

Best Execution Client Disclosure Statement

1. Purpose

HSBC Bank (Singapore) Limited (We) have a policy and related arrangements on best execution (**Best Execution Policy**) in respect of our activities for our clients. This Client Disclosure Statement (**Statement**) provides information about the Best Execution Policy. If you have any questions about this Statement or the Best Execution Policy, please contact our staff.

2. Scope

Our Best Execution Policy applies where we receive, transmit and/or execute orders on your behalf. This includes all client orders executed by us, whether it is dealing as an agent or dealing as principal, on all structured products, investment funds, securities and bonds.

3. Specific Instructions

Where given specific instructions in relation to an order, we will follow that instruction so far as is reasonably possible when executing the trade. In respect of those aspects of the order (if any) that are not covered by the specific instruction, we apply our standard best execution principles.

4. Application of Execution Factors

Execution factors

When executing orders according to the Best Execution Policy, we take into account these execution factors:

- price payable by you as a result of execution;
- costs that is optimal to achieve the best possible result for the trade;
- speed of execution and settlement;
- likelihood of execution and settlement;
- size of the transaction;
- nature of the transaction; and
- any other consideration that is relevant to execution.

Execution criteria

These execution factors are not listed in any particular order of priority. In assessing the relative importance of the execution factors for a specific scenario, we take into account the market information that is available to us and the following execution criteria, which are based on the characteristics of:

- the type of client order;
- the financial instruments that are the subjects of that order; and
- the execution venue(s) to which that order can be directed,

together with such other criteria as we consider relevant in seeking to provide best execution.

Outcomes for clients may vary depending on the market situation that these execution factors are being considered and applied. Generally, the total consideration paid by the client is considered the most important factor in seeking to provide best execution. The total consideration is made up of the price of the financial instrument and costs associated with the execution. However, there may be circumstances where price is no longer the dominant execution factor, for example, for transactions in illiquid securities, the likelihood of execution and settlement becomes more important.

Commercial judgement

When aiming to provide best execution, commercial judgement is exercised in the context of available market information. It is neither a guarantee that the best price will be obtained nor a guarantee that

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the transaction will be executed in full. Other firms may exercise their judgement differently and reach a different conclusion as to how best execution may be achieved. Our commitment to the Best Execution Policy does not mean we owe you any fiduciary or any other duties over and above any specific regulatory obligations placed upon us.

5. Execution Venues

Typically, we may direct all client orders for execution through intermediaries, which may include third party and affiliated entities or divisions of the HSBC Group where HSBC Markets and Securities Services trading desks are located for order execution (provided it is permissible).

6. Monitoring and Review

We will monitor the effectiveness of our Best Execution Policy and arrangements to identify and, where appropriate, correct any deficiencies.

We will assess where the entities (including members of the HSBC Group) to which we transmit orders for execution provide the best possible result for you on a consistent basis.

We will carry our reviews and assessment of our Best Execution Policy and arrangement at least annually or whenever a material change occurs that affects our ability to obtain the best possible result for the execution of your orders on a consistent basis. We will notify you of any material changes to our Best Execution Policy.