

CLIENT INFORMATION

# BNP PARIBAS FORTIS EXECUTION POLICY

**EXPERTS IN SERVING  
YOUR AMBITIONS.**

Valid as of 25/09/2015



**BNP PARIBAS**  

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**FORTIS**

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BNP Paribas Fortis is a financial institution offering a large range of investment services including portfolio management, execution services or transmission of orders to third parties or BNP Paribas Group Entities (hereafter "BNPP Group Entities") for execution.

## 1. Terms of execution services

In this document we use "we" or "us" or "BNP Paribas Fortis" to refer to BNP Paribas Fortis SA/NV and we refer to clients as "you". "Group" means the concerned legal entity and any of its Affiliates. "Affiliates" means in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control of any entity or person means ownership of a majority of the voting power of the entity or person.

This document gives you information on the BNP Paribas Fortis execution policy and procedures in accordance with the Markets in Financial Instruments Directive ("MiFID"), a European-wide measure, as implemented in Belgium by the Royal Decree of 3 June 2007 containing the rules and modalities for the transposition of MiFID (Arrêté Royal du 3 juin 2007 portant les règles et modalités visant à transposer la directive concernant les marchés d'instruments financiers / Koninklijk Besluit van 3 juni 2007 tot bepaling van nadere regels tot omzetting van de richtlijn betreffende markten voor financiële instrumenten).

In order for us to provide services to you, you will need to agree to this information document. In accordance with MiFID and our Investment Services General Conditions, you explicitly confirm your agreement with the execution policy by submitting an order for execution to BNP Paribas Fortis.

## 2. Application

We must obtain the best possible result on a consistent basis where we are executing your order or receiving and transmitting your order to an external broker-dealer to execute ("Best Execution").

Where Best Execution does apply, MiFID sets out two separate obligations depending upon how your orders are actually executed. Where we:

- buy or sell financial instruments for you, we owe the execution obligation in article 3 below; or
- where we receive and transmit your order to an external broker-dealer, which itself executes your order, we owe the receipt and transmission obligation in article 4 below.

Whilst providing you with the same service, we may sometimes owe you the execution obligation, and sometimes the order transmitter obligation.

In the exceptional cases where it is not possible for BNP Paribas Fortis to execute your order, or to deliver the service of "receipt and transmission", BNP Paribas Fortis reserves the right not to execute your order. In such cases BNP Paribas Fortis will try, with all possible means, to execute your order in an alternative way, under the best possible conditions for the client.

The MiFID best execution obligations apply in relation to the financial instruments described in Appendix 1 which you buy and sell with or through us with the exception of the particular circumstances set out in Appendix 1. You should read carefully section 6 of Appendix 1 on how we treat your order when you give us specific instructions.

# 3. The execution obligation

## 3.1 Achieving best execution

We must take all reasonable steps to obtain the best possible result taking into account the factors set out in 3.2 below where we are executing an order for you.

Orders will be executed on venues on the basis of the factors and criteria set out in 3.2 and 3.3.

We will execute orders in all of the financial instruments set out in Appendix 1 and will offer you best execution for orders in those financial instruments except where:

- BNP Paribas Fortis is acting as your counterparty on a request for quote basis and you are a Professional Client (this will generally be the case for "Over The Counter" (OTC) transactions in money market derivatives, foreign exchange derivatives, equity derivatives, commodity derivatives, energy derivatives, derivatives relating to emission allowance, fixed income securities); or
- you give a specific instruction as to how we should execute your order or an aspect of your order; or
- it is a highly structured transaction.

See Appendix 1 for more information.

## 3.2 The factors for venue selection

In achieving best execution, we will, as relevant and appropriate, take into account a number of factors in choosing the venue, including:

- the price available and the depth of liquidity available at that price;
- transaction costs (i.e. the fees charged for executing an order on a particular venue, clearing and settlement costs) which are passed on to you whether directly or indirectly;
- speed of execution on the market;
- likelihood of execution and settlement (e.g. market liquidity for the particular product);
- the ability of the venue to manage complex orders;
- clearing and settlement arrangements; and
- any other consideration relevant to the execution of the order.

BNP Paribas Fortis takes into account the criteria in article 3.3 for determining the relative importance of these factors. The relative importance of these factors may therefore vary depending on the relevant circumstances.

For a Client classified as 'Retail' under MiFID, price and costs will determine best execution, although the other factors above may take priority where instrumental in achieving that best price and costs.

For a Client classified as 'Professional' under MiFID, price and costs will usually be the most important factor although we will, as appropriate, take into account the other factors in the context of the relevant circumstances including whether there is room for price improvement.

Where there is only one possible venue where the transaction can be executed, best execution is achieved by execution on that venue.

Best execution is a process and not an outcome. This means that, when we are executing an order for you, we must execute it in accordance with our execution policy but we do not guarantee that the best possible price will be obtained in all circumstances and, in any event, the factors may lead to a different result in a particular transaction. This means that there might be occasions that for Retail under MiFID Client orders as well as for Professional under MiFID Client orders, the priorities or the weight of the relevant factors might be altered when BNP Paribas Fortis judges that the execution of the orders might not lead to the best possible result for the client, e.g. at a time of severe market turbulence, and/or internal or external system failure where instead the ability to execute orders on a timely basis, or at all, will become the primary factor. In the event of system failure we may not be able to access all of our chosen execution venues.

An overview of the relevant factors to define the different execution venues is detailed per financial instrument in appendix 4.

## 3.3 Execution criteria

As indicated in paragraph 3.2, we will take into account certain criteria to determine the relative importance of the factors for venue selection in 3.2 (where there is more than one venue). The execution criteria that will be taken into account are:

- Your characteristics as a client, including
  - whether you are a Retail or a Professional Client and
  - your credit risk.
- the characteristics of the order, for example:
  - stop loss;

- market or limit order; and
- size of the order and likely impact of the order.
- the characteristics of the financial instrument the order relates to, for example:
  - equities/fixed income securities/ derivatives/ convertibles;
  - liquid/illiquid;
  - structured/customised, etc.;
- the characteristics of the venues (see 3.2 above);
- the market practices governing the concerned type of transaction; and
- any other circumstances relevant at the time.

### 3.4 Execution venues

Execution venues are a regulated market, a firm itself acting as a market maker or dealing for its own account or other liquidity providers either within or outside the EEA. Any such firm may include a BNPP Group Entity.

The venues on which we place significant reliance, i.e. the venues on which we will typically execute transactions, are as follows:

- **Equity:**
  - Equity instrument tradable on a regulated market:
    - (i) on the regulated market or
    - (ii) via a market maker, including a BNP Paribas Group Entity.
  - Equity instrument not tradable on a regulated market:
    - (i) a market maker, including a BNP Paribas Group Entity.
- **Fixed income securities (tradable and not tradable on a regulated market):**
  - (i) BNP Paribas Fortis acting against its own book, i.e. Over The Counter by default. In certain cases (e.g. lack of market makers, orders at off-market prices, orders at off-market volumes, ...) orders may be executed on Euronext.
- **Derivatives:**
  - Derivatives tradable on a regulated market:
    - (i) on the regulated market;
  - Derivatives not tradable on a regulated market:
    - (i) BNP Paribas Fortis acting against its own book.

- **Units in collective investment undertakings (UCITS), collective investment schemes or unit trusts:**
  - Closed-ended funds:
    - (i) on the regulated market with the principal pool of liquidity or
    - (ii) the only regulated market or
    - (iii) BNP Paribas Fortis acting against its own book.
  - Open-ended funds:
    - (i) with a fund administrator at the price quoted by the fund administrator (usually Net Asset Value) or
    - (ii) where relevant on the regulated market.

A list of the main execution venues by class of instruments is included in Appendix 2. This overview is not exhaustive and can be adapted to the current market conditions at any time.

## 4. The receipt and transmission obligation

We will owe you the “receipt and transmission” obligation for the following orders we receive from you:

- Orders in financial instruments traded or listed outside the European Economic Area (this is the EU Member States, Iceland, Liechtenstein and Norway); or
- Orders which we transmit to third party brokers (outside the group).

Where we receive and transmit orders we will act in your best interests when placing orders with or transmitting orders to external broker-dealers for execution. We will take all reasonable steps to obtain the best possible result. In doing so, we will take into account the factors and criteria set out in paragraphs 3.2 and 3.3 above.

As a result, we will achieve best execution by placing orders with, or transmitting orders for execution to, other entities which can meet the MiFID best execution obligation:

- We will select an entity or entities most likely to deliver the best possible result for our clients. Where the entity selected is itself a MiFID investment firm subject to the best execution obligation, we will place a high degree of reliance on that entity. We will ensure that the intermediary’s execution policy is consistent with our own as specified in this document.
- Where the entity selected is not a MiFID investment firm subject to the best execution obligation, we have in place formal arrangements with the entity to seek MiFID best execution standards.
- We will monitor and review the execution quality delivered and correct any deficiencies.

Where we specify a venue to a third party broker when transmitting your order, or where we give a specific instruction to an executing broker as to how to execute a financial instrument on your behalf, we will have the execution obligations set out in 3 above.

A list of the main third party brokers (executing brokers) we have selected by class of instruments is included in Appendix 3.

## 5. Monitoring best execution

We review our policy and procedures annually and where there is a material change in execution arrangements to see whether best results are achieved for all clients as a whole on a consistent basis.

The monitoring process will focus on whether BNP Paribas Fortis would obtain better results on a consistent basis for all clients if it was to:

- (i) include additional or different execution venues (for the relevant Instrument Class);
- (ii) assign a different relative importance to the execution factors (for the relevant Instrument Class);
- (iii) modify any other aspects of this Policy and/or its execution arrangements.

## 6. Other execution matters

### 6.1 Carrying out client orders

When carrying out client orders for Professional and Retail Clients (but not for Eligible Counterparties) otherwise comparable client orders communicated to us in the same form will be carried out sequentially and all client orders handled in a timely fashion unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the client require otherwise.

### 6.2 Aggregation and allocation

When you agree to our execution policy, you are permitting us where applicable to aggregate orders with those of other clients or our own orders to be worked on or executed at the same time. We will only do this where it is unlikely that aggregation and/or allocation will work overall to the disadvantage of any client whose order is to be aggregated. However it is possible that the effect of aggregation may work to your disadvantage in relation to a particular order.

If we have aggregated your order with our own, but have not achieved execution of the total aggregate amount, then your order will be allocated in preference to our own (unless you would not have achieved such favourable execution without our participation).

### 6.3 Limit orders

Client limit orders in respect of shares admitted to trading on a regulated market in the European Economic Area which are not immediately executed under prevailing market conditions will be published by means of placing the order on the relevant trading venue, provided that the trading venue accepts the order or unless the client instructs otherwise.

### 6.4 Transactions executed outside a regulated market or MTF

Our execution policy provides that, in some instances, orders relating to financial instruments admitted to trading on a regulated market or traded on a multilateral trading facility may be executed outside that regulated market or multilateral trading facility.

## 7. Amendment

Our Execution Policy may be amended by us from time to time and material changes will be made available on the BNP Paribas Fortis website [www.bnpparibasfortis.com](http://www.bnpparibasfortis.com) and in BNP Paribas Fortis branches.

# Appendix 1: Circumstances Where Best Execution Applies (and where not)

## 1 Financial instruments

Best Execution only applies to the following financial instruments:

- **Transferable securities, e.g.:**
  - (a) Shares in companies or other securities equivalent to shares in companies, partnerships or other entities, and depository receipts in respect of shares;
  - (b) Bonds or other forms of securitised debt, including depository receipts in respect of such securities; or
  - (c) Any other securities giving the right to acquire or sell any such transferable securities or giving rise to a cash settlement determined by reference to transferable securities, currencies, interest rates or yields, commodities or other indices.
- **Money-market instruments: Treasury Bills, Commercial Paper and Certificates of Deposit.**
- **Units in collective investment undertakings.**
- **Derivatives relating to securities, equities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures.**
- **Credit derivatives: all kinds of Credit Default Swaps, Credit Linked Notes, Collateralized Debt Obligations, Balance Sheet Collateralized Debt Obligations, Total Return Swaps, Credit Default Swaptions or any other derivative instruments used for the transfer of credit risk.**
- **Financial contracts for differences.**
- **Derivatives related to inflation rates or other official economic statistics or other assets, rights, obligations, indices and measures.**

As a result, Best Execution does not apply to the following (non-exhaustively):

- **Spot foreign exchange and commodity transactions.**
- **Loans and deposits.**
- **Certain types of derivatives which are for commercial purposes which do not comply with particular criteria (e.g. derivatives not traded on a regulated market nor cleared through a central clearing house and for which there are no regular margin calls).**
- **Exercise and assignment of options.**

## 2 Client categorisation

Unless provided otherwise in this policy, Best Execution applies if you have been categorised as a Retail or Professional Client, but not if you have been categorised as an Eligible Counterparty. Your categorisation has been previously communicated to you.

## 3 BNP Paribas Fortis acting as liquidity provider (including dealing on a "Request For Quote" basis)

### 3.1 Introduction

This paragraph concerns the financial instruments, the processing of which as regards the different "Criteria" is mainly carried out on an over-the-counter basis. This involves the financial instruments as is set out in Appendix 4 of this policy. For these financial instruments, BNP Paribas Fortis principally acts as a "liquidity provider" or "dealer" and not as "agent". In practice, BNP Paribas Fortis commits its own balance sheet every time that it enters into a transaction with its client.

The scope of application of the obligation for best execution for BNP Paribas Fortis depends on the different "Criteria" involved in the transaction, notably:

- the classification of the client (according to the professional or non-professional nature of the client)
- the market practices governing this type of transaction
- the nature of the service that the client expects from BNP Paribas Fortis within the framework of the over-the-counter transaction that it carries out.

For the execution policy of a combination of financial instruments covered in this section, please read section 5 of this appendix.

### 3.2 Modalities of intervention of BNP Paribas Fortis with a Professional Client

This practice involves the OTC transactions carried out with a Professional Client in one of the two following cases:

- Pursuant to a request from the client to BNP Paribas Fortis for purchase or sale conditions of a financial instrument (execution pursuant to a "request for quote");
- Pursuant to an acceptance of the conditions by the client of an offer made by BNP Paribas Fortis for purchase or sale of a financial instrument meeting its expectations.

For BNP Paribas Fortis, such transactions do not enter into the scope of application of the obligations for best execution. It is generally accepted that the Professional Client has the ability, for this type of transaction, to question other providers of investment services about identical or similar financial instruments and thus to choose, on its own initiative and with full knowledge of the situation, to carry out its transaction with BNP Paribas Fortis. Consequently, it is considered that this Professional Client does not rely on BNP Paribas Fortis to obtain the best possible result for the desired transaction. This transaction thus does not enter into the scope of application of the obligations for best execution for BNP Paribas Fortis.

### **3.3 Modalities of intervention of BNP Paribas Fortis with a Retail Client**

In the event that a Retail Client concludes an over-the-counter transaction with BNP Paribas Fortis, it is considered that this client relies on BNP Paribas Fortis with a view to obtaining the best possible result. In this case and in the absence of any specific instruction from the client, the search for the best possible result shall be made on the basis of the following criteria:

- probability of completion of the transaction in its totality and of its settlement/delivery;
- speed of completion of the transaction;
- suitable total price given the nature of the transaction, the complexity of the product, and the assessment by BNP Paribas Fortis of the different risks inherent to the transaction (notably but without this list being exhaustive, the market risks, counterparty risks and operational risks);
- provision of an efficient post-transaction service.

The application of these provisions is the subject of a system for regular monitoring. Please read section 6 of this Appendix for the event that the client gives specific instructions to BNP Paribas Fortis.

### **4 Single venue transactions**

The nature of the transaction may result in there being only one place where it possibly could be executed and, therefore, the only pricing consideration will be time of execution. It, therefore, precludes the use of comparable prices.

### **5 Highly structured transactions**

This covers all complex derivative structures resulting from the aggregation of multiple financial instruments.

Obtaining the best possible result for the Client on these structured products does not necessarily mean obtaining the best possible result on each of the underlying instruments.

On the opposite, the “sum” of the best possible results on each of the underlying instruments may not produce the best result on the structured product as a whole.

The best execution rule does not, in effect, apply in relation to highly structured off-exchange (OTC) transactions where, due to the unique contractual structure entered into between you and us, it is not possible to provide any comparisons with other transactions or instruments. MiFID recognises that different considerations apply where the transaction involves a customised OTC financial instrument tailored to your circumstances.

There is nothing against which to compare the transaction. This applies if it is (1) an OTC transaction, which is (2) highly structured/customised to you and, therefore, (3) is not one of a series of similar deals to which we are a counterparty, and (4) there is nothing comparable in the market.

If we sell to you a financial instrument that we have created or for which we are the only execution venue, we will, on request, explain to you how the price was constructed, including any relevant external references.

### **6 Specific instructions**

Where we have accepted specific instructions from you we will follow them, and therefore will not be obliged to provide best execution to the extent of the specific instructions.

Additional costs may be charged to the client to cover specific costs associated with the chosen venue.

## **7 Direct market access**

Where you have direct market access through an electronic interface provided by us, and in each case it links only to a certain (single) regulated market or even more than one regulated market, then you have taken your own responsibility for achieving best execution and the timing and price and other aspects of execution are not part of the service that we provide to you. We regard this as a particular example of Specific Instructions in paragraph 6 above.

## **8 Unwinding a position for you**

Where we are required to unwind a position for you (for example, where you are in default under a contractual obligation (e.g. our Investment Services General Conditions) with us or otherwise) it is not an order subject to best execution.

## Appendix 2: Principal list of venues

The venue will depend on the relevant financial instrument. The principal venues which we use when we execute orders in financial instruments for you or for which we possibly instruct an executing broker to execute an order when we receive and transmit your order to an external broker.

In appendix 4, you will find more details on Financial Instruments, venues and relevant factors.

### • Listed Equity Securities:

Zone	Country	Market place	Name of Stock Market	
Europe	Austria	Vienna	Wiener Börse AG	
	Belgium	ENX Brussels	Euronext Brussels	
	Denmark	Copenhagen	OMX Copenhagen Stock Exchange	
	Finland	Helsinki	Helsinki Stock Exchange	
	France	ENX Paris	Euronext Paris	
	Germany	Xetra (German shs)	Deutsche Börse AG	
	Germany Flurhandel	Berlin	Börse Berlin	
		Frankfurt	Frankfurt Stock Exchange (FWB)	
		Stuttgart	Stuttgart Stock Exchange (SWB)	
		Duesseldorf	Börse Düsseldorf	
		Muenchen	Börse München	
		Great Britain	London (LSE)	London Stock Exchange
		Greece	Athens	Athens Stock Exchange
		Ireland	Dublin	Irish Stock Exchange
		Italy	Milan (National)	Borsa Italiana SpA
		Luxembourg	Luxembourg	Société de la Bourse de Luxembourg
		Netherlands	ENX Amsterdam	Euronext Amsterdam
		Norway	Oslo	Oslo Børs
		Portugal	ENX Lissabon	Euronext Lisbon
		Spain	Madrid	Bolsa de Madrid
	Sweden	Stockholm	Swedish Stock Exchange	
	Switzerland	Zuerich (merger Basle, Geneva)	SWX Swiss Exchange	
	Switzerland	VIRTEX (Swiss shs)	VIRTEX	
Africa/America	South-Africa	Johannesburg	JSE Limited	
	Canada	TSX Venture Capital NEX	TSX Venture Exchange	
	Canada	Toronto	Toronto Stock Exchange	
	USA	American (AMEX)	American Stock Exchange (AMEX)	
	USA	Nasdaq	NASDAQ	
	USA	Nasdaq OTC	NASDAQ OTC	
Asia/Pacific	Australia	Sidney (National)	Australian Securities Exchange	
	Hong Kong	Hong Kong	Hong Kong Exchanges and Clearing	
	Japan	Tokyo	Tokyo Stock Exchange	
	New Zealand	Wellington	New Zealand Exchange Ltd.	
	Singapore	Singapore	Singapore Exchange	

- **Listed fixed income securities:** Euronext Amsterdam, Euronext Brussels, Eurex, Liffe, CBOT, Luxembourg Stock Exchange or BNP Paribas Group Entities acting as counterparty (against its own book). In certain cases (e.g. lack of market makers, orders at off market prices, orders at off market volumes, ...) orders may be executed on Euronext.
- **Listed Derivatives:** Euronext Liffe London, Euronext Liffe Amsterdam, Euronext Liffe Brussels, Eurex, CBOT, CBOE or BNP Paribas Group Entities acting as counterparty (against its own book);
- **OTC Instruments:** A market maker in the respective financial instrument including a BNP Paribas Group Entity acting as counterparty (against its own book);
- **Units in Open Ended Collective Investment Undertakings:** the fund administrator or where relevant, the relevant regulated market;
- **Units in Closed Ended Collective Investment Undertakings:** the regulated market with the principal pool of liquidity, the only regulated market or a BNP Paribas Group Entity acting as a counterparty (against its own book).

## Appendix 3: List of main executing brokers

- **For Equity Securities :**

Exane BNP Paribas, BNP Equity & Derivatives UK, BNP New York, ABN Amro, BOA Merrill Lynch, Banque Degroof, Deutsche Bank, HSBC, ING, KBC, Kepler Cheuvreux, Market Securities (Kyte), Natixis, Petercam, Société Générale.

- **For Fixed Income Securities :**

BNP Paribas, Toronto Dominion, Morgan Stanley, Hsbc, Anz Bank, Citi, Deutsche Bank, Barclays, Commerzbank, Societe Generale, Bofa Merrill Lynch, UBS Securities, Rabobank, Mizuho Securities USA, Danske Bank, ING, RBS, Nordea Markets, Oddo, Zurcher Kantonalbank, DZ Bank, Credit Agricole CIB, JP Morgan, Daiwa, Nomura, Goldman Sachs, Commonwealth Bank Australia, Landesbank Baden, KBC Bank n.v., SNS Securities n.v., Unicredit Bank ag, Lloyds TSB Bank plc, Westpac, Mitsubishi UFJ, ABN Amro Bank n.v, Banca Imi, Banque Degroof, Kredietbank s.a. Luxembourgeoise, Banco Bilbao Vizcaya, Jefferies, CIBC, Sumridge Partners llc, Mizuho Capital Markets, Interactive Brokers, Belfius Bank, RBI Austria, BIL sa, Bayerische Landesbank, Wells Fargo brk svcs, Erst, SEB, Natl Australia Bank, Dekabank, Banco Santander, Helaba, Maxim Group llc, Svenska, Meliorbanca spa, PKB Privatbank, Alpha Bank s.a., Banq Caisse Lux, David Williams, Natixis, Sberbank Russia.

# Appendix 4: Financial Instruments, venues and relevant factors

## **FIXED INCOME PRODUCTS – Interest Rate & FX & Interest Rate Derivative Products**

### • Money Market Instruments (Certificates of Deposit, Commercial Paper, Treasury Bills)

BNP Paribas Fortis Evaluation of the Relevant Factors:

- i. **Price:** The market is mainly OTC (over the counter) driven. This means that prices are set efficiently by market makers that are concluding transactions on a RFQ (request for Quote) basis.
- ii. **Cost/Likelihood:** Execution/ brokerage fees apply. Execution is on a best effort basis, customized to the client's specific requirements.
- iii. **Speed/Size:** In normal market circumstances, prompt execution of orders. All sizes are accepted but issuer or national law may impose minimum restrictions. For Treasury Bills, there is no minimum size.

Execution Venue Selected: BNP Paribas Fortis acting against its own book (OTC by default).

### • Sovereign Supranational and Agency Bonds (SSA), Corporate Bonds, Structured Products, Other notes.

BNP Paribas Fortis Evaluation of the Relevant Factors:

- i. **Price / Liquidity / Cost:** Consistent liquidity and price level through time are the main determining factors. When comparing different venues to which the bank may have direct or indirect access, prices are compared on a total cost basis. Execution / brokerage fees apply for transactions executed on any venue (OTC and/or Regulated Market). When the client requests the price for a buy or sell transaction, and when such transaction can be traded OTC, the proposed price, to which the brokerage fees<sup>1</sup> will be added, includes a fixed margin of up to 0.35% intended to cover our expenses and service. Because of the operating process of the OTC model applied by BNP Paribas Fortis, our real income on each order can, however, be slightly higher or lower than the above mentioned fixed margin.
- ii. **Speed / Likelihood of execution and settlement:** Market transparency and liquidity lead to efficient price setting of the bonds, with high likelihood of prompt execution. For some bonds, market transparency and liquidity is lower: orders in these bonds need to be carefully executed in order not to harm the quality of the price.
- iii. **Order type:** At the market and limit orders are executed on a first in / first out and best effort basis.

Execution Venue Selected:

By default, BNP Paribas Fortis executes orders against its own account (i.e. OTC). Before proposing the client an offer of price for the execution of the transaction expected by the client, BNP Paribas Fortis performs a systematic comparison of competitive offers of three or more external counterparts. For transactions in less liquid bonds a single counterparty may be approached on the basis of that counterparty's reliability for eventual execution of the covering transaction with BNP Paribas Fortis, especially in cases where BNP Paribas Fortis considers that approaching multiple counterparties may be detrimental to its clients' interest.

### • Other Securitised Debt (ABS Asset Backed Securities, MBS Mortgage Backed Securities, CDS, Derivatives on Securitised debt).

BNP Paribas Fortis Evaluation of the Relevant Factors:

- i. **Price/Likelihood/Nature:** Price negotiation on a case by case basis. Market transparency & -Liquidity is low & products may not be accessible to all client types.
- ii. **Cost/Speed:** Orders are executed OTC. Orders may not be executed promptly, due to the illiquid nature of the product.
- iii. **Size:** Market access from a minimum amount only (i.e. professional clients).

Execution Venue Selected: BNP Paribas Fortis acting against its own book (OTC).

### • Treasury Derivative Products (Currency-Forwards, -Swaps, & -Options, Interest Rate Swaps (IRS) Swaptions, Forward Rate Agreements (FRA), Cap/Floor Agreements, Options & Futures, Bond Options).

BNP Paribas Fortis Evaluation of the Relevant Factors:

- i. **Price/Likelihood:** OTC driven market for which prices are based on general accepted pricing methodologies. Moreover, the reference market data providers offer excellent references enabling price verification.
- ii. **Cost:** Execution fees may apply. Furthermore, a credit & liquidity margin is in principle included in the price and depends on prevailing market circumstances. The size of the transactions may also influence pricing.
- iii. **Size/Speed/Nature:** Market access is limited (e.g. often, minimum amount may apply). In normal circumstances, prompt execution. Buy and sell orders executed on an order-by-order basis.

Execution Venue Selected: BNP Paribas Fortis acting against its own book (OTC).

<sup>1</sup> the latter are specified in our brochure "pricing of the main transactions on securities" published on our website [www.bnpparibasfortis.be](http://www.bnpparibasfortis.be)

## EQUITY & COMMODITY PRODUCTS

- **Listed on Regulated Markets (Equities, Equity Warrants, Rights, Equity Options).**

BNP Paribas Fortis Evaluation of the Relevant Factors:

- Liquidity, Price, Cost, Likelihood:** In achieving best execution we will, as relevant and appropriate, take into account liquidity as prevailing factor for determining the best execution venue for listed securities. The home market (market where the concerned equity is listed) is generally the most liquid market, unless it is considered that the liquidity of alternative markets is better. Liquidity, as a combined measure of likelihood, size and speed is leading to the best overall price (= price and costs) on efficient markets. Fully automated execution up to normal market size. Execution on a best effort basis for care orders.
- Speed/Size/Nature:** In normal circumstances, prompt execution. For larger orders depending on liquidity and client request. Buy, sell, limit and stop orders executed on an order-by-order basis.
- Cost:** Brokerage commission, Exchange fees.

Where we do not propose the exchange or when the execution costs are too high and/or when the order can be executed on another market, we might not offer the most liquid market. However, in general we will then opt for the home market as best execution market or at least offer the second liquid market.

Execution Venue Selected: Regulated Market or a market-maker incl. BNPP Group Entities.

## UNITS OF COLLECTIVE INVESTMENT SCHEMES

### • Open-ended Funds

Orders on this type of Funds will always be directed to a Fund Administrator except if there is a particular specification mentioned in the Prospectus.

a) The order will be directed to a Fund Administrator.

BNP Paribas Fortis Evaluation of the Relevant Factors:

- i. **Cost:** As the price of Units of Collective Investment Schemes (funds) is represented by the NAV (Net Asset Value: it is computed and provided by the accounting agent to Fund Administrators), this price will not vary from one Fund Administrator to another. The only differences in execution cost come thus from the fees applied by the Fund Administrators. BNP Paribas Fortis assesses the fees associated with the various Fund Administrators available and chooses the one that offers the lowest fees on a regular basis as the single venue possible for trading the fund.  
BNP Paribas Fortis Funds are directed to a Fund Administrator of the BNP Paribas Group. Other funds are routed to a global Fund Administrator.
- ii. **Speed:** in normal circumstances, there is prompt execution after receipt of the NAV.
- iii. **Likelihood:** Likelihood of execution and settlement is certain.
- iv. **Other Relevant Factors:** Quality of the Fund Administrator.

Execution Venue Selected: Fund Administrator

b) If the Prospectus mentions that the order can be directed to the Regulated Market and insufficient liquidity can be provided by a Fund Administrator, the order is directed to the regulated market.

BNP Paribas Fortis Evaluation of the Relevant Factors: cf. Equity and Commodity Products.

Execution Venue Selected: cf. Equity and Commodity Products.

### • Closed-end Funds

BNP Paribas Fortis Evaluation of the Relevant Factors: cf. Equity and Commodity Products.

Execution Venue Selected: cf. Equity and Commodity Products.

# Advice? Information?

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BNP Paribas Fortis distributes the insurance products of AG Insurance.

**BNP Paribas Fortis SA/NV**  
Montagne du Parc/  
Warandeberg 3  
1000 Brussels  
RPM/RPR Brussels  
VAT BE0403.199.702  
FSMA n° 25,879 A

**AG Insurance sa/nv**  
Bd E. Jacqmain/  
E. Jacqmainlaan 53  
1000 Brussels  
RPM/RPR Brussels  
VAT BE0404.494.849



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