors - Non-Give-up Markets

Non-give up markets: where the client is required to trade the underlying hedge with the same broker with whom it writes the CFD. Hedging and financing must be executed with the same broker. When selecting the Prime Broker the focus will be on:

- Costs
- Price
- Liquidity Provision

The same Prime Broker is used to trade the underlying hedge. High and Low Touch channels are used according to the profile of the underlying hedge and relevant venue selection and execution factors as in section 13.1.1.

3.1.4. Exchange Traded Products

Exchange Traded Products (ETP) includes exchange traded funds (ETF), exchange traded notes (ETN) and exchange traded commodities (ETC).

The desk will assess each ETP with respect to both the listed product as well as its underlying security/basket when necessary. Total trading costs, including potential creation/cancellation fees may be considered in addition to screen pricing.

Similar to cash equities, ETFs are categorized into Low and High Touch orders. In Europe, volumes in ETFs are concentrated in the basket and via broker capital and thus most trades will be treated as High Touch. In Asia, ETF orders are case-specific and may be treated as either Low or High Touch, depending on market access and client directions.

Low Touch

Venue Selection - Low Touch trades in normal market conditions are typically executed via Broker Algorithms or other Electronic Channels.

Execution Factors - These orders will consider all execution factors noted in Section 4 with focus typically on:

- Costs;
- Speed of executing a transaction; and
- Price.

High Touch

Venue Selection - Brokers may be selected for execution via a request for quote (RFQ) process or may be given to one broker to work the order based on client instruction or exposure requirements.

Execution Factors - These orders will consider all execution factors noted in Section 4 with focus typically on:

- Price;
- Liquidity provision;
- Likelihood of execution and settlement; and
- Costs.

3.2 Schedule B - Bond Instruments

3.2.1. Cash Bonds

The two main characteristics used to determine the method of trading are the liquidity classification (where available) and the notional order size.

Liquid orders below the given notional threshold

Venue Selection - In normal market conditions, will typically be executed on an electronic platform (where available). The platform will be selected based on historic performance and access to liquidity as well as a qualitative assessment of each platform.

Execution Factors - These orders will consider all execution factors noted in Section 4 with focus typically on:

- Price;
- Costs; and
- Speed of executing a transaction

Liquid orders above the given notional threshold

Venue Selection - Orders will trade via channels which may include Voice Trading, electronic trading, alternative crossing networks, and other approved trading channels.

Execution Factors - These orders will consider all execution factors noted in Section 4 with focus typically on:

- Size and nature of the whole order;
- Price;
- Information Slippage and any other factors considered relevant to the execution of the transaction; and
- Likelihood of execution and settlement.

3.2.2. Fixed Income Derivatives

The desk classifies derivative trades based on order structure and the notional order size.

Futures

Venue Selection - FIL accesses liquidity and executes trades for exchange traded derivative instruments via selected broker dealers from our panel of futures brokers.

Execution Factors and dealer selection - With execution cost not a relevant factor, based on an equalised execution fee schedule, distribution of market share amongst the panel of futures broker is being reviewed on a quarterly basis and takes into account factors such as quality of execution, quality of coverage, downstream / back office considerations and overall relationship.

Swaps (Credit and Interest Rate)

Liquid orders below the given notional threshold

Venue Selection - In normal market conditions, will typically be executed on an electronic platform (where available). The platform will be selected based on historic performance and access to liquidity as well as a qualitative assessment of each platform.

Execution Factors - These orders will consider all execution factors noted in Section 4 with focus typically on:

- Price;
- Costs; and
- Speed of executing a transaction.

Liquid orders above the given notional threshold

Venue Selection - Orders will trade via channels which may include Voice Trading, electronic trading, alternative crossing networks, and other approved trading channels.

Execution Factors - These orders will consider all execution factors noted in Section 4 with focus typically on:

- Size and nature of the whole order;
- Price;
- Information Slippage and any other factors considered relevant to the execution of the transaction; and
- Likelihood of execution and settlement.

Interest Rate Swaptions, Credit Index Options, Asset Swaps and Total Return Swaps

Venue Selection - The desk may choose to trade via channels which may include Voice Trading, electronic trading, alternative crossing networks, and any other approved trading channel.

Execution Factors - The esoteric nature of these instruments will require a focus on multiple execution factors outlined in Section 4.

- Price;
- Costs;
- Counterparty rating and
- Likelihood of execution and settlement.

3.2.3. Convertible Bonds

Venue Selection - The desk may choose to trade via channels which may include Voice Trading, electronic trading, alternative crossing networks, and any other approved trading channel.

Liquid orders below the given notional threshold

Venue Selection - These orders will typically be executed on an electronic platform (where available). The platform will be selected based on historic performance and access to liquidity as well as a qualitative assessment of each platform.

Execution Factors - These orders will consider all execution factors noted in Section 4 with focus typically on:

- Price;
- Costs; and
- Speed - of executing a transaction.

Liquid orders above the given notional threshold

Venue Selection - These orders will trade via channels which may include Voice Trading, electronic trading, alternative crossing networks, and other approved trading channels.

Execution Factors - These orders will consider all execution factors noted in Section 4 with focus typically on:

- Size and nature of the whole order;
- Price;
- Information Slippage and any other factors considered relevant to the execution of the transaction; and
- Likelihood of execution and settlement.

3.2.4. Money Market

The desk classifies money market trades based on order structure and the notional order size.

Time Deposits (TDs)

Venue Selection - FIL accesses liquidity and executes trades for Time Deposit instruments via selected broker dealers from our panel of brokers.

Execution Factors - These orders will consider all execution factors noted in Section 4 with focus typically on:

- Size and nature of the whole order;
- Price;
- Counterparty rating; and
- Counterparty exposure.

Commercial Paper (CP) and Certificate of Deposit (CD)

Venue Selection - The desk may choose to trade via channels which may include Voice Trading, electronic trading, and any other approved trading channel

Execution Factors - These orders will consider all execution factors noted in Section 4 with focus typically on:

- Price; and
- Liquidity provision.

Repo

Venue Selection - FIL accesses liquidity and executes trades for Repo instruments via selected broker dealers from our panel of brokers.

Execution Factors - These orders will consider all execution factors noted in Section 4 with focus typically on:

- Price; and
- Counterparty exposure.

3.2.5. Loans

Leveraged Loan/Direct Lending

Venue Selection - The desk may choose to trade via channels which may include Voice Trading, electronic trading, alternative crossing networks, and any other approved trading channel

Execution Factors - These orders will consider all execution factors noted in Section 4 for secondary trades and focus typically on:

- Price;
- De minimis - factoring minimum piece and transfer fees;
- Counterparty rating or Agency function
- Costs (incl agency fees) and
- Likelihood of execution and settlement;

Order Allocation

Loan allocations will broadly follow the company wide, pro rata process, for purchases and sales. This may deviate in the following scenarios:

Primary/Secondary investments

- Capital Commitments and
- Ramp-up

Where applied, desk and IM procedures provide expected steps and sign off approach.

3.3 Schedule C- List of Broker Venues

Including, but not limited to, the following:

Equity

Bank Legal Name	LEI
BARCLAYS CAPITAL INC.	AC28XWWI3WIBK2824319
BMO NESBITT BURNS INC.	M3LKFDNSJGJ7TMLH6Z15
BOFA SECS INC (BKAM) (formerly MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED)*	549300HN4UKV1E2R3U73
CIBC WORLD MARKETS INC	549300TDJKVQJ41VN031
CITIGROUP GLOBAL MARKETS INC.	MBNUM2BPBDO7JBLYG310
CLSA LTD *	213800CF5G9GRZD2RV79
COWEN AND COMPANY LLC	549300WR155U7DVMIW58
EXANE LIMITED	969500UP76J52A9OXU27
GOLDMAN SACHS	549300NIUPNUFRZ8LJ52
GOLDMAN SACHS & CO LLC *	FOR8UP27PHTHYVLBN30
GOLDMAN SACHS INTERNATIONAL*	W22LROWP2IHZNBB6K528
INVESTMENT TECHNOLOGY GROUP LIMITED	213800EEC95PRUCEUP63
JANE STREET FINL LTD	549300ZHEHX8M31RP142
JEFFERIES INTERNATIONAL LIMITED	S5THZMDUJCTQZBTRVI98
JEFFERIES LLC*	58PU97L1C0WSRCWADL48
JPMORGAN SECURITIES	871JPXVZ0Z8I863B6V34
JPMORGAN SECURITIES LLC *	ZBUT11V806EZRV/TWT807
LIQUIDNET CANADA INC	21380031335M4LHQJ436
MACQUARIE SEC AUS	549300BIAWNNPUVFP581
MERRILL LYNCH INTERNATIONAL	GGDZP1UYGU9STUHRDP48
MORGAN STANLEY & CO LLC *	9R7GPTSO7KV3UQJZQ078
MORGAN STANLEY & CO. INTERNATIONAL PLC *	4PQUHN3JPF GFNF3BB653
RBC DOMINION SEC INC *	549300QJJX6CVVUXLE15
SCOTIA CAPITAL INC*	5493009NLZXZGJDOPC94
TD SECURITIES INC	5493006RJSLS5DA4PD75
UBS AG, LB *	BFM8T61CT2L1QCEMIK50
UBS SECURITIES ASIA LTD	549300Y35FCB6270R069
VIRTU FINANCIAL CANADA	5HPLP7FVD3SPX7MNDL06

* - Execution Venues on which the Trading desk places significant reliance in meeting its obligation to take all sufficient steps to achieve the best possible result for the execution of client orders on a consistent basis.

Fixed Income

Bank Legal Name	LEI
AUSTRALIA & NEW ZEALAND BANKING GROUP LIMITED	JHE42UYNWWTJB8YTTU19
BANK OF MONTREAL	NQQ6HPCNCCU6TUTQYE16
BARCLAYS BANK *	G5GSEF7VJP5I7OUK5573
BARCLAYS CAPITAL INC.	AC28XWWI3WIBK2824319
BNP Paribas *	R0MUWSFPU8MPRO8K5P83
BOFA SECS INC (BKAM) (formerly MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED)	549300HN4UKV1E2R3U73
CITADEL SECURITIES (EUR) LTD *	549300WTVI4KO4GEJN54
CITIGROUP GLOBAL MARKETS INC.	MBNUM2BPBDO7JBLYG310
CITIGROUP GLOBAL MARKETS LIMITED*	XKZZ2JZF41MRHTR1V493
COMMERZBANK AG	851WYGNLUQLFZBSYGB56
CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK.	1VUV7VQFKUOQSJ21A208
DANSKE BANK A/S	MAES062Z21O4RZ2U7M96
DEUTSCHE BANK AG *	7LTFWZYICNSX8D621K86
DEUTSCHE BANK SECURITIES INC.	9J6MBOOO7BECTDTUZW19
DZ BANK AG DEUTSCHE ZENTRAL GE NOSENSCHAFTSBANK	529900HNOAA1KXQJUQ27
GOLDMAN SACHS & CO LLC	FOR8UP27PHTHYVLBN30
GOLDMAN SACHS INTERNATIONAL*	W22LROWP2IHZNBB6K528
HSBC Bank PLC	MP6I5ZYZBEU3UXPYFY54
ING BANK N.V.	3TK20IVIUJ8J3ZU0QE75
JANE STREET FINL LTD	549300ZHEHX8M31RP142
JEFFERIES INTERNATIONAL LIMITED	S5THZMDUJCTQZBTRVI98
JEFFERIES LLC	58PU97L1C0WSRCWADL48
JPMORGAN SECURITIES LLC	ZBUT11V806EZRVTTWT807
JPMORGAN SECURITIES PLC *	K6Q0W1PS1L1O4IQL9C32
LLOYDS BANK CORPORATE MKT PLC	213800MBWEIJD5CU638
MARKETAXESS CAPITAL LIMITED	529900CTXON8S5AOCB70
MERRILL LYNCH INTERNATIONAL *	GGDZP1UYGU9STUHRDP48
MIZUHO INTERNATIONAL PLC	213800HZ54TG54H2KV03
MORGAN STANLEY & CO LLC *	9R7GPTSO7KV3UQJZQ078
MORGAN STANLEY & CO. INTERNATIONAL PLC *	4PQUHN3JPFGFNF3BB653
MUFG SECURITIES EMEA PLC	U7M81AY481YLIOR75625
NATWEST MARKETS PLC	RR3QWICWWIPCS8A4S074
NOMURA INTERNATIONAL PLC	DGQCSV2PHVF7I2743539
RBC EUROPE LTD LONDON	TXDSU46SXBWIGJ8G8E98
ROYAL BANK OF CANADA	ES7IP3U3RHIGC71XBU11
SOCIETE GENERALE	O2RNE8IBXP4R0TD8PU41
THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED	2HI3YI5320L3RW6NJ957
THE TORONTO DOMINION BANK	PT3QB789TSUIDF371261
UBS AG, LB	BFM8T61CT2L1QCEMIK50
WELLS FARGO SECURITIES, LLC	VYVVCKR63DVZZN70PB21

* - Execution Venues on which the Trading desk places significant reliance in meeting its obligation to take all sufficient steps to achieve the best possible result for the execution of client orders on a consistent basis.

FX

Bank Legal Name	LEI
BANK OF AMERICA NA *	B4TYDEB6GKMZO031MB27
BARCLAYS BANK	G5GSEF7VJP5I7OUK5573
BNP PARIBAS *	R0MUWSFPU8MPRO8K5P83
BROWN BROTHERS HARRIMAN & CO *	5493006KMX1VFTPYPW14
CANADIAN IMPERIAL BANK OF COMMERCE *	2IGI19DL77OX0HC3ZE78
CITIBANK NA	E57ODZWZ7FF32TWEFA76
DEUTSCHE BANK AG	7LTWFZYICNSX8D621K86
GOLDMAN SACHS INTERNATIONAL *	W22LROWP2IHZNBB6K528
HSBC BANK (TAIWAN) LIMITED	549300SG184IVNYDMN03
HSBC BANK PLC *	MP6I5ZYZBEU3UXPYFY54
HSBC FRANCE	F0HUI1NY1AZMJMD8LP67
JPMORGAN CHASE NA *	7H6GLXDRUGQFU57RNE97
MORGAN STANLEY & C INTERNATIONAL PLC *	4PQUHN3JPFGFNF3BB653
MORGAN STANLEY EUROPE SE	54930056FHWP7GIWYY08
NATIONAL AUSTRALIA BANK LTD*	F8SB4JFBSYQFRQEH3Z21
ROYAL BANK OF CANADA *	ES7IP3U3RHIGC71XBU11
STANDARD CHARTERED BANK	RILFO74KP1CM8P6PCT96
STATE STREET BANK AND TRUST *	571474TGEMMWANRLN572
THE HONG KONG & SHANGHAI BANKING CORPORATION LTD	2HI3YI5320L3RW6NJ957
UBS AG *	BFM8T61CT2L1QCEMIK50

* - Execution Venues on which the Trading desk places significant reliance in meeting its obligation to take all sufficient steps to achieve the best possible result for the execution of client orders on a consistent basis.

3.4 Definitions and Key Concepts

Agent	Person or group legally authorized to act on behalf of clients. In this case regarding foreign exchange transactions related to investment management fund investments
Average Daily Trading Volume	The amount of individual securities traded in a day on average over a specified period of time
Authorized Participant	Bank or other related party responsible for providing market liquidity in ETF shares via the creation or redemption of shares through the purchasing or selling of the underlying assets.
Broker Algorithms	Algorithmic trading also referred to as algo trading and black box trading, is a trading system that utilizes advanced and complex mathematical models and formulas to make high-speed decisions and transactions in the financial markets. Algorithmic trading involves the use of fast computer programs and complex algorithms to create and determine trading strategies for optimal returns
BWIC/OWIC	Bid or Offer Wanted in Competition process, is similar to a secondary auction process where the best price will be chosen
Electronic Channels	Information technology is used to bring together buyers and sellers through an electronic trading platform and network to create virtual market places. They can include various exchange-based systems, as well as other types of trading platforms, such as electronic communication networks (ECNs), alternative trading systems, crossing networks and dark pools
EMS	Electronic Order Management Systems where orders received from the OMS are executed via the pre-determined execution method with the chosen Counterparty
Execution Venues	A broker, Regulated Market , an MTF, a Systematic Internaliser , or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing
External Cross	A broker executes both a buy and a sell for the same security from one client account to another where both accounts are managed by FIL
High Touch	Orders which are executed with significant trader input and potentially multiple trading strategies
Historic Liquidity Advertisements	The broker's historic Indications of Interest (IOI) as well as historic traded volume are used to identify the broker most familiar with trading the security. This broker is therefore, best positioned to find future liquidity
Indications of Interest	An indication of interest is a sales message sent from a broker dealer over the Financial Information Exchange ("FIX") protocol to its institutional customers reflecting an indication of interest to either buy or sell securities
Information Slippage	The difference between the expected price of a trade and the price at which the trade is actually executed. Slippage often occurs during periods of higher volatility when market orders are used, and also when large orders are executed when there may not be enough interest at the desired price level to maintain the expected price of trade

Internal Cross	The desk will execute both a buy and a sell for the same security from one eligible client account to another without sending the order to an external counterparty
Low Touch	Orders which are executed via Electronic Channels in a relatively standardized manner, using similar price and volume parameters across all counterparties
Market Impact	The effect that a market participant has when it buys or sells an asset. It is the extent to which the buying or selling moves the price against the buyer or seller, i.e., upward when buying and downward when selling. It is closely related to market liquidity; in many cases "liquidity" and "Market Impact" are synonymous
Multilateral Trading Facility ("MTF")	A self-regulated financial trading venue that facilitates the exchange of financial instruments between multiple parties. Multilateral trading facilities allows eligible contract participants to gather and transfer a variety of securities, especially instruments that may not have an official market
Non Deliverable Forward ("NDF")	A NDF is a cash-settled, forward contract in a thinly traded or nonconvertible foreign currency against a freely traded currency, where the profit or loss at the settlement date is calculated by taking the difference between the agreed upon exchange rate and the spot rate at the time of settlement, for an agreed upon notional amount. The largest segment of NDF trading is done via the U.S. dollar
Order Management System	Order Management System where firm orders are received, generated, held and aggregated. Here the characteristics of the orders are assessed before an execution method is assigned by the trader and the resulting trades are sent to the EMS for execution
Order Book	An electronic list of buy and sell orders for a specific security.
Organised Trading Facility ("OTF")	A multilateral system, which is not a Regulated Market or MTF and in which multiple third party buying and selling interests in bonds, structured finance product, emission allowances or derivatives are able to interact in the system in a way which results in a contract
Portfolio Manager	Investment decision maker or delegate who is approved to place orders on behalf of a client portfolio to the trading desk
Prime Broker	The generic name for a bundled package of services offered by investment banks and securities firms to hedge funds which need the ability to borrow securities and cash in order to be able to invest on a netted basis and achieve an absolute return
Professional Clients	A client category as defined by the regulator and which is typically an authorised or regulated financial institution
Program Trades	A type of trading in securities, usually consisting of baskets of stocks that are executed by a computer program simultaneously based on predetermined conditions
Proprietary Orders	Orders in financial instruments on behalf of FIL Pilot Funds or similar funds and FIL affiliate accounts that are not open for client investment
Regulated Market ("RM")	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

Request for Quotes ("RFQ")	The process of requesting an indicative quote from one or more counterparties. The request can be made electronically, verbally or in writing and an order is not considered executed until both parties confirm that they agree on the quoted price
Request for Stream Pricing ("RFS")	The electronic process of sending out an order to multiple counterparties simultaneously. Bid / Offer prices are requested and the best price is continuously available for selection during the execution window for the trader to complete execution
Short Trades	Short selling is the sale of a security that is not owned by the seller, or that the seller has borrowed. Short selling is motivated by the belief that a security's price will decline, enabling it to be bought back at a lower price to make a profit
Synthetic Trades	Any derivative with a single stock underlying whether being used to short, hedge or go long. These currently include "bear certificates," single stock futures and contracts for difference
Systematic Internaliser ("SI")	An investment firm which, on an organised, frequent systematic and substantial basis, deals on own account when executing client orders outside of a Regulated Market, an MTF or an OTF without operating a multilateral system
Trading Oversight	Provide an appropriate level of governance and oversight on FIL's Trading Desks to ensure that the firm meets its various regulatory and fiduciary obligations.
Working Order at Best	The electronic process of transmitting an order to a single Counterparty with further instructions provided over the phone or other communication methods, usually to work the order over time and limit Market Impact
Voice Trading	Instructing orders by non electronic trading platforms instead of an electronic trading platform

3.5 Document History

Document Owners	Lizy Di Vetta (EMEA), Phyllis Wong (APAC)
Created Date	November 2017
Last Updated	January 2022
Approval Date	September 2023

Approval History		
Role	Approver Name	Date
Policy Owner	Lizy Di Vetta (EMEA) Phyllis Wong (APAC)	1 Jun 2023
Trade Governance & Oversight Committee	TGOC	8 Jun 2023
Trade Oversight Committee	TOC	28 Jul 2023
Enterprise Risk Management Design Committee	ERM DC	27 Sep 2023

Revision History			
Date	Version	Change Details	Material / Non-Material change
November 2017	1.0	Active January 2018 for MiFID II	Material (Approved by FIL Board)
April 2019	1.1	Update broker list	Non-material (approved by TOC)
May 2020	1.2	Update broker list, add delegation language, align with other asset class policies, clarify language around FX hedging order instruction.	Non-material (Approved by TOC)
September 2021	1.3	Updated broker list, minor layout and annual review edits.	Non-material (Approved by TOC)
January 2022	1.4	Small changes to clarify the aggregation wording, update document owners, and correct typos.	Non-material (Approved by TOC)
July 2023	1.5	Consolidated appendices (B, C and D) for all desks into one policy document. Other minor updates to wording made.	Non-material (Approved by TOC)
September 2023	1.5	Consolidated appendices (B, C and D) for all desks into one policy document. Other minor updates to wording made.	Non-material (Approved by ERM DC)
September 2023	1.5	Consolidated appendices (B, C and D) for all desks into one policy document. Other minor updates to wording made.	Non-material (noted at FFML Board)
September 2023	1.5	Consolidated appendices (B, C and D) for all desks into one policy document. Other minor updates to wording made.	Non-material (noted at FIL Board)

DISCLAIMER If the above policy is provided in the context of a potential or actual contractual relationship it will not have any contractual impact. This policy is not in any way an inducement to enter into any agreements or arrangements. This policy is simply a policy and as such may not be always followed in extreme market circumstances or other unforeseen events.