

BEST EXECUTION DISCLOSURE FOR UOB PRIVATE BANK CLIENTS

SCOPE AND PURPOSE OF BEST EXECUTION DISCLOSURE

This document outlines our approach in achieving the best execution terms for UOB Private Bank clients¹ (“Best Execution”) when we are placing and/or executing our clients’ orders² for the purchase or sale of any capital markets products³ be it in our capacity as an agent or principal, and whether the order is being executed on-exchange or off-exchange.

We apply the following tests⁴ when we are acting in a principal capacity and our client is placing a legitimate reliance on us to protect the client’s interest in relation to the execution of a transaction.

- Does the client initiate the transaction?
- Is it a market convention for the client to “shop around”?
- Is it a relatively transparent market?
- Is disclosure made to client that no Best Execution is provided?

OUR COMMITMENT

We are committed to treat our clients fairly and create a suitable trading environment for all our clients. We take all reasonable steps to obtain the best possible results for our clients taking into account price, costs, speed and likelihood of execution, likelihood of settlement, size, nature and/or any other relevant order execution consideration, whether we are executing orders on behalf of clients or placing orders with, or passing orders to, others for execution. However, there may also be circumstances/exceptions as a result of limitations due to market conditions, liquidity, price gaps or other circumstances outside of our control.

We will place or execute our clients’ orders in-line with other comparable clients’ orders promptly in accordance with the time of receipt of completed instructions unless there are prevailing market conditions or restrictions that do not allow us to do so.

¹ Applicable only to Accredited Investors (as defined under Section 4A of the Securities and Futures Act (Cap.289) (“SFA”).

² Order is defined in Para 2.1 of the SFA Notice 04-N16.

³ Capital markets products are defined in Section 2 of the SFA.

⁴ The principles of these tests are adopted from the Markets in Financial Instruments Directive’s four-fold cumulative test.

APPLICATION OF BEST EXECUTION TO ACCREDITED CLIENTS

UOB Private Bank is not under an obligation to offer Best Execution when a client who is an Accredited Investor under the Singapore regulatory regime does not legitimately rely on UOB Private Bank in relation to the execution of orders. Below are the general rules on how legitimate reliance would be determined:

- The client is the party who had approached UOB Private Bank to provide a quote. It is less likely that the client had placed legitimate reliance on UOB Private Bank when the orders were initiated by the client.
- The market practice for a particular asset class or product suggests that the client has the ability to shop around and is less likely to place legitimate reliance on UOB Private Bank.
- The client is less likely to place legitimate reliance on UOB Private Bank when pricing information is transparent and readily available.

FACTORS OF CONSIDERATION FOR BEST EXECUTION

In the absence of any specific instructions from our clients, we will consider the following factors where relevant when placing or executing our clients' order:

1. Price (costs of procuring the product for the clients excluding fees and charges);
2. Costs (payable by the clients inclusive of bank's fees and any external charges);
3. Speed of execution;
4. Likelihood of execution;
5. Likelihood of settlement;
6. Size of order; and
7. Nature of order or any other consideration relating to the execution of the order, number of execution venue, including additional qualitative factors.

UOB Private Bank may also take into consideration of the following factors when determining the Best Execution order for clients:

- The characteristics of the client (regulatory categorization of client);
- The characteristics and nature of order, including any specific client instructions received
- The characteristics of the financial products that are the subject of the order; and
- The characteristics of the execution venue to which the order can be directed.

In carrying out Best Execution, UOB Private Bank generally gives the factor of price and costs a higher relative importance as compared to the other execution factors. Although UOB Private Bank takes all sufficient steps to achieve the best possible result for the clients, but there may be circumstances where the primary execution factors vary and the price is no longer the dominant execution factor; for example, for transactions in illiquid securities where the likelihood of execution and market impact becomes more important.

Where we are dependent on the affiliated or non-affiliated brokers/counterparties to assist in the execution of orders, we undertake periodic review to determine that they are able to provide the appropriate level of expertise and the necessary experience when executing in the respective market/order. On a periodic basis we also take into account all relevant execution factors, and affiliate and non-affiliate brokers/counterparties executions are monitored so that we come to the conclusion that execution is delivered on a best effort basis in the interest of the client.

SPECIFIC INSTRUCTIONS FROM CLIENTS

If there are specific instructions given by our clients, this may change the way in which we execute the orders and may prevent us from taking the steps that we have designed and implemented to obtain the best possible result. We will execute the order in accordance with those instructions and in doing so we will have satisfied our best execution obligations with respect to the order.

We reserve the right to intervene in the execution if such orders would result in adverse market movement (for example: large orders).

EXECUTION VENUE/BROKERS

In meeting the Best Execution obligation, we will monitor which venues are likely to provide, on a consistent basis, the best available terms for our clients. We may, however, not connect to all venues or sources or liquidity.

In certain transactions, there may only be one available execution venue and in executing a trade in such circumstances we will assume that the selection of that venue satisfies the Best Execution factor dealing with the execution venue selection.

The use of affiliates and third party brokers is targeted to satisfy the best execution obligation for client orders and UOB Private Bank will appropriately manage any potential conflict of interest in using affiliates to execute client transactions.

MONITORING AND REVIEW

We have a governance framework in place which reviews the business on an on-going basis to monitor for compliance with our Best Execution obligations. We will monitor the effectiveness of the Best Execution Disclosure and its implementation in order to identify and correct any deficiencies and will notify of any material change to our Best Execution policy.

Additional note: This disclosure statement is also available on UOB Private Bank website under the section “Notices & T&Cs” at uob.com.sg/pbtnc.

