

# Best Execution Information

This report is a summary of the analysis and conclusions drawn from HSBC Private Bank (Luxembourg) SA's ("PBLU") detailed monitoring of the quality of execution obtained on the execution venues where all client orders were executed in 2018.

## Class of Instrument: Commodity Derivatives

Notification if <1 average trade per business day in the previous year: Y

Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
HSBC Bank plc (MP615ZYZBEU3UXPYFY54)	100.00%	100.00%	N/A	N/A	0.00%

PBLU and HSBC Bank plc are members of the HSBC Group, one of the world's largest banking and financial services institutions. For all trades executed in 2018, and unless specifically instructed by clients, PBLU considered the following factors paramount in obtaining best execution:

- Price - The price of an asset or instrument.
- Speed - The time between receiving an order and its execution.
- Costs - All expenses incurred by the client which are directly related to the order execution.
- Likelihood of execution and settlement - The likelihood that the execution venue will be able to complete the client order as per the instructions provided.
- Size of the trade - The size of the trade relative to other trades in the financial instrument.
- Nature of the trade - The particular characteristics of the instrument being traded or the order (eg Limit order).
- Any other consideration which may be relevant to order execution.

As a general rule, when considering the relative importance of these factors, the total consideration paid by clients of PBLU will be the most important factor considered by trading desks in achieving best execution. "Total consideration" includes the price of the final instrument and the costs related to execution, including all expenses incurred by our Client which are directly related to the execution. In executing Client orders, the trading desk takes all necessary steps to minimise implicit costs as well as explicit external costs. PBLU also undertakes to make a prior disclosure to its Clients of all its internal costs (see the "Tariff brochure").

There are three categories of costs which trading desks takes into account in evaluating "total consideration":

- Implicit costs: these costs are variable and unknown before a trade. They include the spread, the market impact of a trade, and the opportunity costs of a trade (related to operational constraints, market timing issues, and missed trade costs). These costs depend fundamentally on the trade characteristics, the prevailing market conditions as well as the speed of execution.

- Explicit external costs, which include commissions, fees, taxes, exchange fees, clearing and settlement costs, or any other costs passed onto the Client by intermediaries participating on the transaction; and
- Explicit internal costs, which represent PBLU's remuneration through its commission or spread.

Whilst total consideration is of primary importance in achieving best execution, other factors identified above may also be instrumental in delivering the best possible execution result to the Client. Therefore, in evaluating the relative importance of all factors, PBLU will also take into account:

- the specific nature of the instrument traded;
- the market where such instrument is traded;

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- the characteristics of the order relating to the instrument, including the size of the trade relative to other trades in the financial instrument and the need to minimise any possible impact of the order on the market.

PBLU maintains a process to review and mitigate any instances of conflicts arising through the normal course of business. PBLU ensures that all employees are aware of this process and take reasonable steps to identify conflicts of interest that arise or may arise in the course of providing any regulated activity to a client and which may adversely affect clients' interests.

PBLU does not have any price arrangement with any execution venues. Where the trading desk does not trade a particular instrument with a full range of counterparties and use only HSBC Global Banking and Markets ("GB&M") or a third party to execute client orders, PBLU is considered to be in a closed architecture environment. This requires PBLU, on a best efforts basis, to compare the prices obtained from GB&M with an alternative available pricing source (e.g. via Bloomberg or Reuters) for those financial instruments where this information is readily publicly available. Where PBLU believes that the price provided by GB&M or a third party is not competitive or where there is no directly comparable investment (when dealing with simple products/structures), PBLU informs clients on a best efforts basis and where achievable obtain the client's consent before executing the transaction with GB&M or a third party.

There has been no change in the list of execution venues from previous reporting period.

PBLU Trading desk doesn't treat categories of clients differently, the standards applicable to Retail Clients are applied to all clients.

Exceptions to the regular process of order management may be allowed only with respect to illiquid financial instruments and unusually large orders, both of which may need to be "worked" during a given period of time, either in search of available liquidity or to ensure the least impact on market price. PBLU will advise its Clients of this fact prior to working the order.

As a general rule, Client orders are not aggregated and are executed on a timely manner and by order of chronological priority. However, there may be instances where Client orders will be bulked, in particular for orders placed on Client portfolios managed by PBLU on a discretionary basis. In all cases, orders can only be aggregated when:

- i) The characteristics of the orders makes them suitable for aggregation;
- ii) PBLU determines that any such aggregation will not result in any disadvantage to a particular Client; and
- iii) In compliance with PBLU's allocation procedures (as may be applicable).

To avoid concentration of risk in external entities, exposure limits by counterparties were defined and are monitored prior to any trade.

The trader best price selection is potentially limited then by exposure threshold defined by credit risk function.

These limits apply as well to intra-group trades.

PBLU undertakes sample testing of its best execution policy. No breaches to date have been detected.

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This report is a summary of the analysis and conclusions drawn from HSBC Private Bank (Luxembourg) SA's ("PBLU") detailed monitoring of the quality of execution obtained on the execution venues where all client orders were executed in 2018.

## Class of Instrument: Currency Derivatives

Notification if <1 average trade per business day in the previous year: N

Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
HSBC Private Bank (Suisse) SA (549300LM7URE8RZR5X06)	100.00%	100.00%	N/A	N/A	0.00%

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- Size of the trade - The size of the trade relative to other trades in the financial instrument.
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- the characteristics of the order relating to the instrument, including the size of the trade relative to other trades in the financial instrument and the need to minimise any possible impact of the order on the market.

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The trader best price selection is potentially limited then by exposure threshold defined by credit risk function. These limits apply as well to intra-group trades.

PBLU undertakes sample testing of its best execution policy. No breaches to date have been detected.

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## Class of Instrument: Debt Instruments

Notification if <1 average trade per business day in the previous year: N

Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
UBS AG (BFM8T61CT2L1QCEMIK50)	15.93%	18.20%	13.67%	4.54%	0.00%
HSBC BANK PLC LONDON (MP6I5ZYZBEU3UXPYFY54)	8.56%	8.79%	2.82%	5.98%	0.00%
CITIGROUP GLOBAL MARKETS LDN (XKZZ2JZF41MRHTR1V493)	6.83%	5.36%	1.92%	3.43%	0.00%
MORGAN STANLEY LONDON (4PQUHN3JPF GFNF3BB653)	6.54%	5.70%	1.85%	3.85%	0.00%
BARCLAYS PLC LONDON (G5GSEF7VJP5I7OUK5573)	5.36%	2.75%	1.37%	1.37%	0.00%

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PBLU does not have any price arrangement with any execution venues.

ZKB disappeared from our top five list of execution venues but is still used by our trading desk. Barclays is new in the list but those changes are only due to best execution and market conditions.

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## Class of Instrument: Equities - Shares and Depository Receipts – BAND 1-2

Notification if <1 average trade per business day in the previous year: N

Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
HSBC SECURITIES NEW YORK (CYYGQCGNHMHPMRL3R97)	52.52%	25.66%	6.19%	19.47%	0.00%
HSBC SECURITIES LDN (MP615ZYZBEU3UXPYFY54)	31.35%	71.68%	11.50%	60.18%	0.00%
RBC EUROPE LONDON (TXDSU46SXBWIGJ8G8E98)	10.44%	0.88%	0%	0.88%	0.00%
KEPLER CHEUVREUX PARIS (9695005EOZG9X81RJD84)	5.69%	1.77%	0%	1.77%	0.00%

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There are three categories of costs which trading desks takes into account in evaluating "total consideration":

- Implicit costs: these costs are variable and unknown before a trade. They include the spread, the market impact of a trade, and the opportunity costs of a trade (related to operational constraints, market timing issues, and missed

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trade costs). These costs depend fundamentally on the trade characteristics, the prevailing market conditions as well as the speed of execution.

- Explicit external costs, which include commissions, fees, taxes, exchange fees, clearing and settlement costs, or any other costs passed onto the Client by intermediaries participating on the transaction; and
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Whilst total consideration is of primary importance in achieving best execution, other factors identified above may also be instrumental in delivering the best possible execution result to the Client. Therefore, in evaluating the relative importance of all factors, PBLU will also take into account:

- the specific nature of the instrument traded;
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PBLU does not have any price arrangement with any execution venues.

Any change in the list of execution venues listed will be commented in next reporting period.

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The trader best price selection is potentially limited then by exposure threshold defined by credit risk function. These limits apply as well to intra-group trades.

PBLU undertakes sample testing of its best execution policy. No breaches to date have been detected.

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This report is a summary of the analysis and conclusions drawn from HSBC Private Bank (Luxembourg) SA's ("PBLU") detailed monitoring of the quality of execution obtained on the execution venues where all client orders were executed in 2018.

## Class of Instrument: Equities - Shares and Depository Receipts – BAND 3-4

Notification if <1 average trade per business day in the previous year: N

Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
HSBC SECURITIES NEW YORK (CYYGQCGNHMHPMRL3R97)	75.48%	38.62%	7.42%	31.20%	0.00%
HSBC SECURITIES LDN (MP6I5ZYZBEU3UXPYFY54)	13.67%	57.80%	13.55%	44.25%	0.00%
RBC EUROPE LONDON (TXDSU46SXBWIGJ8G8E98)	10.84%	3.58%	3.07%	0.51%	0.00%

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## Class of Instrument: Equities - Shares and Depository Receipts – BAND 5-6

Notification if <1 average trade per business day in the previous year: N

Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of orders directed
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HSBC SECURITIES NEW YORK (CYYGQCGNHMHPMRL3R97)	43.64%	46.12%	7.10%	39.02%	0.00%
KEPLER CHEUVREUX PARIS (9695005EOZG9X81RJD84)	1.94%	0.12%	0.06%	0.06%	0.00%
CSFB EUROPE LONDON (DL6FFRRLF74S01HE2M14)	1.31%	0.06%	0.03%	0.03%	0.00%
RBC EUROPE LONDON (TXDSU46SXBWIGJ8G8E98)	0.14%	0.40%	0%	0.40%	0.00%

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Any change in the list of execution venues listed will be commented in next reporting period.

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Exceptions to the regular process of order management may be allowed only with respect to illiquid financial instruments and unusually large orders, both of which may need to be "worked" during a given period of time, either in search of available liquidity or to ensure the least impact on market price. PBLU will advise its Clients of this fact prior to working the order.

As a general rule, Client orders are not aggregated and are executed on a timely manner and by order of chronological priority. However, there may be instances where Client orders will be bulked, in particular for orders placed on Client portfolios managed by PBLU on a discretionary basis. In all cases, orders can only be aggregated when:

- i) The characteristics of the orders makes them suitable for aggregation;
- ii) PBLU determines that any such aggregation will not result in any disadvantage to a particular Client; and
- iii) In compliance with PBLU's allocation procedures (as may be applicable).

To avoid concentration of risk in external entities, exposure limits by counterparties were defined and are monitored prior to any trade.

The trader best price selection is potentially limited then by exposure threshold defined by credit risk function.

These limits apply as well to intra-group trades.

PBLU do sample testing of its best execution policy. There was no major breach except for one trade from our Asset Management Desk with a price slightly lower than the calculated benchmark used in our monitoring. Our counterparty confirmed a delay above tolerance due to an isolated technical issue and agreed to improve price accordingly.

# Best Execution Information

This report is a summary of the analysis and conclusions drawn from HSBC Private Bank (Luxembourg) SA's ("PBLU") detailed monitoring of the quality of execution obtained on the execution venues where all client orders were executed in 2018.

## Class of Instrument: Equity Derivatives

Notification if <1 average trade per business day in the previous year: N

Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
HSBC BANK PLC LONDON (MP615ZYZBEU3UXPYFY54)	100.00%	100.00%	1.75%	98.25%	0.00%

PBLU and HSBC Bank plc are members of the HSBC Group, one of the world's largest banking and financial services institutions. For all trades executed in 2018, and unless specifically instructed by clients, PBLU considered the following factors paramount in obtaining best execution:

- Price - The price of an asset or instrument.
- Speed - The time between receiving an order and its execution.
- Costs - All expenses incurred by the client which are directly related to the order execution.
- Likelihood of execution and settlement - The likelihood that the execution venue will be able to complete the client order as per the instructions provided.
- Size of the trade - The size of the trade relative to other trades in the financial instrument.
- Nature of the trade - The particular characteristics of the instrument being traded or the order (eg Limit order).
- Any other consideration which may be relevant to order execution.

As a general rule, when considering the relative importance of these factors, the total consideration paid by clients of PBLU will be the most important factor considered by trading desks in achieving best execution. "Total consideration" includes the price of the final instrument and the costs related to execution, including all expenses incurred by our Client which are directly related to the execution. In executing Client orders, the trading desk takes all necessary steps to minimise implicit costs as well as explicit external costs. PBLU also undertakes to make a prior disclosure to its Clients of all its internal costs (see the "Tariff brochure").

There are three categories of costs which trading desks takes into account in evaluating "total consideration":

- Implicit costs: these costs are variable and unknown before a trade. They include the spread, the market impact of a trade, and the opportunity costs of a trade (related to operational constraints, market timing issues, and missed trade costs). These costs depend fundamentally on the trade characteristics, the prevailing market conditions as well as the speed of execution.
- Explicit external costs, which include commissions, fees, taxes, exchange fees, clearing and settlement costs, or any other costs passed onto the Client by intermediaries participating on the transaction; and
- Explicit internal costs, which represent PBLU's remuneration through its commission or spread.

Whilst total consideration is of primary importance in achieving best execution, other factors identified above may also be instrumental in delivering the best possible execution result to the Client. Therefore, in evaluating the relative importance of all factors, PBLU will also take into account:

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- the specific nature of the instrument traded;
- the market where such instrument is traded;
- the characteristics of the order relating to the instrument, including the size of the trade relative to other trades in the financial instrument and the need to minimise any possible impact of the order on the market.

PBLU maintains a process to review and mitigate any instances of conflicts arising through the normal course of business. PBLU ensures that all employees are aware of this process and take reasonable steps to identify conflicts of interest that arise or may arise in the course of providing any regulated activity to a client and which may adversely affect clients' interests.

PBLU does not have any price arrangement with any execution venues. Where the trading desk does not trade a particular instrument with a full range of counterparties and use only PBLU Global Banking and Markets ("GB&M") or a third party to execute client orders, PBLU is considered to be in a closed architecture environment. This requires PBLU, on a best efforts basis, to compare the prices obtained from GB&M with an alternative available pricing source (e.g. via Bloomberg or Reuters) for those financial instruments where this information is readily publicly available.

Where PBLU believes that the price provided by GB&M or a third party is not competitive or where there is no directly comparable investment (when dealing with simple products/structures), PBLU informs clients on a best efforts basis and where achievable obtain the client's consent before executing the transaction with GB&M or a third party.

Any change in the list of execution venues listed will be commented in next reporting period.

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Exceptions to the regular process of order management may be allowed only with respect to illiquid financial instruments and unusually large orders, both of which may need to be "worked" during a given period of time, either in search of available liquidity or to ensure the least impact on market price. PBLU will advise its Clients of this fact prior to working the order.

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- In compliance with PBLU's allocation procedures (as may be applicable).

To avoid concentration of risk in external entities, exposure limits by counterparties were defined and are monitored prior to any trade.

The trader best price selection is potentially limited then by exposure threshold defined by credit risk function. These limits apply as well to intra-group trades.

PBLU undertakes sample testing of its best execution policy. No breaches to date have been detected.

# Best Execution Information

This report is a summary of the analysis and conclusions drawn from HSBC Private Bank (Luxembourg) SA's ("PBLU") detailed monitoring of the quality of execution obtained on the execution venues where all client orders were executed in 2018.

## Class of Instrument: Exchange Traded Products – BAND 1-2

Notification if <1 average trade per business day in the previous year: N

Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of orders directed
HSBC SECURITIES NEW YORK (CYYGQCGNHMHPMRL3R97)	66.51%	79.35%	1.09%	78.26%	00.00%
CITIGROUP GLOBAL MARKET (XKZZ2JZF41MRHTR1V493)	28.33%	15.22%	0%	15.22%	00.00%
CSFB EUROPE LONDON (DL6FFRRLF74S01HE2M14)	4.64%	1.09%	0%	1.09%	00.00%
KEPLER CHEUVREUX PARIS (9695005EOZG9X81RJD84)	0.49%	1.09%	0%	1.09%	00.00%
HSBC SECURITIES LDN (MP615ZYZBEU3UXPFY54)	0.03%	3.26%	0%	3.26%	00.00%

PBLU, HSBC Securities New York and HSBC Securities London are members of the HSBC Group, one of the world's largest banking and financial services institutions. For all trades executed in 2018, and unless specifically instructed by clients, PBLU considered the following factors paramount in obtaining best execution:

- Price - The price of an asset or instrument.
- Speed - The time between receiving an order and its execution.
- Costs - All expenses incurred by the client which are directly related to the order execution.
- Likelihood of execution and settlement - The likelihood that the execution venue will be able to complete the client order as per the instructions provided.
- Size of the trade - The size of the trade relative to other trades in the financial instrument.
- Nature of the trade - The particular characteristics of the instrument being traded or the order (eg Limit order).
- Any other consideration which may be relevant to order execution.

As a general rule, when considering the relative importance of these factors, the total consideration paid by clients of PBLU will be the most important factor considered by trading desks in achieving best execution. "Total consideration" includes the price of the final instrument and the costs related to execution, including all expenses incurred by our Client which are directly related to the execution. In executing Client orders, the trading desk takes all necessary steps to minimise implicit costs as well as explicit external costs. PBLU also undertakes to make a prior disclosure to its Clients of all its internal costs (see the "Tariff brochure").

# Best Execution Information

There are three categories of costs which trading desks takes into account in evaluating “total consideration”:

- Implicit costs: these costs are variable and unknown before a trade. They include the spread, the market impact of a trade, and the opportunity costs of a trade (related to operational constraints, market timing issues, and missed trade costs). These costs depend fundamentally on the trade characteristics, the prevailing market conditions as well as the speed of execution.
- Explicit external costs, which include commissions, fees, taxes, exchange fees, clearing and settlement costs, or any other costs passed onto the Client by intermediaries participating on the transaction; and
- Explicit internal costs, which represent PBLU's remuneration through its commission or spread.

Whilst total consideration is of primary importance in achieving best execution, other factors identified above may also be instrumental in delivering the best possible execution result to the Client. Therefore, in evaluating the relative importance of all factors, PBLU will also take into account:

- the specific nature of the instrument traded;
- the market where such instrument is traded;
- the characteristics of the order relating to the instrument, including the size of the trade relative to other trades in the financial instrument and the need to minimise any possible impact of the order on the market.

PBLU maintains a process to review and mitigate any instances of conflicts arising through the normal course of business. PBLU ensures that all employees are aware of this process and take reasonable steps to identify conflicts of interest that arise or may arise in the course of providing any regulated activity to a client and which may adversely affect clients' interests.

PBLU does not have any price arrangement with any execution venues.

Any change in the list of execution venues listed will be commented in next reporting period.

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- ii) PBLU determines that any such aggregation will not result in any disadvantage to a particular Client; and
- iii) In compliance with PBLU's allocation procedures (as may be applicable).

To avoid concentration of risk in external entities, exposure limits by counterparties were defined and are monitored prior to any trade.

The trader best price selection is potentially limited then by exposure threshold defined by credit risk function.

These limits apply as well to intra-group trades.

PBLU undertakes sample testing of its best execution policy. No breaches to date have been detected.

# Best Execution Information

This report is a summary of the analysis and conclusions drawn from HSBC Private Bank (Luxembourg) SA's ("PBLU") detailed monitoring of the quality of execution obtained on the execution venues where all client orders were executed in 2018.

## Class of Instrument: Exchange Traded Products – BAND 3-4

Notification if <1 average trade per business day in the previous year: N

Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of orders directed
HSBC SECURITIES NEW YORK (CYYGQCGNHMHPMRL3R97)	69.46%	82.05%	2.56%	79.49%	00.00%
CITIGROUP GLOBAL MARKET (XKZZ2JZF41MRHTR1V493)	23.43%	14.10%	0%	14.10%	00.00%
CSFB EUROPE LONDON (DL6FFRRLF74S01HE2M14)	4.24%	1.28%	1.28%	0%	00.00%
KEPLER CHEUVREUX PARIS (9695005EOZG9X81RJD84)	2.84%	1.28%	0%	1.28%	00.00%
RBC EUROPE LONDON (TXDSU46SXBWIGJ8G8E98)	0.04%	1.28%	0%	1.28%	00.00%

PBLU, HSBC Securities New York are members of the HSBC Group, one of the world's largest banking and financial services institutions. For all trades executed in 2018, and unless specifically instructed by clients, PBLU considered the following factors paramount in obtaining best execution:

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- Speed - The time between receiving an order and its execution.
- Costs - All expenses incurred by the client which are directly related to the order execution.
- Likelihood of execution and settlement - The likelihood that the execution venue will be able to complete the client order as per the instructions provided.
- Size of the trade - The size of the trade relative to other trades in the financial instrument.
- Nature of the trade - The particular characteristics of the instrument being traded or the order (eg Limit order).
- Any other consideration which may be relevant to order execution.

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There are three categories of costs which trading desks takes into account in evaluating "total consideration":

# Best Execution Information

- Implicit costs: these costs are variable and unknown before a trade. They include the spread, the market impact of a trade, and the opportunity costs of a trade (related to operational constraints, market timing issues, and missed trade costs). These costs depend fundamentally on the trade characteristics, the prevailing market conditions as well as the speed of execution.

- Explicit external costs, which include commissions, fees, taxes, exchange fees, clearing and settlement costs, or any other costs passed onto the Client by intermediaries participating on the transaction; and

- Explicit internal costs, which represent PBLU's remuneration through its commission or spread.

Whilst total consideration is of primary importance in achieving best execution, other factors identified above may also be instrumental in delivering the best possible execution result to the Client. Therefore, in evaluating the relative importance of all factors, PBLU will also take into account:

- the specific nature of the instrument traded;

- the market where such instrument is traded;

- the characteristics of the order relating to the instrument, including the size of the trade relative to other trades in the financial instrument and the need to minimise any possible impact of the order on the market.

PBLU maintains a process to review and mitigate any instances of conflicts arising through the normal course of business. PBLU ensures that all employees are aware of this process and take reasonable steps to identify conflicts of interest that arise or may arise in the course of providing any regulated activity to a client and which may adversely affect clients' interests.

PBLU does not have any price arrangement with any execution venues.

Any change in the list of execution venues listed will be commented in next reporting period.

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The trader best price selection is potentially limited then by exposure threshold defined by credit risk function.

These limits apply as well to intra-group trades.

PBLU undertakes sample testing of its best execution policy. No breaches to date have been detected.

# Best Execution Information

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## Class of Instrument: Exchange Traded Products – BAND 5-6

Notification if <1 average trade per business day in the previous year: N

Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of orders directed
HSBC SECURITIES LDN (MP6I5ZYZBEU3UXPYFY54)	63.83%	86.25%	0.64%	85.61%	00.00%
HSBC SECURITIES NEW YORK (CYYGQCGNHMHPMRL3R97)	15.19%	10.12%	0.38%	9.74%	00.00%
CSFB EUROPE LONDON (DL6FFRRLF74S01HE2M14)	7.41%	0.95%	0%	0.95%	00.00%
KEPLER CHEUVREUX PARIS (9695005EOZG9X81RJD84)	6.96%	1.53%	0.19%	1.34%	00.00%
CITIGROUP GLOBAL MARKET (XKZZ2JZF41MRHTR1V493)	6.14%	0.76%	0.13%	0.63%	00.00%

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There are three categories of costs which trading desks takes into account in evaluating "total consideration":

# Best Execution Information

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PBLU maintains a process to review and mitigate any instances of conflicts arising through the normal course of business. PBLU ensures that all employees are aware of this process and take reasonable steps to identify conflicts of interest that arise or may arise in the course of providing any regulated activity to a client and which may adversely affect clients' interests.

PBLU does not have any price arrangement with any execution venues.

Any change in the list of execution venues listed will be commented in next reporting period.

PBLU Trading desk doesn't treat categories of clients differently, the standards applicable to Retail Clients are applied to all clients.

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To avoid concentration of risk in external entities, exposure limits by counterparties were defined and are monitored prior to any trade.

The trader best price selection is potentially limited then by exposure threshold defined by credit risk function.

These limits apply as well to intra-group trades.

PBLU undertakes sample testing of its best execution policy. No breaches to date have been detected.

# Best Execution Information

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## Class of Instrument: Securitized Derivatives

Notification if <1 average trade per business day in the previous year: Y

Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
HSBC BANK PLC LONDON (MP6I5ZYZBEU3UXPYFY54)	39.72%	41.07%	NA	NA	00.00%
SOCIETE GENERALE PARIS (O2RNE8IBXP4R0TD8PU41)	23.20%	12.50%	NA	NA	00.00%
BNP PARIS SA PARIS (R0MUWSFPU8MPRO8K5P83)	16.92%	16.07%	NA	NA	00.00%
COMMERZBANK FRANKFURT (851WYGNLUQLFZBSYGB56)	5.49%	5.36%	NA	NA	00.00%
CREDIT AGRICOLE CORP PARIS (1VUV7VQFKUOQSJ21A208)	5.31%	10.71%	NA	NA	00.00%

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# Best Execution Information

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PBLU maintains a process to review and mitigate any instances of conflicts arising through the normal course of business. PBLU ensures that all employees are aware of this process and take reasonable steps to identify conflicts of interest that arise or may arise in the course of providing any regulated activity to a client and which may adversely affect clients' interests.

PBLU does not have any price arrangement with any execution venues.

Changes in the list of execution venues listed were due to best execution, market conditions and in line with new structured product issuance. Citigroup, Goldman Sachs and Natixis are still used as counterparty but for reported period on top five venues they were replaced by BNP Paribas, Commerzbank and Crédit Agricole.

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To avoid concentration of risk in external entities, exposure limits by counterparties were defined and are monitored prior to any trade.

The trader best price selection is potentially limited then by exposure threshold defined by credit risk function.

These limits apply as well to intra-group trades.

PBLU undertakes sample testing of its best execution policy. No breaches to date have been detected.

# Best Execution Information

This report is a summary of the analysis and conclusions drawn from HSBC Private Bank (Luxembourg) SA's ("PBLU") detailed monitoring of the quality of execution obtained on the execution venues where all client orders were executed in 2018.

## Class of Instrument: Other Instruments

Notification if <1 average trade per business day in the previous year: N

Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of orders directed
EUROCLEAR BANK SA / NV (549300OZ46BRLZ8Y6F65)	42.51%	64.75%	N/A	N/A	00.00%
HSBC SECURITIES LUX (213800OPVQIR4OADG59)	49.14%	23.40%	N/A	N/A	00.00%
HSBC PB (Suisse) Geneva (549300LM7URE8ZR5X06 )	6.52%	8.69%	N/A	N/A	00.00%
MAITLAND LUXEMBOURG ( )	1.40%	1.64%	N/A	N/A	00.00%
HSBC S.S. (IRELAND) LTD (213800HVF4H4GD6WSK83)	0.23%	0.66%	N/A	N/A	00.00%

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- Speed - The time between receiving an order and its execution.
- Costs - All expenses incurred by the client which are directly related to the order execution.
- Likelihood of execution and settlement - The likelihood that the execution venue will be able to complete the client order as per the instructions provided.
- Size of the trade - The size of the trade relative to other trades in the financial instrument.
- Nature of the trade - The particular characteristics of the instrument being traded or the order (eg Limit order).
- Any other consideration which may be relevant to order execution.

As a general rule, when considering the relative importance of these factors, the total consideration paid by clients of PBLU will be the most important factor considered by trading desks in achieving best execution. "Total consideration" includes the price of the final instrument and the costs related to execution, including all expenses

# Best Execution Information

incurred by our Client which are directly related to the execution. In executing Client orders, the trading desk takes all necessary steps to minimise implicit costs as well as explicit external costs. PBLU also undertakes to make a prior disclosure to its Clients of all its internal costs (see the "Tariff brochure").

There are three categories of costs which trading desks takes into account in evaluating "total consideration":

- Implicit costs: these costs are variable and unknown before a trade. They include the spread, the market impact of a trade, and the opportunity costs of a trade (related to operational constraints, market timing issues, and missed trade costs). These costs depend fundamentally on the trade characteristics, the prevailing market conditions as well as the speed of execution.
- Explicit external costs, which include commissions, fees, taxes, exchange fees, clearing and settlement costs, or any other costs passed onto the Client by intermediaries participating on the transaction; and
- Explicit internal costs, which represent PBLU's remuneration through its commission or spread.

Whilst total consideration is of primary importance in achieving best execution, other factors identified above may also be instrumental in delivering the best possible execution result to the Client. Therefore, in evaluating the relative importance of all factors, PBLU will also take into account:

- the specific nature of the instrument traded;
- the market where such instrument is traded;
- the characteristics of the order relating to the instrument, including the size of the trade relative to other trades in the financial instrument and the need to minimise any possible impact of the order on the market.

PBLU maintains a process to review and mitigate any instances of conflicts arising through the normal course of business. PBLU ensures that all employees are aware of this process and take reasonable steps to identify conflicts of interest that arise or may arise in the course of providing any regulated activity to a client and which may adversely affect clients' interests.

PBLU does not have any price arrangement with any execution venues.

No major change in the list of execution venues to be commented.

PBLU Trading desk doesn't treat categories of clients differently, the standards applicable to Retail Clients are applied to all clients.

Exceptions to the regular process of order management may be allowed only with respect to illiquid financial instruments and unusually large orders, both of which may need to be "worked" during a given period of time, either in search of available liquidity or to ensure the least impact on market price. PBLU will advise its Clients of this fact prior to working the order.

As a general rule, Client orders are not aggregated and are executed on a timely manner and by order of chronological priority. However, there may be instances where Client orders will be bulked, in particular for orders placed on Client portfolios managed by PBLU on a discretionary basis. In all cases, orders can only be aggregated when:

- i) The characteristics of the orders makes them suitable for aggregation;
- ii) PBLU determines that any such aggregation will not result in any disadvantage to a particular Client; and
- iii) In compliance with PBLU's allocation procedures (as may be applicable).

To avoid concentration of risk in external entities, exposure limits by counterparties were defined and are monitored prior to any trade.

The trader best price selection is potentially limited then by exposure threshold defined by credit risk function.

These limits apply as well to intra-group trades.

PBLU undertakes sample testing of its best execution policy. No breaches to date have been detected.

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