

# Factsheet: General principles of order execution and forwarding

## Introduction

This document contains:

- Under Section 1, a summary of the principles which apply, within the meaning of the regulatory provisions, to ensure the best possible execution of customer orders in accordance with the Financial Services Act (FinSA) when buying and/or selling financial instruments.
- Under Section 2, a summary of the principles which apply to the execution of customer orders when buying and/or selling cryptoassets and when staking cryptoassets.

## Definitions

- STP (straight through processing) describes the process whereby incoming securities orders are, as far as possible, processed without manual interaction and media disruptions
- ETFs (exchange traded funds) are exchange-traded index funds
- Full-SOR (smart order routing) is the technical procedure for identifying the best place of execution for a specific securities order at a particular time
- OTC (over the counter) describes over the counter (off-exchange) trading of securities

## 1. Executing customer orders when buying/selling financial instruments

All customer orders relating to trading financial instruments are executed or forwarded by brokers engaged by PostFinance: UBS Switzerland AG and Swissquote AG. In doing so, the brokers adhere to their own principles of order execution and forwarding. PostFinance monitors the process to check whether the brokers involved are conducting their order execution and forwarding activities in line with regulatory provisions on the best possible execution of customer orders according to the Financial Services Act (FinSA).

For information on the brokers' principles of order execution and forwarding, please contact PostFinance's Asset Management Solutions support team (e-trading@postfinance.ch).

### 1.1 Securities transactions via UBS Switzerland AG

For the PostFinance services listed below, customer orders relating to buying and/or selling financial instruments are forwarded to UBS Switzerland AG: fund self-service, fund consulting basic, investment consulting plus and e-asset management.

The principles employed by UBS Switzerland to ensure best possible execution can be found via the following link: [www.ubs.com/ch/en/fidleg](http://www.ubs.com/ch/en/fidleg). Customers should take note of UBS Switzerland AG's principles for best possible execution.

### 1.1.1 Principles for forwarding customer orders to UBS Switzerland AG

PostFinance forwards orders pertaining to the selected trading venue to UBS Switzerland AG. Using full-SOR (smart order routing), UBS Switzerland AG selects the most advantageous place of execution from the relevant settlement regime in order to place the order there. Settlement regimes are the various markets, geographically distributed by UBS Switzerland AG, in which trading takes place.

### 1.1.2 Criteria for selecting the trading venue for exchange-traded financial instruments

To ensure the best possible result for the customer when trading ETFs, PostFinance determines the criteria for selecting the trading venue in accordance with the legal provisions. PostFinance applies the following criteria when selecting the trading venue:

- Currency
- Daily closing rate/price
- Volume (liquidity)
- Execution probability
- Transaction fees
- Stamp duty
- Bid-ask spread

The selection of the trading venue is based primarily on the currency, the purchase price and the volume traded. In the event of identical or similar conditions at two or more trading venues, the other execution criteria are factored into the selection process. The selection of the trading venue is based on the average values of the criteria.

### 1.1.3 Identified trading venues

Due to the specific range of securities provided and the criteria mentioned in Section 1.1.2, PostFinance mainly issues orders with a preselected trading venue via the broker UBS Switzerland AG. PostFinance reserves the right – in compliance with regulatory provisions on the best possible execution of customer orders – to change the trading venue allocation for the instrument or the selection of trading venues.

### 1.1.4 Alternative execution in individual cases

In justified individual cases (unexpected closure of a trading venue or similar), the broker will contact PostFinance directly to ensure the best possible execution of the order using the key data entered. Execution may be carried out differently in these circumstances (alternative trading venue etc.).

### 1.1.5 Selected trading venues

The main trading venues selected by PostFinance can be found at [postfinance.ch/investment-information](https://postfinance.ch/investment-information) zu finden.

PostFinance uses the following stock exchanges as trading venues:

- SIX Swiss Exchange (XSWX)
- Xetra (XETR)
- Milan (XMIL)
- London (XLON)
- Euronext Amsterdam (XAMS)
- Euronext Paris (XPAR)
- Dublin (XDUB)

### 1.1.6 Investment funds traded on the primary market

Purchases and redemptions of investment funds traded on the primary market are carried out directly or indirectly via the respective fund manager at a net asset value and thus not via a trading venue. The provisions of the relevant fund contract shall apply to investment funds traded on the primary market.

### 1.1.7 Pooling of orders

- PostFinance is entitled to pool customer orders for funds, ETFs and cryptoassets with its own orders or orders of other customers.
- ETF orders which are placed outside of e-asset management are forwarded to the broker for settlement via STP immediately after order entry. In the event of portfolio reallocation, or an increase or a reduction in the investment amount in e-asset management, orders will be pooled and sent to the broker.

## 1.2 Securities transactions via Swissquote AG (e-trading)

PostFinance works with Swissquote Bank AG (Swissquote) to provide e-trading services. All customer orders are placed online by customers directly via the e-trading platform or are received by PostFinance's Asset Management Solutions support team by telephone. Customer orders for securities received by telephone which are tradeable online are placed on the e-trading platform immediately by PostFinance or Swissquote. Stock market orders which cannot be processed online are placed with PostFinance's Asset Management Solutions support team. The customer is solely responsible for selecting the stock exchange and does not receive any advice from PostFinance and/or Swissquote in this respect. The Subscriber Conditions for e-trading contain more information about this service.

Customer orders are executed in accordance with Swissquote's execution guidelines (best execution policy for trading accounts). Customers should take note of Swissquote's execution guidelines.

These can be found by following this link:

[Swissquote execution guidelines](#)

## 1.3 Foreign exchange forward transactions and swap transactions via PostFinance Ltd

These transactions are concluded bilaterally between the customer and PostFinance, eliminating the need to choose a place of execution.

## 2. Execution of customer orders when buying and/or selling cryptoassets and when staking cryptoassets

PostFinance works with Sygnum Bank AG (Sygnum) to process online trading and staking involving cryptoassets. Deviating from Section 1 of this document, FinSA is not applicable to the execution of customer orders relating to buying and/or selling cryptoassets and to staking cryptoassets.

Customers can issue orders via secure electronic channels (e-finance, PostFinance App). In justified individual cases (e.g. technical disruptions on the part of PostFinance), trade orders can also be issued to PostFinance's Asset Management Solutions support team by telephone.

All orders relating to buying and/or selling cryptoassets are forwarded directly (STP) to Sygnum. In executing and forwarding orders, Sygnum applies the principle of "best price" (also known as the "best available market price" principle). This principle involves using the best price that Sygnum receives from the selected OTC providers for a specific order when executing customer orders.

Staking orders are issued via secure electronic channels (e-finance, PostFinance App). If an order has been issued in a valid manner, a cancellation may be requested only if the order has not yet been executed. Provided procedural dependencies permit, PostFinance will carry out the cancellation.

For more information on Sygnum's principles of order execution and forwarding, please contact PostFinance's Asset Management Solutions support team ([e-trading@postfinance.ch](mailto:e-trading@postfinance.ch)).

### 2.1 Alternative execution in individual cases

In justified individual cases (system failure or similar), Sygnum will contact PostFinance directly to execute customer orders, using the key data entered, in a way which is in the customer's best interests. Execution may be carried out differently in these circumstances (delayed execution etc.).

### 2.2 Pooling of orders

PostFinance is entitled to pool customer orders pertaining to saving plans and staking involving cryptoassets with its own orders or orders of other customers and to transfer the orders to Sygnum for processing.

### Changes

PostFinance reserves the right to amend this document at any time and without providing special notification of any changes to customers. The current version of the document can be found at [postfinance.ch/investment-information](https://postfinance.ch/investment-information)