COMMONWEALTH SECURITIES LIMITED – BEST EXECUTION POLICY DISCLOSURE

As a market participant, Commonwealth Securities Limited (We / CommSec) has an obligation to take reasonable steps to obtain the best outcome for its clients when handling and executing client orders (the Best Execution Obligation). This disclosure sets out how CommSec meets its Best Execution Obligation.

Best execution
CommSec will take all reasonable steps to obtain the best possible outcome for its clients. Best outcome means different things for different clients. For retail clients, best outcome will mean best total consideration – in other words, the purchase or sale price after brokerage and GST. If you are a retail client, this will mean that CommSec will always attempt to obtain the best total consideration for your order unless you instruct us otherwise.

For wholesale clients, best outcome will include price, costs, total consideration, speed, likelihood of execution and any other relevant order consideration. CommSec will generally give price a higher relative importance when obtaining the best outcome but may also take into consideration a range of different factors, including the requirement for timely execution, the liquidity of the market, potential price impact and the size of the order.

Handling of orders
Orders can be executed via different methods being an auto mated order router or by human intervention.

Execution venues
For both retail and wholesale client orders, we will choose a venue or venues that satisfy our Best Execution Obligation. Execution venues that may be considered by CommSec when executing orders are ASX TradeMatch, ASX CentrePoint and Chi-X Australia. CommSec does not operate a crossing system.

Where part or all of an order does not trade immediately, the remainder of that order will be sent to one of the available execution venues. During the opening and closing phases of the trading day, CommSec will send orders to participate in the ASX TradeMatch opening and closing auctions. The closing price of a security will be determined by the ASX TradeMatch closing price. When an execution venue is unavailable (for example, due to a market outage or differing trading hours for trading venues), CommSec may execute existing and new orders on any remaining open execution venues provided we believe that our Best Execution Obligation can be achieved in taking this action.

Orders (other than CommSec Pocket orders) received outside of trading hours will be transmitted to an execution venue as soon as practical.

Orders received through the CommSec Pocket app
For orders received through the CommSec Pocket app, CommSec will:

(i) aggregate regular investment orders to be executed on a particular trading day with one-off buy orders entered outside of trading hours before market open on the relevant trading day; and

(ii) aggregate one-off sell orders entered outside of trading hours before market open.

The orders in (i) and (ii) above may be "crossed" against each other (in whole or in part). CommSec will execute the aggregated orders after the ASX TradeMatch opening auction on the relevant trading day once there is sufficient market liquidity. Sufficient market liquidity exists when the ETF market maker, provided there is one, is active and the aggregated orders can be traded at a price close to the value of the underlying assets. Each order underlying an aggregated order will be allocated the volume weighted average price for that aggregated order to enable CommSec to achieve the best execution outcome, on average, for each underlying order. This price may differ from the price you would have received if you had placed a one-off order or if the orders had not been aggregated.

One-off orders which are received through the CommSec Pocket app during trading hours will not be aggregated and will be executed as soon as reasonably practicable, like all other orders referred to under this disclosure.

Consequently, a one off order received through the CommSec Pocket app shortly after market open may execute before an existing aggregated CommSec Pocket order.

Further details on how CommSec deals with orders received through the CommSec Pocket app are set out in the CommSec Pocket Terms and Conditions.

Specific instructions
Where we receive specific instruct ions from you, we will take reasonable steps to execute those instructions, even though they may not achieve the best outcome for you, provided they do not conflict with our other obligations under the Corporations Act, the Market Integrity Rules or other relevant laws. Wholesale clients may provide standing instructions or execution requirements which can include instructions to opt-out of our Best Execution Policy for a maximum period of 12 months.

Requests for information
On receipt of a reasonable request by a client we will provide the client with evidence that the order has been executed in accordance with our policies and procedures. On receipt of a request we will advise the client of the estimated time to provide the necessary information. We endeavor to respond to requests within a reasonable time.

Periodic review
CommSec will periodically review and monitor its Best Execution procedures, practices and connections to alternative trading venues. We will annually review any opt-out or standing instructions received from a wholesale client.