

Principles for the execution of orders in financial instruments (best execution policy)

Neue Bank AG (hereinafter referred to as “bank”) will take all reasonable steps to obtain the best possible result (best execution) on behalf of our clients either when executing client orders or receiving and transmitting orders for execution. For this purpose we took effective precautions and specified principles of the order execution (Order Execution Policy).

The following principles apply to the execution of orders placed by a client for the purpose of buying or selling securities or other financial instruments (e.g. options). “Execution” means that, pursuant to the client order and on the account of the client, we conclude an appropriate execution transaction with another party on a suitable market (commission transaction). Where we and the client directly conclude an agreement to purchase financial instruments at a fixed or determinable price (fixed-price transaction), then the following principles apply only in part (see point 5). They do not apply to the issue of units of investment undertakings at the issuing price or their redemption at the redemption price via the custodian bank.

The following principles also apply if we buy or sell financial instruments on the client's account in the course of fulfilling our duties arising from an asset management agreement with a client.

Unless you object within 30 days of delivery of these principles, you shall be deemed to have accepted them.

If the client requires further information on our execution strategies, provisions and review procedures, we will be happy to provide this information within a reasonable period of time.

1. Execution of orders/Execution criteria

Client orders may regularly be executed by different means of execution or at different execution venues, e.g. at a stock exchange, over the counter, via third parties, in Liechtenstein, or abroad. We execute the client orders by the means of execution and at the execution venues which, as a rule, consistently allow best execution in the interest of the client to be expected. We take the following execution criteria into account: cost, price, speed, probability of execution and processing volume and type of the order, considering the type of the client, the order, and the financial instrument.

When determining the specific execution venues, we assume that the client's priority is to achieve the best possible price, taking into account all costs directly associated with the execution transaction. Since securities are as a rule subject to price fluctuations, and hence price developments to the disadvantage of the client cannot be ruled out in the time period after the order has been placed, those execution venues in particular are considered where the execution can be completed with a high level of probability as soon as possible. In the framework of the criteria mentioned above, we also take other relevant criteria into account (e.g. market conditions, security of the transaction).

2. Execution Venues

2.1 Selection of execution venues

In the view of Neue Bank AG, the execution venues listed in Annex B are appropriate for the respective class of financial instruments in order to achieve the best possible results in the execution of client orders.

The execution venues have been evaluated and selected primarily according to the following criteria:

- Access to the execution venue
- Sufficient liquidity of listed or issued products
- Probability and speed of order execution
- Trading model
- Execution costs
- Secure and risk-free execution and settlement

On request, we will provide further information on the execution venues listed in Annex B.

2.2 Execution

On the basis of the factors set out in point 1 for the selection of execution venues for private clients on the one hand and for professional clients on the other, as well as taking into account the information provided by the trading venues on the quality of execution as set out in point 2.1, we conclude that a client order should as a rule be placed and executed on the home market. Alternatively, the order may be executed on another market if there are equivalent market conditions in the client's interest – in particular with regard to available liquidity and the price to be achieved. An up-to-date list of the execution venues where client orders are executed on a regular basis can be found in the Annex.

Clients will not be notified individually of any changes to this list. An up-to-date list is always available from us or can be found on our website www.neuebank.li.

2.3 Systematic internaliser

We reserve the option of executing client orders via systematic internalisers¹, provided that this does not in general entail disadvantages for the client in comparison with other means of execution.

2.4 Limit orders

To achieve fastest possible execution, limit orders are forwarded to an exchange or a multilateral trading facility (MTF²) or an organised trading facility or treated in accordance with 2.3, provided that it is made public.

2.5 Execution of orders outside a trading venue

We regularly execute client orders on a regulated market via an MTF, via an OTF³ or outside a trading venue (OTC). Transactions that are

¹ systematic internaliser = other financial services enterprise which, on an organised, systematic and regular basis, deals on own account by executing client orders outside a regulated market or MTF.

² multilateral trading facility = a multilateral system 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.

³ 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.

executed outside a trading venue always carry counterparty risk. This risk can lead to a loss for the client – at worst, even a total loss – if the counterparty is unable to meet its contractual obligations.

3. Exceptional deviations from these execution principles

3.1 Execution instructions

The client may give us express instructions on how the order shall be executed. If such instructions have been given, they supersede the execution principles set out herein. We will therefore execute the order in accordance with the special client instructions and ignore the principles of best execution set out herein with respect to these instructions. An instruction issued by the client exempt the bank from taking specific measures defined and implemented by it under its best-execution policy with the aim of obtaining the best possible result.

3.2 Special market conditions

Exceptional market conditions or market disturbances may necessitate that we deviate from the principles set out herein; however, we then act to the best of our knowledge in the interest of the client.

3.3 Divergence from policy to obtain better execution for the client in specific circumstances

We may deviate from immediate execution of a client order if this results in more favourable conditions for the client in a specific case (preventing price movements precipitated by orders).

3.4 Consolidation

Situations often arise where several clients want to buy or sell the same security on the same day. In principle, client (orders) must be treated equally and fairly, and the client interests take precedence in cases of doubt. In practice, this entails that the orders are executed in the order in which they are received. However, if a consolidation of the orders in general is not disadvantageous to the client, we reserve the option of executing several orders jointly. Consolidation may be advantageous or disadvantageous in the case of a specific order.

4. Forwarding of orders

Usually we will not execute the client's order ourselves, but rather will forward it to another financial services enterprise for execution. The client's order will then be processed in accordance with the measures taken by the other financial services enterprise to achieve best execution.

When forwarding orders the official cut-off times of the financial instruments and counterparties have to be considered. The client's order has to be given in time, in particular with respect to investment funds (collective investment schemes, mutual funds, managed funds). For ordinary investment funds (e.g. funds with domiciled in European countries, US mutual funds and Canadian funds) that are traded on a daily or weekly basis the deadline is the official cut-off time minus 2 hours. With regard to offshore funds and hedge funds that are not traded on a regular basis, that require pre-payments or have an offshore domicile, the deadline is the official cut-off time minus 48 hours.

5. Fixed-price transactions

In the case of fixed-price transactions, we do not execute the client orders in accordance with the principles set out above. Pursuant to the contractual agreement, we are only obliged to deliver the owed financial instruments to the client in return for payment of the agreed buying price and to procure ownership of these financial instruments for the client. This also applies where we offer securities for subscription as part of a public or private offering, or where we conclude contracts with clients with respect to financial instruments (e.g. option transactions) that cannot be traded on an exchange. Before concluding a fixed-price transaction with the client, we check the appropriateness of the prices offered to the client by using market data and by comparing the transaction with similar or comparable products.

The list of execution venues in Annex B indicates under what circumstances fixed-price transactions may be offered on a regular basis.

6. Regular review

We will regularly review the execution policy underlying the principles set out herein, at least once a year, to determine whether they still result in best execution of the client orders. Should the review indicate a need to adjust these principles, we will amend them accordingly. We will inform our clients of significant amendments.

Annex A: Execution principles for various types of financial instruments

Shares:

We execute orders by commission, acquisition brokerage or investment brokerage as follows:

As a rule, execution on the stock exchange of the country in which the company in question has its registered office. We choose a different stock exchange if the main trading venue deviates from the home stock exchange, or if settlement reasons make this advisable in the interest of the client, in particular in the case of the sale of shares held abroad or to ensure security of settlement. Insofar as the scope of the order makes a deviating execution appear necessary in individual cases, we execute the order in the interest of the client.

Investment fund units:

The issuance of units in investment funds at the issue price and their return at the redemption price in accordance with the provisions of investment law is not subject to the statutory rules governing the best possible execution of client orders.

As a matter of principle, we execute orders for the acquisition or sale of units in investment funds in accordance with the Investment Undertakings Act. Orders in exchange-traded funds are executed on the SWX, insofar as they are traded on an exchange in Switzerland.

Certificates/warrants/comparable securities:

We offer certificates and warrants of selected third-party issuers for subscription or purchase (and, if applicable, repurchase). Insofar as there is no fixed-price transaction, we will execute the client's order as follows:

Execution on the SWX in principle – exception (in the event of insufficient market liquidity).

Not tradable on the SWX: Execution transaction with the respective issuer or another trading partner offering to conclude transactions in the relevant security ("market maker").

Financial derivatives:

These include futures and forward contracts that are traded on an exchange under standardised conditions or that are agreed between us and our clients individually over-the-counter. Depending on the financial instrument, special conditions or special agreements are used for this purpose (e.g. special conditions or framework agreement for futures and forward contracts).

Exchange-traded financial derivatives are traded on the exchange where the type of transaction (contract) for which the client has placed the order is traded. Non-exchange-traded financial derivatives, such as forward exchange contracts, swaps or combinations of these products, are bilateral contracts between the respective contracting parties (fixed-price transaction).

Interest-bearing securities:

If the client has consented to over-the-counter execution, we will execute the order in interbank trading with another bank or another financial service provider, provided that there is no legal obligation to trade on a trading venue. If no consent has been given, execution in interbank trading is not possible. If there is a legal obligation to trade on a trading venue, we will execute the order on a domestic or foreign exchange. In individual cases, we offer the possibility of buying interest-bearing securities directly from us or selling them directly back to us.

Annex B: List of execution venues

This list is not exhaustive, but only includes those execution venues on which the bank predominantly relies. The bank reserves the right to use other execution venues, insofar as this appears appropriate in accordance with our execution principles, as well as to add new execution venues to our list or delete existing ones.

Shares Europe

Germany		Deutsche Börse XETRA	XETR
		Deutsche Börse Frankfurt	XFRA
		Börse Stuttgart/EUWAX	XSTU
		Börse Düsseldorf	XDUS
		Börse Berlin	XBER
		Börse Hamburg	XHAM
		Börse München / Gettex	XMUN
		Tradegate Exchange	TGAT
		Quotrix	XQTX
		Börse Hanover	XHAN
Switzerland		SIX Swiss Exchange	XSWX
		BX Berne Exchange	XBRN
Western & Southern Europe	Belgium	Euronext Brussels	XBRU
	France	Euronext Paris	XPAR
	Great Britain	London Stock Exchange	XLON
	Italy	Italian MCI	XMIL
	Ireland	Irish Stock Exchange	XDUB
	Luxembourg	Luxembourg	XLUX
	Netherlands	Euronext Amsterdam	XAMS
	Austria	Vienna Stock Exchange	XVIE
	Portugal	Euronext Lisbon	XLIS
	Spain	Madrid	XMAD
Northern Europe	Denmark	OMX Copenhagen	XCSE
	Finnland	OMX Helsinki	XHEL
	Norway	OSE Oslo	XOSL
	Sweden	OMX Stockholm	XOME
East & Southeast Europe	Croatia	Zagreb	XZAG
	Poland	WSE Warsaw	XWAR
	Greece	ASE Athens	XATH
	Hungary	BUD Budapest	XBUD
	Romania	Bucharest	XBSE
	Estonia	Talinn	XTAL
	Bulgaria	BSE Sofia	XBUL
	Czech Rep.	PSE Prague	XPRA

Shares Asia & Pacific:

China	Hong Kong	HKEX Hong Kong	XHKG
	Shanghai	SSE Shanghai	XSHG
	Shenzen	SZSE Shenzen	XSHE
Far East	Singapore	SES Singapore	XSES
	Japan	TSE Tokyo	XTKS
	South Korea	KRX Seoul	XKRX
	Thailand	SET Bangkok	XBKK
	Philippines	PSE Manila	XPHS
	Indonesia	IDX Jakarta	XIDX
	Malaysia	KLSE Kuala Lumpur	XKLS
Pacific	Australia	ASE Sydney	XASX
	New Zealand	NZSE Wellington	XNZE

Shares America:

North America	USA	NYSE Amex	XASE
		NYSE Arca	ARCX
		NASDAQ	XNAS
		NYSE New York Stock Exchange	XNYS
		OTC Bulletin Board (OTC BB)	XOTC
	Canada	TSX Toronto	XTSE
		TSX Venture Exchange	XTSX
Central America	Mexico	Mexican SE	XMEX
South America	Brasil	BOVESPA Sao Paulo	XBSP

Shares Middle East & Africa:

	Israel	TAE Tel Aviv	XTAE
	South Africa	JSE Johannesburg	XJSE

Interest-bearing securities & structured products:

Foreign exchange bonds	Bloomberg Trading Facility	BTFE
	OTC - Off Exchange	XOFF
CHF bonds	SWX Zürich	XSWX
	Bloomberg Trading Facility	BTFE
Structured products/convertible bonds	SCOACH SWITZERLAND	XQMH
	SCOACH EUROPE	XFRA
	OTC – Off Exchange	XOFF
	Tradeweb MTF	TWEM
Exchange Traded Funds (ETF)	Bloomberg Trading Facility	BTFE

Financial derivatives (exchange traded derivatives):

Europe	Germany	EUREX	
	Denmark	Copenhagen SE	
	Great Britain	Euronext London	
	Netherlands	Euronext Amsterdam	
	France	Euronext Paris	
	Belgium	Euronext Brussels	
	Italy	IDEM	
	Spain	MEFF	
	Sweden	OMX Nordic	
	Norway	Oslo OSE	
North America	Canada	MEST	
	USA	CBOE	
		CBOT	
		CME	
		NYMEX	
		AMEX	
		COMEX (Commodities Exchange Center)	
		GLOBEX	
Asia-Pacific region	Australia	SFE	
	Singapour	SGX	
	Hong Kong	Hang Seng Index Futures	
Certificates, warrants, similar securities		SCOACH SWITZERLAND	XQMH
		SCOACH EUROPE	XSC1
Not exchange traded derivatives		OTC – interbank trading	OTC

Shares in investment funds:

Exchange traded funds	at the corresponding exchange	
	OTC - mit Market Maker	OTC
Funds secondary market	OTC - mit Market Maker	OTC
Funds primary market	Issuer (directly)	
	Agent (indirectly)	