



## Equity - Best Execution and Order Handling Policy

### 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 transactions on behalf of its clients. This Order Execution Policy (“the Policy”) sets out the practices that are undertaken by FIL to obtain the best possible result for its clients.

#### 1.2 Scope of Policy

The Policy is supplemented by appendices which provide additional details, broken down by the type of financial instrument. The appendices represent an integral part of this Policy and cover the following subjects:

- a) Schedule A - Cash equities
- b) Schedule B - Equity Derivatives
- c) Schedule C - Contracts for Difference
- d) Schedule D - Exchange Traded Products
- e) Schedule E – List of Broker Venues for Fidelity International Equity Trading Desks

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

This Policy does not apply to the FIL Retail Brokerage business.

### 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 (including outside the EEA), and may not be subject to the same regulatory rules as FIL.

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

### 3 Best Execution and Order Handling Policy

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.

The Policy will be reviewed at least annually by the Trade Oversight Committee and in the event of material changes.



## 4 Execution Factors

The FIL Equity 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; and
- f) **Information Slippage** and any other factors considered relevant to the execution of the transaction,
- g) Counterparty rating;
- h) Counterparty exposure; and
- i) Liquidity provision

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 **Authorized Participant** instructions of equity orders related to the creation and redemption of exchange-traded funds (ETFs) that are executed by the Desk will be traded according to instructions provide by the Authorized Participant and will not follow the Policy.

**Portfolio Managers** are not permitted to direct orders to specific venues or counterparties for execution.

## 5 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**.

## 6 Execution Venues - Order Classification

Orders are classified by the desk as **Low Touch** or **High Touch** upon entering the Order Management System, depending on a regionally set threshold based on the notional and **Average Daily Trading Volume** of the stock (“regional threshold”).

The principle measure of best execution is total net consideration, however, there may be circumstances where other Execution Factors are more important.

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

Orders above the relevant regional threshold or orders that have to be executed in accordance with specific Portfolio Manager instructions are classified 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 tracked and monitored on a T+1 basis by the Head Traders. The results of this monitoring are analysed quarterly and used as one of the inputs towards potential threshold updates.

The determination of the applicable regional threshold between High and Low Touch 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.
- e)

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.

## 7 Execution Venues - Counterparty Selection

The FIL broker 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 in order 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.

For Low Touch orders broker selection is then 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.

We have outlined above those execution factors that will generally be the most relevant for our choice of execution venue for each instrument type traded. However, venue selection will in each case also be subject to any legal, regulatory or credit restrictions on where a particular order may be executed.

## 8 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. Whilst we reasonably believe that aggregation of orders works in favour of all clients over time, this may not be the case on an individual trade basis.

Where deemed appropriate, the desk will aggregate (block) all orders that are received at, or about, the same time. If orders arrive at different times, the desk may generally 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 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



prioritized 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 Policy.

**Short Trades:** the desk will pace 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:** 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. It is understood that judgement will be required and best efforts must be applied to ensure fair client treatment and advice will be sought from Compliance when potential conflicts arise.

## 9 Order Allocation

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. In the event multiple allocations within an order represent the same percentage, and such allocation would be below the minimum lot size, then the orders will be allocated on the percentage of risk (as determined by the basis points of TNA) each order represents as a proportion of each overall portfolio.

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 are monitored by Head Traders and reviewed by Compliance.

Special allocations are exceptions to the procedures described in points 8.1 to 8.2. 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 Trader (or their proxy), approved by the regional Investment Compliance and



documented. If required, special allocations will be reported to effected clients within a reasonable period of time.

## 10 Internal Crossing / External Crossing

Where permitted by the client and local law and regulation, the desk may affect **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. In evaluating potential cross trades, the desk will continue to consider all best execution factors. 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. A cross will only be affected if the desk deems it to be in the best interest of all clients participating. Market taxes and reporting requirements are handled as per usual execution channels when applicable.

In some scenarios there may be issues easily identifying the price at which to cross. In such instances, FIL will take into consideration market levels from various tools and execute the order with reference to fair value considerations, the Execution Factors and consultation with Compliance. The sign-off of the price used should be done by either Heads of Trading or the Global Head of Trading.

If a cross is to be affected between two client portfolios managed by the same Portfolio Manager, CIO (or their delegate) approval is required.

Crosses are not permitted between client and FIL Proprietary Orders.

## 11 Execution Results

FIL strives to frequently review, 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 a regular review of trading analytics from a client perspective, trader perspective, desk perspective, as well as a firm perspective. Traders, Compliance as well as investment management are active participants in the review process. FIL has contracted a third party transaction cost analysis (TCA) provider to assist with data gathering and analysis for equities. FIL also reviews and considers, at minimum annually, publicly available data published by Execution Venues on the quality of execution of transactions. Where areas for improvement in FIL's execution arrangements are identified, FIL will effect appropriate changes to its execution arrangements and/or execution policy.



## 12 Governance and Oversight

In addition to the first line of oversight performed by the Desk and Heads of Trading, regular monitoring is performed by Compliance to help ensure that trading practices are in line with all applicable laws, regulations, policies and procedures.

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

- a) Quarterly reviews by trading with, and of, top counterparties including, but not limited to, electronic, derivatives and High Touch cash equity trading.
- b) Quarterly meetings between regional Heads of Equity trading, regional CIOs and Compliance.
- c) Twice a Quarter Global Trading Governance and Oversight Committee (First line oversight, all asset classes) meetings between regional Heads of Trading for each desk and asset class, Investment Management Services, First Line Risk, Compliance teams, and any other groups as needed Quarterly
- d) 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.



## 13 Appendix

### 13.1 Schedule A - 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 - t. 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.





## 13.2 Schedule B - 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.



## 13.3 Schedule C - 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 Schedule A.

### 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 schedule A.



## 13.4 Schedule D - 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.



## 13.5 Schedule E - List of Broker Venues for Fidelity International Equity Trading Desk

Including, but not limited to, the following:

Business Entity Legal Name	Business Entity LEI
ABG SUNDAL COLLIER NORGE ASA	2138005DRCU66B8BNY04
ABN AMRO BANK NV	BFXS5XCH7N0Y05NIXW11
AMBIT CAPITAL	2549001W0Y6FBB6L2N68
ARCTIC SECURITIES ASA	5967007LIEEXZX4RVS72
ARDEN PARTNERS PLC	213800KRNTZFOY1DA806
AXIS CAPITAL LIMITED	335800I6X7D6NYQOMD89
BANCO SANTANDER SA	5493006QMFDDMYWIAM13
BANK VONTOBEL AG	549300L7V4MGECYRM576
BARCLAYS CAPITAL INC.*	AC28XWWI3WIBK2824319
BARCLAYS CAPITAL SECURITIES LTD*	K9WDOH4D2PYBSLSOB484
BELL POTTER SECURITIES LIMITED	213800EM6BT4AHJDKX45
BMO NESBITT BURNS INC.	M3LKFDNSJGJ7TMLH6Z15
BNP PARIBAS SECURITIES (ASIA) LIMITED*	213800DJAI4ZR21F9J77
BNP PARIBAS SECURITIES (JAPAN) LTD.	549300W1PKAHKJ86TC84
BNP PARIBAS SECURITIES CORP.*	RCNB60TYUAMMP879YW96
BRADESCO SECURITIES INC	5493005BOEQJY4OBZP25
BTG PACTUAL US CAPITAL LLC	549300EUEDL5GKQW8U35
BTIG HONG KONG LIMITED	213800BSSRYP2B397835
BTIG LTD	213800YZXS7U4QZP6441
BTIG, LLC	549300GTG9PL6WO3EC51
CANACCORD GENUITY CORP	549300T0EM8DDTDWZP60
CANACCORD GENUITY LIMITED	ZBU7VVFV5NIMN4ILRFC23
CANTOR FITZGERALD & CO.	5493004J7H4GCPG6OB62



CANTOR FITZGERALD EUROPE	549300KM6VUHPKQLQX53
CARNEGIE INVESTMENT BANK AB	529900BR5NZNQZEVQ417
CENKOS SECURITIES PLC	213800ALVRC52VN3I821
CGS CIMB SECURITIES	213800SKEP4JH8FNEL05
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED*	529900A2OXHI3I5TPV90
CHINA INTL CAPITAL CORP LTD*	529900OS3SVVTT56QN67
CHINA MERCHANT BANK	254900LN0XRWKIE1KU86
CHINA RENAISSANCE SEC (US) INC	254900HNGZEZ9UH1VD09
CIBC WORLD MARKETS INC	549300TDJKVQJ41VN031
CITIGROUP GLOBAL MARKETS INC.*	MBNUM2BPBDO7JBLYG310
CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED	549300WFG8RENRBOKH88
CITIGROUP GLOBAL MARKETS JAPAN INC	PKVU22HMQQ0KHUAQDH05
CITIGROUP GLOBAL MARKETS LIMITED*	XKZZ2JZF41MRHTR1V493
CLSA AMERICAS LLC	213800M2DXATWY7JMS07
CLSA LTD*	213800CF5G9GRZD2RV79
COMMERZBANK AG	851WYG NLUQLFZBSYGB56
CORMARK SECURITIES, INC.	549300SUH8XF18ZB7M51
COWEN AND COMPANY LLC	549300WR155U7DVMIW58
COWEN AND COMPANY LLC	213800SS94VGJTFLIG64
CREDIT SUISSE HK LTD	54930025BDY2HW6EF014
CREDIT SUISSE SECURITIES (CANADA), INC	549300XLNS8GBET6ZF43
CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED	549300L2CGMMXM4BR047
CREDIT SUISSE SECURITIES (JAPAN) LIMITED	549300YTJBCFG3MTGW39
CREDIT SUISSE SECURITIES*	DL6FFRRLF74S01HE2M14
DAIWA CAPITAL MARKETS HONG KONG LTD	5493006QFGLW3R4JYW87

DAIWA SECURITIES CO LTD	549300D405BPQ5DDVJ61
DANSKE BANK A/S	MAES062Z21O4RZ2U7M96
DBS VICKERS (HONG KONG) LTD.	25490026AB9ME1DX2507
DEJARDINS SECURITIES INC	549300ZG5E3QCXPEEF56
DEUTSCHE BANK AG	7LTFWFZYICNSX8D621K86
DNB NOR MARKETS, DIV DNB	549300GKFG0RYRRQ1414
DSP MERRILL LYNCH LIMITED	549300A5QXDCAXLKH833
EIGHT CAPITAL	549300FMB9DDG5HWNQ04
EMKAY GLOBAL FIN SERVICES LTD	335800XRYC8K9H5EPG13
EQUITA SIM SPA	815600E3E9BFBC8FAA85
EXANE LIMITED*	969500UP76J52A9OXU27
FEARNLEY SECURITIES AS	5967007LIEEXZX6W9S34
FIDENTIIS EQ SOC DE VALOS	9.598E+19
FINN CAPITAL MARKETS LIMITED	213800DSWHX26RRA1N75
FLOW TRADERS BV	549300CLJI9XDH12XV51
GOLDMAN SACHS & CO LLC*	FOR8UP27PHTHYVLBN30
GOLDMAN SACHS (ASIA) L.L.C.*	549300NIUPNUFRZ8LJ52
GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LTD	549300R0SMAPALLYQD57
GOLDMAN SACHS CANADA INC	5493009SS6U10C4KDV21
GOLDMAN SACHS INTERNATIONAL*	W22LROWP2IHZNBB6K528
GOLDMAN SACHS JAPAN CO. LTD	5NGPZ37H6T4XS5MO5N09
GOODBODY STOCKBROKERS	635400IL71G3SXS7OE16
HAUCK AND AUFHAEUSER	529900OOZP78CYPYF471
HSBC BANK PLC*	MP6I5ZYZBEU3UXPYFY54
HSBC SECURITIES & CAPITAL MARKETS (INDIA) PTE LTD	213800JPRY6Q79O7RK98
HSBC SECURITIES (USA) INC.	CYYGQCGNHMHPSMRL3R97

ICHIYOSHI SECURITIES CO LTD	353800A8M3VE49QYFV53
ICICI SECURITIES LIMITED	335800RT5NJ3UPWK7351
INDIA INFOLINE LIMITED	335800DFGY67CJENRH26
ING BANK N.V.	3TK20IVIUJ8J3ZU0QE75
INSTINET EUROPE LIMITED*	213800MXAKR2LA1VBM44
INSTINET PACIFIC LIMITED*	549300RI6VZUNIR81J81
INTERMONTE SIM	YMUU1WGHJKORF9E36I98
INTESA SANPAOLA SPA	2W8N8UU78PMDQKZENC08
INVESTEC BANK PLC	84S0VF8TSMH0T6D4K848
INVESTMENT TECHNOLOGY GROUP LIMITED	213800EEC95PRUCEUP63
ITAU BBA USA SECURITIES INC	5493008E85XK12EKYI22
J & E DAVY	63540061DPCBNMCGRY22
JANE STREET	549300ZHEHX8M31RP142
JARDEN SECURITIES LTD	213800SE4KPTY278KZ54
JEFFERIES HONG KONG LIMITED*	549300NUP2MJOCL4Q619
JEFFERIES INDIA PRIVATE LIMITED	549300RYCNYHUWYKP329
JEFFERIES INTERNATIONAL LIMITED*	S5THZMDUJCTQZBTRVI98
JEFFERIES JAPAN LIMITED	549300U9HVFGR0500U77
JEFFERIES LLC*	58PU97L1C0WSRCWADL48
JM FNCL INST SECS LTD	254900VSKVYY7FY6DS05
JOH. BERENBERG, GOSSLER & CO. (BERENBERG BANK)*	529900UC2OD7II24Z667
JONESTRADING CANADA INC	213800775ICYIL797R84
JONESTRADING INSTITUTIONAL SERVICES LLC	2138008JJ5PA8H5UIL69
JPMORGAN INDIA PRIVATE LTD	5493003NTMEZM4AYVW24
JPMORGAN SECURITIES (ASIA PACIFIC) LIMITED*	871JPXVZ0Z8I863B6V34
JPMORGAN SECURITIES CANADA INC	549300F310BOLPDDZ813



JPMORGAN SECURITIES JAPAN LIMITED*	5493006PWI2H6PX25403
JPMORGAN SECURITIES LLC*	ZBUT11V806EZRVTWT807
JPMORGAN SECURITIES PLC*	K6Q0W1PS1L1O4IQL9C32
KEPLER CHEUVREUX SA	9695005EOZG9X8IRJD84
KOREA INVESTMENT & SECURITIES CO. LIMITED	549300R8VJDW3X6CD250
KOTAK SECURITIES LIMITED	335800UUZDPJ7XGOFU74
LIBERUM CAPITAL LIMITED	213800U6KUF87S1KCC03
LIQUIDNET ASIA LIMITED*	213800KFOC5OSG8VW527
LIQUIDNET CANADA INC	21380031335M4LHQJ436
LIQUIDNET EUROPE LTD*	213800ZIRB79BE5XQM68
LIQUIDNET INC*	213800HSKBBO1GCVRG79
MACQUARIE CAPITAL (EUROPE) LTD	549300GX4FPMFF91RJ37
MACQUARIE CAPITAL (USA) INC	549300670K07JRB5UQ40
MACQUARIE CAPITAL SECURITIES (INDIA) PRIVATE LIMITED	549300S34RQ8CV99Y430
MACQUARIE CAPITAL SECURITIES (JAPAN) LIMITED*	549300GVKTISCZKDJN04
MACQUARIE SEC AUS	549300BIAWNNPUVFP581
MAINFIRST BANK AG	529900MC68RTGHKI4F05
MAYBANK KIM ENG SECURITIES PTE LTD	2138004J5VSRWX5VMN77
MEDIOBANCA SPA	PSNL19R2RXX5U3QWHI44
MERRILL LYNCH CANADA INC	QBB7LJ15BSZOYGYACQ50
MERRILL LYNCH INTERNATIONAL*	GGDZP1UYGU9STUHRDP48
MERRILL LYNCH JAPAN SECURITIES CO., LTD*	I7E80LI4NVVT41W1WB02
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	549300HN4UKV1E2R3U73
MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO LTD	O7YCEUWQXFIO1CHULC69
MIZUHO SECURITIES ASIA LTD	35380066IP7PQ32LZN84

MIZUHO SECURITIES CO., LTD.	549300I6K0JHSVK8I066
MIZUHO SECURITIES USA LLC.	7TK5RJZDFROZCA6XF66
MORGAN STANLEY & CO LLC*	9R7GPTSO7KV3UQJZQ078
MORGAN STANLEY & CO. INTERNATIONAL PLC*	4PQUHN3JPFQFNF3BB653
MORGAN STANLEY CANADA LTD	54930065FO7CXEUTGL76
MORGAN STANLEY INDIA PRIVATE LIMITED	OYO6KC46QF54MHNL5D43
MORGAN STANLEY MUFG SECURITIES CO., LTD.	549300OB5SQ53A8BTO30
MORGANS FINANCIAL LIMITED	21380062NCGSFNJ3LR64
MORRISON SECURITIES PTY LTD	98450057112B8F61DD40
MOTILAL OSWAL FINANCIAL SERVICES LIMITED	3358004GYYY6FUXX1P93
NATIONAL BANK FINANCIAL INC	549300D83GR71RNG0O65
NEDGROUP SECURITIES (PTY) LTD	3789003107958968FE87
NOMURA FINANCIAL ADVISORY & SECURITIES (INDIA) PVT LTD	254900GRE90YJZDO4Q71
NOMURA SECURITIES CO., LTD.	XPSKD1VTEQPKCHBEKQ95
NORDEA BANK ABP	529900ODI3047E2LIV03
NPLUS1 SINGER CAPITAL MARKETS LIMITED	213800ITO7QMNQ9SFG53
NUMIS SECURITIES LIMITED	213800P3F4RT97WDSX47
ODDO & CIE	9695002I9DJHZ3449O66
OLIVETREE FINANCIAL LTD	213800WJG33TNCVFVZK61
OPPENHEIMER & CO, INC.	254900VH02JQR2L8XD64
ORD MINNETT LIMITED	2617008FV86BTKAECX26
PANMURE GORDON (UK) LIMITED	213800GM8RB7MS4L3Z24
PARETO SECURITIES AS	549300H0QDQHRJXRM779
PEEL HUNT LLP	5493007DWN0R4YBM4C84
PETERS & CO LTD	549300JR32EO2KGZQM55
PETRA CAPITAL PTY LIMITED	213800XR79PEP5ADGN30



PORTZAMPARC (BCAPITAL)	969500DEM67LRGQOTV19
RAYMOND JAMES LTD	549300QR3RXJKWZMK182
RBC DOMINION SEC INC	549300QJX6CVVUXLE15
REDBURN (EUROPE) LIMITED	213800PKEJQZQXQCOJ04
RENAISSANCE CAPITAL LTD	213800RZ3GCUXMBGYN59
ROBERT W. BAIRD & CO. INCORPORATED	549300772UJAHRD6LO53
ROYAL BANK OF CANADA	ES7IP3U3RHIGC71XBU11
ROYAL BANK OF CANADA	TXDSU46SXBWIGJ8G8E98
SAIGON SECURITIES INC	213800IF2RICE613K743
SAMSUNG SECURITIES CO., LTD.	988400RBTJTHNUOHE716
SANFORD C. BERNSTEIN AND CO., LLC	549300I7JYZHT7D5CO04
SANFORD C. BERNSTEIN LIMITED	213800LBM6PT85IGM996
SBI SECURITIES CO LTD, JAPAN	353800HGQDSZ7O253W40
SCOTIA CAPITAL (USA) INC	549300BLWPABP1VNME36
SCOTIA CAPITAL INC	5493009NLZXZGJDOPC94
SG SECURITIES (HK) LIMITED	549300X7ULDGXXKFTX656
SHORE CAPITAL STOCKBROKERS LTD	2138009KZO3MK7TV6372
SKANDINAVISKA ENSKILDA BANKEN	F3JS33DEI6XQ4ZBPTN86
SMBC NIKKO SECURITIES INC	549300HIK4TTS0OCL437
SOCIETE GENERALE	O2RNE8IBXP4R0TD8PU41
STANDARD BK OF SA	QFC8ZCW3Q5PRXU1XTM60
STIFEL NICOLAUS CANADA	5493008NTORCQSL13M83
STIFEL NICOLAUS EUROPE LIMITED	213800BVEFNZ8UYPKL03
SUNTRUST ROBINSON HUMPHRIES INC	CSVTK36R0PNGXEM7NS14
SUSQUEHANNA INTERNATIONAL SECURITIES LIMITED	635400IAV22ZOU1NFS89
SVENSKA HANDELSBANKEN AB	NHBDILHZTYCNBV5UYZ31



TD SECURITIES INC	5493006RJSLS5DA4PD75
THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED*	2HI3YI5320L3RW6NJ957
UBS AG*	BFM8T61CT2L1QCEMIK50
UBS FUTURES CO.	3003005QJJK2WBRU229
UBS SECURITIES ASIA LTD*	549300Y35FCB6270R069
UBS SECURITIES CO LTD (CHINA)	549300YZ2GIMNB6S2A13
UBS SECURITIES HONG KONG LTD*	549300FTE4GOTKGCTC85
UBS SECURITIES INDIA PRIVATE LTD	549300TVEJCTJLRAKC65
UBS SECURITIES JAPAN CO LTD	54930090QR873H4M6D72
UBS SECURITIES LLC*	T6FIZBDPKLYJKFCRVK44
VAN LANSCHOT KEMPEN WM N	724500D8WOYCL1BUCB80
VIRTU FINANCIAL CANADA	5HPLP7FVD3SPX7MNDL06
VIRTU ITG HONG KONG LIMITED*	54930088A108K3K5M708
VTB CAPITAL PLC	74OG4PIVJ3TT4O5NSN12
WELLS FARGO SEC CAN	254900VW3826B4ISLF95
WILLIAM BLAIR & COMPANY, L.L.C .	549300J0P7XYE8BMZ775
WILSONS ADVISORY AND STOCKBROK	213800WHBEMCI8A1YX25
WINTERFLOOD SECURITIES LIMITED	8BRUP6V1DX3PIG2R0745
YUANTA SECURITIES COMPANY LIMITED	213800DCGUIXGBT4KU10

\* - 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.

## 13.6 Definitions and Key Concepts

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
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
Execution Venues	A broker, <b>Regulated Market</b> , an MTF, a <b>Systematic Internaliser</b> , 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 <b>Indications of Interest</b> (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 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
Order Book	An electronic list of buy and sell orders for a specific security.
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
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



**DISCLAIMER**

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