



CITI SINGAPORE MARKETS AND SERVICES

BEST EXECUTION PROCEDURE

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TABLE OF CONTENTS

1	OVERVIEW	1
1.1	OBJECTIVE	1
1.2	SCOPE OF THIS PROCEDURE	1
2	PROCEDURES	2
2.1	INTRODUCTION	2
2.2	WHAT IS BEST EXECUTION	2
2.3	WHEN DOES BEST EXECUTION APPLY	3
2.4	COMPLIANCE WITH CUSTOMER INSTRUCTIONS	4
2.5	PAYMENT FOR ORDER FLOW	4
2.6	WHEN DO WE PROVIDE BEST EXECUTION AND WHAT ARE OUR ARRANGEMENTS FOR ENSURING BEST EXECUTION IS ACHIEVED ON A CONSISTENT BASIS?	4
2.7	IN WHICH CIRCUMSTANCES DOES BEST EXECUTION GENERALLY NOT APPLY	5
2.8	EXECUTION VENUES	5
2.9	MONITORING	6
2.10	CONTACT DETAILS	6
Appendix	Product Specific Procedures	7

1 OVERVIEW

1.1 OBJECTIVE

1.1.1 This document sets out how Citi Singapore Markets and Services (specifically Securities Services) will provide best execution as required under the Monetary Authority of Singapore (“MAS”) Notice on Execution of Customers’ Orders and the related Guidelines (collectively referred to as the “MAS Notice”).

1.1.2 This document is an external customer facing document which is available for customers to review at:

https://www.citibank.com/mss/docs/SG_Best_Execution.pdf

It will be published and updated from time to time on the relevant Citi website.

1.1.3 In this document, “we”, “us” or “Citi” means the Citi Entity or Citi Entities (as defined in section 1.2 below) through which Singapore Markets and Securities Services handles your orders in capital markets products.

1.2 SCOPE OF THIS PROCEDURE

1.2.1 This procedure (the “Procedure”) applies when we are placing and/or executing your orders in capital markets products. Capital markets products means any securities, units in a collective investment scheme, derivatives contracts, spot foreign exchange contracts for the purposes of leveraged foreign exchange trading, and such other products as the MAS may prescribe from time to time.

1.2.2 Citi is not obliged to provide best execution to Institutional Investors¹. Accordingly, if you are an Institutional Investor, we will not apply best execution requirements when dealing with you. If you are an Accredited Investor¹ or an Expert Investor¹, we will apply the requirements as set out in this Procedure when dealing in capital markets products with you. Citi Markets and Securities Services do not deal in capital markets products with retail customers. This Procedure is not directed at retail customers, and should not be relied upon by retail customers.

¹ Institutional Investors, Accredited Investors and Expert Investors as defined under the Securities and Futures Act.

1.2.3 This Procedure applies to all relevant customer orders in capital markets products (regardless of where the customer is established) handled by the Singapore Markets and Securities Services businesses of these Citi Singapore entities:

- a) Citibank NA Singapore Branch
- b) Citicorp Investment Bank (Singapore) Pte Ltd
- c) Citigroup Global Markets Singapore Securities Pte Ltd
- d) Citigroup Global Markets Singapore Pte Ltd
(together, “Citi”, “Citi Singapore”, or the “Citi Entities”)

2 PROCEDURES

2.1 INTRODUCTION

2.1.1 The MAS Notice on Execution of Customers’ Orders and its related Guidelines (“MAS Notice”) require a capital markets intermediary (including Citi Singapore), which (either directly or through its agent) places and/or executes customers’ orders for purchase or sale of any capital markets products, to establish and implement written policies and procedures that are commensurate with the nature, scale and complexity of its business, :

- To place or execute, or both, as the case may be, customers’ orders on the best available terms (“best execution”); and
- To place or execute, or both, as the case may be, comparable customers’ orders in accordance with the time of receipt of such orders.

2.1.2 Citi will consider its best execution obligation to achieve the best possible outcome on a consistent basis.

2.1.3 This Procedure sets out how Citi will provide best execution to its customers. It also describes the circumstances under which a customer may not rely on Citi to provide best execution.

2.2 WHAT IS BEST EXECUTION

2.2.1 Best execution means taking sufficient steps to obtain the best possible result for customers when placing and/or executing their orders. Price is generally considered to be the key execution factor. However, best execution must also take into account other factors such as costs, speed, likelihood of execution and settlement, size and nature of the order, or any

other considerations relevant to the placement and/or execution of the order. These factors are known as the “execution factors”, and will provide the basis for us to explain how we will provide best execution.

2.2.2 The relative importance of the factors will depend on the characteristics of the customer and the customer’s order, any specific order instructions, the capital markets product being traded and the nature of the execution venue or market.

2.3 WHEN DOES BEST EXECUTION APPLY

2.3.1 We will provide best execution when we are placing and/or executing an order on your behalf as an agent, or as a principal, and where it is determined that you are placing legitimate reliance on Citi to provide best execution.

2.3.2 In order to determine if you are placing legitimate reliance on us to provide best execution, we will make an assessment taking into account a number of relevant considerations. The considerations we assess (the “Four-Fold Test”) include:

- *whether we or you initiate transactions* – where we approach you and suggest that you should enter into a transaction, it is more likely that you will be placing reliance on us. The reverse is true where you initiate transactions;
- *market practice* – where the practice in the market in which a business area operates suggests you take responsibility for the pricing and other elements of the transaction (e.g. there is a market convention to “shop around” for a quote), it is less likely that you will be placing reliance on us;
- *relative levels of transparency within a market* – if we have ready access to prices in the market in which we operate, whereas you do not, it is more likely that you will be placing reliance on us, whereas if our access to pricing transparency is equal, similar or to your benefit, it is less likely that you will be placing reliance on us;
- *information provided by us and the terms of our agreements with you* – where our arrangements and agreements with you (including this Procedure) do not indicate or suggest a relationship of reliance or state that we will not provide best execution, it is less likely that you will be placing reliance on Citi.

2.4 COMPLIANCE WITH CUSTOMER INSTRUCTIONS

2.4.1 Where we have accepted your instructions with respect to the placement and/or execution of your order, we will follow them to the extent it is possible for us to do so. You should be aware that to the extent that we accept and follow your instructions, we will have satisfied our best execution obligations with respect to that aspect of the order to which your instructions relate.

2.5 PAYMENT FOR ORDER FLOW

2.5.1 Payment for order flow (“PFOF”) refers to commission or other form of payment received from another broker or counterparty in return for routing customers’ orders to that broker or counterparty. Citi Singapore does not receive PFOF in placing and/or executing customers’ orders.

2.6 WHEN DO WE PROVIDE BEST EXECUTION AND WHAT ARE OUR ARRANGEMENTS FOR ENSURING BEST EXECUTION IS ACHIEVED ON A CONSISTENT BASIS?

2.6.1 We will provide best execution in the circumstances described in section 2.3. Unless otherwise indicated in this document or in other communications with you, price is generally considered the key execution factor. The overall value of a particular transaction to you may be affected by the other execution factors, and the relative importance of each of the factors will differ depending on the characteristics of your order, the characteristics of the capital markets product to which your order relates, and the nature of the execution venue or market.

2.6.2 Product specific procedures for the following businesses or classes of capital markets products are set out in the Appendix to this Procedure:

- Equities;
- Futures and other Exchange Traded Derivatives;
- Rates, Currencies, Spread Products, and Commodities;
- Transition Management;
- Distribution of Funds; and
- Securities Services

2.7 IN WHICH CIRCUMSTANCES DOES BEST EXECUTION GENERALLY NOT APPLY

- 2.7.1 Best execution would generally not apply when we provide a firm risk price, on the basis of a response to a request for quote (“RFQ”). In those circumstances, we will take the view that there is no legitimate reliance placed on us, taking into account the Four-Fold Test. Accordingly, unless otherwise informed, you should understand that Citi is entering into transactions on its own behalf and not on your behalf. You are understood to be making your own assessment on whether to enter into a particular transaction and as such you should not be relying on Citi to provide best execution in these scenarios.
- 2.7.2 Please refer to the Product Specific Procedures for specific guidance on when you will not be owed best execution.

2.8 EXECUTION VENUES

- 2.8.1 Where best execution requirements apply, and where there is more than one execution venue or broker available to place or execute a customer’s order for a particular capital markets product, we will consider the respective merits of each venue or broker, and the basis for selecting the venue(s) or broker(s).
- 2.8.2 Factors that we consider in determining the execution venue for your orders can include but are not limited to:-
- general prices available;
 - depth of liquidity / relative volatility;
 - speed of execution;
 - cost of execution;
 - likelihood of execution;
 - characteristics of the possible execution venues;
 - size of the order;
 - nature of the order; and
 - any other consideration relevant to the order

2.8.3 Ordinarily, we would expect that price will merit a high relative importance in obtaining the best possible result. However, in some circumstances for some customers, orders, capital markets products or markets, other execution factors may be more important than price in obtaining the best possible execution result.

2.8.4 Where algorithmic models are used for routing orders to the appropriate venue(s), the design of such models will take into account relevant execution factors in order to satisfy best execution obligations.

2.9 MONITORING

2.9.1 Where we owe a duty of best execution, Citi will monitor the compliance and effectiveness of its execution arrangements, including assessing if its execution of transactions have delivered the best available terms to its customers on a consistent basis.

2.9.2 This will include where we owe a duty of best execution, and pass an order to a broker or dealer, having a process to regularly review and monitor our choice of brokers and dealers to ensure that, taking into account all the relevant factors, the broker or dealer is providing best execution on a consistent basis.

2.10 CONTACT DETAILS

2.10.1 Should you have any queries in relation to this Procedure, please contact your business contact.

EQUITIES

1 Cash Equities

1.1 *General*

We will consider execution price (without any costs charged to you or our own fees and commissions), speed, likelihood of execution, size, nature or any other consideration as deemed relevant by Citi to the execution of an order when executing orders on your behalf. Where you give us parameters (such as VWAP), we will endeavor to execute a transaction or a series of transactions such that the overall execution of the order is achieved within the parameters, taking into account the size of the order, the liquidity available for the products or products that are the subject of the order, the period over which we may execute the order, and the venues available at the time of the order. In giving us such an order, there are many possible ways that the order could be worked, we will have the discretion to work the order as we believe is in your best interest, except to the extent that you give us specific instructions and the result is, by the nature of the type of order, uncertain.

In some circumstances, and where it is no less advantageous to you, we may internally cross orders instead of seeking execution on another venue. In such circumstances, best execution obligation is still owed and we would be providing you with best execution.

1.2 *Direct Market Access and Direct Strategy Access*

When you use our Direct Market Access or Direct Strategy Access products, you will have the ability to select certain parameters and strategies for the order yourself. We will follow your instructions to the extent possible, and will not accept responsibility for those parameters selected by you as factors for providing you with best execution. However, to the extent applicable, we will provide best execution based on any remaining factors.

1.3 *Program Trading*

When we are carrying out non-risk business, we will be providing best execution and will endeavor to provide the best overall result in relation to the aggregate portfolio rather than in relation to individual transactions within the portfolio.

When we have given a risk price, trading a basket of securities, we are acting as your counterparty for our own account and under the Four-Fold Test, you will not be placing legitimate reliance on us and, as such, best execution will not be owed.

1.4 *Equity Convertibles*

The Equity Convertibles market is characterised by limited liquidity. A small proportion of equity convertibles are exchange-traded. Where this is the case and you ask for execution on your behalf on exchange, we will provide that service. However, in most cases we will be acting as your counterparty for our own account and under the Four-Fold Test, you will not be placing legitimate reliance on us. As such, best execution will not be owed.

2. Equity Derivatives

2.1 - General Position

We reserve the discretion on how and whether to hedge derivatives. On occasions where Citi provides a firm risk price on the basis of a response to request for quote, we take the view that there is no legitimate reliance placed on us in those scenarios taking into consideration the Four-Fold test. Accordingly, best execution will not generally be owed.

2.2 - Equity Swaps

Where you are trading equity swaps (or similar access products) with us and the initial and/or final price of the equity swaps reflects the price of the underlying hedge, we will provide you with best execution. The best execution applies to the execution by us of the swap, but it is monitored by reference to the execution of the underlying hedge.

Where best execution applies and where we determine that it is no less advantageous to you, we may execute the underlying hedge by internally crossing the orders in whole or in part from our own principal book instead of seeking execution on another venue.

The swap transaction fee in our trade confirmations/contract notes is a fee charged by Citi which may not reflect actual market charges (including any taxes, charges or other levies) usually incurred, as we may optimize our hedge in various ways.

In respect of give-in trades, best execution is not owed.

2.3 - Multi-Asset Group (“MAG”)

Best execution does not generally apply when you are dealing with MAG. Accordingly, unless otherwise informed following a determination by us that the nature of our activities with you give rise to a best execution determination in accordance with the factors set out in the Four-Fold Test, you should understand that the relevant Citi Entity is entering into transactions on its own behalf and not on your behalf. You are understood to be making your own assessment on whether to enter into a particular transaction (through appropriate access to the market and pricing information) and as such, you should not be relying on Citi to provide best execution in these scenarios.

2.4 - Prime Finance

Where Prime Finance acts in a riskless principal capacity, transactions are on the basis that you will not be placing reliance on Prime Finance because you have full ability to (and it is market convention to) shop around, have access to pricing information and understand that Prime Finance is not acting on your behalf. Please contact Citi if this is not the case.

3 Choosing an execution venue

When we execute an order for a capital markets product, we may do so on the exchange where we have direct membership. Where we do not hold a direct membership of an exchange, but other Citi Entity(y) (ies) does, we will generally look to execute on the relevant venue via a Citi Entity.

Where we and the other Citi Entities do not hold a direct membership of an exchange, we will look to execute on an appropriate venue via either other Citi affiliates or via approved third party brokers. In cases where we have a choice of venue, we will endeavor to choose the best venue for the transaction taking into account factors such as price, depth of liquidity, speed and likelihood of execution.

FUTURES AND OTHER EXCHANGE TRADED DERIVATIVES (“FUTURES”)

1 General position

Futures generally operates an agency business and carries out a number of activities that it treats as being subject to the requirement to provide best execution, including when we:

- receive and execute orders at “screen price”;
- execute orders for clients using algorithmic trading techniques;
- take limit orders from you, particularly in relation to block trades; and
- execute orders on venues.

2 Common exception

On occasions where Citi provides a firm risk price, on the basis of a response to a request for quote, we take the view that there is no legitimate reliance placed on us in those scenarios taking into consideration the Four-Fold Test. Accordingly, best execution will not be owed.

3 Choosing an execution venue

When we execute an order for a capital markets product, we may do so on the exchange where we have direct membership. Where we do not hold a direct membership of an exchange, but other Citi Entit(y) (ies) does, we will generally look to execute on the relevant venue via a Citi Entity.

Where we and the other Citi Entities do not hold a direct membership of an exchange, we will look to execute on an appropriate venue either via other Citi affiliates or via approved external third party brokers.

In cases where we have a choice of venue, we will endeavor to choose the best venue for the transaction taking into account factors such as price, depth of liquidity, market volatility and likelihood of execution.

RATES, CURRENCIES, SPREAD PRODUCTS, AND COMMODITIES

1 General position

This Product Specific Appendix applies to transactions executed by the following groups of products and services that we provide: Rates, Currencies, Spread Products, and Commodities.

For these businesses, we generally act as principal, and a firm risk price is normally provided in response to a request for quote (“**RFQ**”). We will take the view that best execution generally does not apply when dealing with these business areas, taking into consideration the Four-Fold Test. Accordingly, unless otherwise informed following a determination by us that the nature of our activities with you gives rise to a best execution determination in accordance with the factors set out in the Four-Fold Test, you should understand that you are making your own assessment on whether to enter into a particular transaction and, as such, you should not be relying on Citi to provide best execution in these products.

2 Limited Circumstances

In a limited number of capital markets products and in specific circumstances, the aforementioned businesses may enter into agency transactions. In such circumstances, there may be a best execution obligation. In the event, specific instructions are accepted and we follow your specific instructions, we will have satisfied any best execution obligations with respect to that aspect of your order.

3 Referrals

In circumstances where the aforementioned businesses enter into a principal transaction with its customers following a referral or order from another area within Citi, the relevant business will be transacting with the client on the basis that the client has full ability to and are likely to approach other dealers for a quote, meaning the customer therefore will have full access to pricing transparency.

4 Repo Finance

Repo Finance never acts in an agency capacity on your behalf, nor does it accept orders from you. Best execution does not apply when you are dealing with Repo Finance.

5 Choosing an execution venue

When we execute an order for a capital markets product, the execution will be with Citi and its affiliates. In cases where we have a choice of venues, we will endeavor to choose the best venue for the transaction taking into account factors such as price, depth of liquidity, market volatility, speed and cost of execution, and creditworthiness of counterparties.

TRANSITION MANAGEMENT

1 General Transition Management Position

1.1 In most circumstances, Transition Management will be required to provide best execution, including:

- (i) when carrying out large portfolio trades by arranging how these trades are executed, including timing and strategy
- (ii) when appointed to assist with a particular project which includes trade execution and you are no longer shopping around for quotes; and
- (iii) when you could benefit from costs savings that can be achieved in comparison to the costs that are estimated for you.

2 Common Exceptions

2.1 Best execution will not apply in circumstances where each of the following apply:

- (i) Transition Management's role is to pass quotes it has sought from other trading desks within the same Citi entity, for the transactions that need to take place to effect the larger portfolio trade;
- (ii) it is made clear to you that you should not rely on Transition Management or the trading desks to protect your interests in relation to these transactions; and
- (iii) you can put Transition Management's quotes in competition by shopping around with other dealers.

3 Choosing an Executive Venue

3.1 Transition Management will at all times rely on Citi's and / or its affiliates' trading desks to execute orders in a capital markets product. The trading desks will endeavor to choose the best venue for the transaction taking into account factors such as price, depth of liquidity, market volatility, speed and cost of execution and creditworthiness of counterparties.

DISTRIBUTION OF FUNDS

1 General position

When you place an order with us to subscribe for, or redeem, shares / units in a fund, and if your order is accepted, we will execute your order by considering various factors deemed relevant by Citi as follows:

Speed: we will always try to execute your order in a timely fashion. We will endeavor to process any order received before any relevant cut-off time in accordance with the terms applicable to subscriptions or redemptions for the relevant fund under the fund documentation.

Likelihood of execution / size: this refers to the likelihood that we are able to process your subscription and redemption in accordance with your instructions. It depends on the relevant terms under the fund documentation. The fund administrator may consider various factors, such as the fund capacity limits, the client concentration limits and may decide in its sole discretion to place a cumulative trading limit on fund orders in order to manage the overall capacity limits.

Price: with respect to each fund, there is only one subscription or redemption price per class of shares / units for the relevant period as set out in the fund documentation and it is determined in accordance with the relevant terms under the fund documentation. We will execute your order based on this price.

Cost: this refers to the commissions, costs and the fees that are charged on the relevant subscription or redemption price for executing your order. When you place an order with us to subscribe for, or redeem, shares / units in a fund, we do not charge you any transaction cost or distribution fee on the subscription or redemption price for executing the order.

Other factors: the fund documentation usually specifies the procedures that have to be followed in order for an investor to subscribe for, or redeem, shares / units in the relevant fund, and this could limit the applicability of the factors (e.g., choice of execution venue) that can be considered by us when executing your order.

SECURITIES SERVICES

1 GLOBAL CUSTODY/ DIRECT CUSTODY & CLEARING SERVICES / ISSUER SERVICES

1.1 General Position

Citi Global Custody provides custody services to its clients through a single access point to a global network of proprietary and third party agents for securities in various countries / market places.

Direct Custody & Clearing provides custody and clearing services via direct participation in financial market infrastructure, i.e. Central Securities Depository and/or Central Counterparty designated in the market for the relevant asset classes.

Issuer Services supports the issuance and administrative needs of global institutional clients. The business provides agency and trust services to clients, supporting them in their execution of capital markets activities, such as mergers and acquisitions, trade transactions, project financing and corporate loans.

The scope of product offered by these businesses includes settlement of securities transactions (via role of either custodian, Account Operator or Third Party Clearing), safekeeping of securities, asset servicing and proxy services. It also includes routing of orders for funds subscription/redemption/switches, where applicable.

1.2 Settlement of Securities Transactions

Executions of the transactions are done by the clients via the relevant securities exchanges. Singapore Securities Services does not execute orders, receive or transmit orders, or carry out portfolio management activities, and hence is not subject to any best execution obligations.

1.3 Asset Servicing

Securities held for clients are subject to corporate action activities which are initiated by the issuers of these securities. Broadly, there are two types of corporate actions. The first type are mandatory events such as dividend or stock split where every holder will be entitled to. The other type are voluntary events such as rights issue or tender offer. Holders of securities (i.e. Citi's clients) can elect their choice on whether to participate or not. If there are no instructions provided by the clients, the default option which is stated or offered by the issuer will be applied.

For both types of corporate action activities, there are no discretion by Singapore Securities Services. Hence, it is not subject to any best execution obligations.

1.4 Proxy Services

This service is only to relay the voting instructions of clients to the relevant parties (e.g. issuer or depositories) in relation to their holdings in the shareholders meeting where resolutions are proposed and voted. There is no discretion by Singapore Securities Services. Hence, it is not subject to any best execution obligations.

1.5 Funds Subscription/Redemption/Switches and Nil Paid Rights

Clients may give instructions to subscribe, redeem, or transfer of funds. Order routing for such instructions is deemed as out of scope for best execution requirements as the pricing are transparent.



The prices of the funds are derived from its net asset value and published by its administrators, typically the transfer agents of the funds, and applies the same for all unit holders.

Order routing of sale of nil paid rights listed on the Singapore Exchange – Securities Trading is offered only to Institutional Investors, whom are out of scope in relation to best execution obligations.

2 GLOBAL FUND SERVICES

Citi Global Fund Services acts as fund administrator for record keeping of the funds' investment activities, including costs and realized or unrealized profit and losses. It also provides middle office operations services to assist clients in post trade activities such as sending trade confirmation and issuing settlement instructions to custodians and applicable parties etc.

These are administrative matters which are done post trade or execution, and hence deemed to be out of scope for best execution requirements.

3 FOREIGN EXCHANGE

Foreign exchange ("FX") transactions may be executed based on client instructions for, but not limited to trade settlement, asset servicing event and passive currency overlay. These are executed in accordance with the client's standing instruction, or with Citi Markets FX team.

The role of Singapore Securities Services is limited to an administrative role by transmitting clients' specific instructions to the relevant parties. There is no discretion by Singapore Securities Services and hence, no legitimate reliance placed on Singapore Securities Services. As such, it is not subject to any best execution obligations.

4 AGENCY SECURITIES LENDING SERVICES

Agency Securities Lending ("ASL") services may be offered to clients intending to lend their securities to other market participants to generate additional revenues. Securities loan transactions may be executed based on the client's defined framework including designated asset classes, approved borrowers and collateral terms.

The role of Singapore Securities Services is limited to marketing, product management and client/account servicing for the ASL services. Singapore Securities Services is not involved in the securities loan trade execution process and accordingly, best execution obligations do not apply in this instance. Securities loan transactions are executed by Citi affiliates outside of Singapore where best execution obligations may apply depending on the jurisdiction.