TD Securities

TDS Singapore

Summary of the Best Execution Policy

January 2024

1. Introduction

The Summary of the TDS Singapore Best Execution Policy (the "**Policy**") outlines the key arrangements The Toronto-Dominion Bank Singapore Branch and Toronto-Dominion (South East Asia) Limited (collectively, "**the Firm**") has in place to comply with the Notice SFA 04-N16 on 'Execution of Customers' Orders' ("**the Notice**") and the Guidelines to the Notice as required by the Monetary Authority of Singapore ("**MAS**").

2. Best Execution

The Firm is required when executing orders on behalf of 'Accredited Investors' ("**AI**") and 'Expert Investors' ("**EI**") to take all sufficient steps to obtain the best possible result for its clients on a consistent basis, taking into account the execution factors: **price, cost, speed, likelihood of execution and settlement, size, nature of the transaction or any other execution consideration**. This requirement also applies when the Firm receives and transmits client orders and is known as the best execution obligation ("**best execution**").

3. Scope of the Policy

3.1 Clients and Financial Instruments

This Policy applies to clients that the Firm has classified as AI or EI, when the Firm execute the clients' order for:

- all capital markets products; and

- all capacities in which the Firm is acting on behalf of the client (i.e., whether as principal or agent).

The Policy does not apply to transactions executed with clients classified as 'Institutional Investors' by the Firm. The Firm is not permitted to, and does not, deal with retail clients.

3.2 Receipt and Transmission of Orders

The Policy will apply to transactions where the Firm's employees execute the AI and EI client' order. Transactions between clients and the Firm's group entities/ branches that are not regulated entities in Singapore, will not be subjected to this Policy.

The Firm may choose to arrange the execution of orders through its affiliates. Where the Firm receives and transmit orders to another affiliate or third-party company outside of Singapore, the best execution will be in line with the local rules and regulations in the relevant jurisdiction.

4. Non-Reliance Exclusion

The Firm should assess the circumstances under which a client does not rely on the Firm to place or execute the client's order on the best available terms. The Firm should take into consideration the following circumstances when determining non-reliance:

1. **Which party initiates the transaction** – where a client initiates a transaction, the Firm will need to assess if this means the client is less likely to be placing reliance on the Firm. Dissemination of research, market commentary, trade ideas, relevant market opportunities and indicative prices by the Firm as part of general business will not necessarily determine that the Firm has initiated a transaction.

2. **Questions of market practice and the existence of convention to "shop around"** – where there is market practice for a particular asset class or product that suggests that the client has access to various providers who provide quotes, and the client has an ability to "shop around" or place the Firm "in competition", the client is less likely to be placing legitimate reliance on the Firm.

3. **The relative levels of price transparency within a market** – where the client has similar levels of access and transparency of pricing and liquidity information as the Firm and can be expected to assess pricing and liquidity information, it will be an indicator that the client is less likely to be placing legitimate reliance on the Firm.

4. **The information provided by the Firm and any agreement reached** – Where the agreement with the client stipulates that the Firm will provide best execution, it is more likely that the client will place a legitimate reliance on the Firm.

5. Specific Instructions from Clients

Where a client gives the Firm specific instruction(s) on the handling and execution of the entire order or particular aspect(s) of the order (including executing at a particular price or time, a particular execution venue, or the use of a specific strategy), the Firm will execute the order following the specific instruction(s).

Where a client instructs a part of or an aspect of the order, the Firm retains its best execution obligation for other aspects of the client's order not covered by instruction(s).

Clients specific instruction(s) may prevent the Firm from taking the steps designed to comply with this policy to obtain the best possible result for the elements covered by the client instruction(s).

5.1 Provisions relating to Direct Market Access ("DMA")

Where orders are executed by the client using the Firm's DMA system the client will be providing specific instructions for execution factors and the Firm's best execution obligations will be fulfilled by following those instructions.

6. Application of Best Execution

6.1 Best Execution Factors

To obtain the best possible result when executing, placing or transmitting orders on behalf of a client, the Firm will take into account the factors listed below when determining its execution strategy.

The order of relative priority and the variety of criteria that are taken into account in determining the appropriate consideration will be made based on a transaction-by-transaction basis.

Factors the Firm may consider are:

- **Price:** price at which the financial instrument is executed, excluding any internal and external costs;

- **Costs:** include costs such as execution fees, settlement fees, amendment fees;

- **Speed:** time to execute a client order;

- **Likelihood of execution and settlement:** the likelihood to complete the client order;

- **Size:** potential impact of order size on execution price; and

- **Nature of the transaction:** how the characteristics of a client order can affect how best execution is achieved.

- **Other execution related consideration** such as market impact.

Appendix I outlines the priority of execution factors and top execution venues per asset class.

6.2 Best Execution Criteria

When executing a client's order, the relative importance of the best execution factors will be determined by reference to the characteristics of:

- the client;

- type of client order;

- type of financial instrument concerned; and

- the execution venue to which the order can be directed.

The order of relative priority and the variety of criteria that are considered in determining the appropriate consideration can be found in Appendix I, however, on some occasions it may be based on a transaction–by-transaction basis.

It may not always be possible to quantify the relative contribution of each of the factors and criteria above in quoting prices ahead of execution as these can vary from the time of quoting to the time of execution as well as from transaction to transaction.

7. Execution Venues

The Firm will take sufficient steps in order to obtain best execution on a consistent basis. Where the Firm chooses an execution venue on behalf of the client it will not discriminate between execution venues.

The choice of execution venue(s) will be made by considering the above factors and criteria listed above as per Section 6.1 and 6.2.

The Firm may use one or more of the following venue types when executing client order(s):

- Affiliates acting as liquidity providers;

- The Firm's trading desks' principal positions;

- Trading venues

7.1 Execution Costs

When executing orders on a client's behalf, the Firm may impose a commission or apply a mark-up or spread to the execution. The Firm will ensure that mark-ups and spreads, if charged where best execution is owed, will be made to cover the costs and risks associated with the transaction and are reasonable, proportionate, and not excessive.

7.2 Affiliates Acting as Liquidity Providers

The Firm may utilise an affiliate to assist in the execution of a client transaction.

On a periodic basis, the Firm will ensure that, whilst taking into account all relevant execution factors, the affiliate's executions are monitored so that the Firm may satisfy the best execution obligations on a consistent basis and any conflict of interests are managed and prevented appropriately.

The use of affiliates provides specific benefits to client executions; these factors include, but are not limited to, governance, oversight and transparency of an order, consistency of order handling and front to back transaction processing.

7.3 Internalisation

The Firm may choose to "internalise" a client's order by executing the order as principal against the Firm's book. The Firm will treat the principal book as an execution venue and as with other execution venues; it is subject to the Policy.

The Firm will only internalise transactions where, applying the same factors as for other execution venues, the Firm has concluded that the internalisation of the transactions provides the client with best execution.

8. Order Handling and Aggregation

8.1 General Principles

The Firm will execute client orders in a prompt, fair and expeditious manner, relative to other orders and/ or to the trading interests of the Firm.

The Firm will satisfy the following conditions when carrying out client orders:

a. ensure that orders executed on behalf of the client are promptly and accurately recorded and allocated; and

b. carry out otherwise comparable client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable or the interests of the client requires otherwise.

Furthermore, where the Firm is responsible for overseeing or arranging the settlement of an executed order it will take all reasonable steps to ensure that any client financial instruments or client funds received in the settlement of the executed order are promptly and correctly delivered to the account of the appropriate client.

The Firm will not misuse information relating to pending orders and will take all reasonable steps to prevent the misuse of information by any relevant persons.

8.2 Aggregation and Allocation of Client Orders

The Firm will not aggregate a client order with that of another client unless the following conditions are met:

a. it is very unlikely that the aggregation of orders and transactions will work to the overall disadvantage of any client whose order is to be aggregated;

b. it is disclosed to each client whose order has been aggregated that the effect of the aggregation may work to its disadvantage in relation to a particular order; and

c. there will be a fair allocation of aggregated orders and transactions, including factors/ criteria such as volume and price of orders when determining allocations and the treatment of partial executions.

8.3 Aggregation and Allocation of Transactions for Own Account

When the Firm aggregates transactions for its own account with one or more client orders, it will not allocate the related trades in a way that is detrimental to the client.

Furthermore, when the Firm aggregates a client order with a transaction for its own account and the aggregated order is partially executed it will allocate the related trades to the client in priority to the Firm.

Where the Firm is able to demonstrate on reasonable grounds that without it would not have been able to carry out the order on such advantageous terms, or at all, it may allocate the transaction for own account proportionally in accordance with the best execution obligations.

9. Confirmations

When acting on behalf of a client, the Firm will provide the client with the essential information concerning the execution of an order and a confirmation on the execution of that order in a timely manner.

10. Execution Risks

The Firm has established and implemented policies and procedures to obtain the best possible results in executing client orders, subject to, and taking into account any specific instructions, the nature of the client orders and the nature of the markets and the products concerned.

The Firm is not required to guarantee that it will always be able to provide best execution on every order executed on the client's behalf. The Firm does not owe the client any fiduciary responsibilities as a result of the matters set out in this document, over and above the specific regulatory obligations or as contractually agreed.

11. Conflicts of Interest

The Firm has an obligation to identify, manage and prevent potential and actual conflicts of interest. This requirement applies to conflicts of interest that may arise between the Firm and its clients as a result of its execution arrangements which could prevent the Firm from satisfying its best execution obligations. The Firm is required to take all appropriate steps to mitigate any conflicts of interest that may arise.

12. Disclosure to Client

Clients will be provided with appropriate information on this Policy and best execution arrangements through an external summary that will be published on the Firm's website.

The Firm may execute all or part of the order outside of a regulated market or trading venue.

13. Client Queries

If you wish to discuss the application of best execution to your transactions, please contact your business relationship representative.

14. Monitoring and Review

The Firm will undertake periodic monitoring to ensure the on-going effectiveness of the best execution arrangements. Material changes to the market or to the Firm's business model will also trigger a review.

Appendix I – Priority of Execution Factors Per Asset Class

	Equity and Equity-like	Bonds	OTC Derivatives	Listed Derivatives
Execution Type	Orders	Orders	Orders	Orders
Execution Venues	TD	TD	TD	TD
Prioritised list of execution factors (common scenarios)	1. Price 2. Likelihood of execution 3. Size 4. Costs 5. Speed 6. Other Considerations	1. Price 2. Speed 3. Size 4. Likelihood of execution 5. Costs 6. Other Considerations	1. Price 2. Speed 3. Likelihood of execution 4. Size 5. Costs 6. Other Considerations	1. Price 2. Size 3. Speed 4. Costs 5. Likelihood of execution 6. Other Considerations
Prioritised list of execution factors (special scenarios - as listed)		**Illiquid markets** 1. Size 2. Price 3. Likelihood of execution 4. Speed 5. Costs 6. Other Considerations		**Illiquid markets** 1. Likelihood of execution 2. Price 3. Costs 4. Size 5. Speed 6. Other Considerations
Other Pricing Considerations	▪ Market conditions ▪ Liquidity	▪ Market conditions ▪ Liquidity	▪ Liquidity of underlying ▪ Hedging risk ▪ Complexity of transaction ▪ Tenor ▪ Market conditions	▪ Liquidity of underlying ▪ Hedging risk ▪ Complexity of transaction ▪ Tenor ▪ Market conditions

TD refers to the use of entities within The Toronto Dominion Banking Group including but not limited to The Toronto-Dominion Bank Singapore Branch and Toronto-Dominion (South East Asia) Limited.

Appendix II – Definitions

Agency Capacity: When the Firm acts as an agent for the client and must look after the clients' best interests.

Best Execution: The obligation to take all sufficient steps to obtain the best possible result when executing, placing or transmitting client orders on behalf of a client.

Direct Market Access (DMA): An arrangement where a member or participant or client of a trading venue permits a person to use its trading code so the person can electronically transmit orders relating to a financial instrument directly to the trading venue and includes arrangements which involve the use by a person of the infrastructure of the member or participant or client, or any connecting system provided by the member or participant or client, to transmit the orders.

Execution Venue: A market maker or other liquidity provider or an entity that performs a similar function in a third country.

Orders: Orders can exist for extremely short periods of time – the result of a client trading off a streaming screen quote – or for longer periods – as a result of instructions left to a salesperson to execute for or communicate back to the client (Indications of interest) when the price of a security has reached a specified level. Orders will also result from the interaction of the Firm's trader executing or intending to execute in the marketplace whether it be through another Firm trader, or brokers.

Principal Capacity: When the Firm executes an order for a client from the inventory held by the Firm.

Quotes: a quote consists of the communication of a price either through voice, writing or screen based. A quote can be indicative or Firm depending on the context. Indicative quotes (sometimes referred to as 'levels') are meant to convey a pricing estimate based on the information requested from the client- RFQ. Clients will generally communicate their 'direction'- buying or selling intent, the amount of securities they intend to trade or both. Note that market conditions will also determine the validity of the price communicated to the client. In the instance that markets are volatile the trader will reserve the right to quote indicatively to a client if they believe the client will not deal immediately. In such instances the trader will make it clear to the client that their price is indicative or subject to change upon re-enquiry at a later time. Firm quotes will result when the terms of the transaction are clear to both parties (the direction of the trade and the amount to be dealt). A client at this stage is still free to reject the quote but established conventions generally imply acceptance and a transaction results. The acceptance to trade based on the Firm quote is considered to constitute an order.

Specific Instruction: Instructions provided to the Firm by the client when placing an order for execution. Examples include but are not limited to a request by the client to execute an order on a specific venue, request to execute the order at a certain time.