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Bank Hapoalim (Switzerland) Ltd

Markets in Financial  
Instruments Directive  
(MiFID II)

Best Execution Policy of  
Bank Hapoalim (Switzerland)  
Luxembourg Branch for

**Retail Clients**  
**Professional Clients**

Annex I - List of  
- Venues  
- Liquidity Providers and Brokers

## 1. PURPOSE

Under MiFID II, Bank Hapoalim (Switzerland) Luxembourg Branch (herein called «BHI Luxembourg») is required to put in place an order execution policy and to take all sufficient steps to obtain the best possible results on client orders considering the nature of the orders, whether it is a regulated or non-regulated market, a listed product or traded over-the-counter only, and the client's specific instructions, if any.

## 2. SCOPE

BHI Luxembourg is required to perform Best Execution duties when executing orders on behalf of clients, (i.e. BHI Luxembourg acts as an intermediary, executes orders on client's request to enter into a purchase or sale contract for a specific financial instrument or provides portfolio management services) and when providing the service of reception and transmission of orders.

BHI Luxembourg takes into account the following criteria for determining the relative importance of the execution factors described herein:

- The characteristics of being a Retail or Professional Client
- The characteristics of the order
- The characteristics of financial instruments that are subject of that order
- The characteristics of the execution venues to which that order can be directed

Having not received detailed instructions from the **Retail Client**, BHI Luxembourg will apply in general the total consideration approach, i.e. the price of the financial instrument and the total costs related to the execution, clearing and settlement that are needed to be taken into account for best execution, related to the criteria set out in this policy.

Having not received detailed instructions from the **Professional Client**, BHI Luxembourg will apply at its own discretion the factors that are needed to be taken into account for best execution, related to the criteria set out in this policy.

Best Execution Policy, however, excludes any financial instrument where BHI Luxembourg received a request for a price indication and based

on this indication a transaction is concluded afterwards. It does also not cover any specific request for any specific financial instrument as well as where BHI Luxembourg or any group member of BHI Luxembourg negotiates as counterparty the terms and conditions of a specific transaction and/or structured product or 3<sup>rd</sup> party structured product.

## 3. SPECIFIC INSTRUCTIONS

If and when BHI Luxembourg receives specific instructions related to an order including but not limited to the venue of execution or counterparty to be dealt with, BHI Luxembourg executes the order in line with the instructions given by the client. Following client's instructions, BHI Luxembourg is deemed to have taken all sufficient steps to provide the best possible result related to the Best Execution Policy. However, specific instructions may prevent BHI Luxembourg from taking the steps in its execution policy to the best possible result for the execution of those specific orders in respect of the elements covered by those specific instructions.

## 4. EXECUTION VENUES

The execution venues used by BHI Luxembourg for each class of financial instruments is subject to this Best Execution Policy. A list of execution venues is available on Annex I of this document. BHI Luxembourg reserves the right, however, to use other execution venues at its own discretion when deemed appropriate in line with its Best Execution Policy.

The execution venues are regularly reviewed and approved by the Board of Directors. In order to obtain the current actual list of execution venues, please refer to the indicated Annex. No notification of change to the list attached and distributed will be done separately.

BHI Luxembourg will publish annually the top 5 execution venues and the top 5 firms where BHI Luxembourg have sent client orders in terms of trading volumes for all executed client's orders per class of financial instruments. That information will be available on the website: [www.bhibank.ch](http://www.bhibank.ch).

## 5. EXECUTION FACTORS - RETAIL CLIENTS

In view of the best execution, BHI Luxembourg will apply price and total costs (total consideration) as factors when determining the manner how **Retail Client** order will be executed. It also will apply other factors as follows:

- Price
- Speed
- Likelihood of execution and/or settlement
- Size-Cost -Nature of the order or
- Any other consideration relevant to the execution of the order

On orders for which we have not received any specific instructions from the client, BHI Luxembourg will determine the relative importance of each factor that will merit a high relative importance in obtaining the best possible result. However, please note that in some circumstances for some clients, orders, financial instruments or markets, other execution factors may be important and thus, BHI Luxembourg may decide at its own discretion the priority in determining the best possible execution result in line with this policy.

## 6. EXECUTION FACTORS - PROFESSIONAL CLIENTS

In view of the best execution, BHI Luxembourg will apply the following factors when determining the manner how client's order will be executed. This applies, however, only to orders, having not received any specific instructions from the **Professional Client**:

- Price
- Speed
- Likelihood of execution and/or settlement
- Size -Costs -Nature of the order or
- Any other consideration relevant to the execution of the order

On orders for which we have not received any specific instructions from the client, BHI Luxembourg will determine the relative importance of each factor that will merit a high relative importance in obtaining the best possible result. However, please note that in some circumstances for some clients, orders, financial instruments or markets, other execution factors may be im-

portant and thus, BHI Luxembourg may decide at its own discretion the priority in determining the best possible execution result in line with this policy.

## 7. METHODS OF EXECUTION

Subject to any specific instructions received by the client, BHI Luxembourg will execute the orders directly or via third party participants having entered into an agreement for handling orders as follows:

- Regulated Markets
- Multilateral Trading Facilities
- Organized Trading Facilities
- Systematic Internalisers
- Liquidity providers (e.g. Market maker and/or Brokers)
- Market Makers for a specific financial instrument
- Non-MiFID Venues (e.g. market places and/or stock exchanges of third countries)

## 8. AGGREGATION OF ORDERS

BHI Luxembourg has the right of aggregating client orders with orders of other clients, as long as BHI Luxembourg can reasonably assume the aggregation is in the best interest of the client and the following conditions are met:

- The aggregation of orders never works overall to the disadvantage of any client whose order is to be aggregated
- A disclosure is done to each client whose order is to be aggregated specifying that the effect of allocation may work to its disadvantage in relation to a particular order
- The aggregation is in line with the order allocation policy and provides a fair allocation of aggregated orders and transactions taking into consideration the volume and price of orders in order to determine the allocations or partial executions.

## 9. MONITORING

BHI Luxembourg monitors on a regular basis the effectiveness of the policy and where appropriate, corrects any deficiencies. Where transactions are over-the-counter, BHI Luxembourg will check the fairness of the price offered. As a general

principle, the quality of execution will be based on the factors mentioned previously.

### 10. REVIEW

BHI Luxembourg reviews annually the MiFID II Best Execution Policy as well as its execution arrangements. A review is also carried out whenever a material change occurs that affects BHI Luxembourg's best ability to continue to obtain the best possible result for their clients.

**ANNEX I – LIST OF VENUES, LIQUIDITY PROVIDERS AND BROKERS**

Venues may be accessed directly or via 3<sup>rd</sup> party liquidity provider, market maker and/or brokers.

This list of venues is not exhaustive; the list is continuously reviewed and updated in accordance with the BHI Luxembourg Best Execution Policy. Where appropriate, BHI Luxembourg may use additional venues in accordance with its Best Execution Policy.

- Exchange Trade Funds (ETFs) are executed in a similar manner to Equities
- Structured Products will be executed with the issuer of the product. Not all issuers, hence counterparties, are listed below.
- The location of execution can differ from the Head Office Location due to the counterparty's corporate organization i.e. the equity trading division may not be located in the location of the counterparty's Head Office.

B=Bonds  
E=Equities, ETF, ETN  
F=Funds  
O=Options, Derivatives  
SP=Structured Products  
PM = Precious Metals

**A. VENUES**

Venue	Country	Financial Instrument
Australian Securities Exchange	Australia	E O
Wiener Börse	Austria	E B
EUREX	Austria	O
Euronext Brussels	Belgium	B E O
EUREX	Belgium	O
Toronto Stock Exchange	Canada	E
TSX Venture Exchange	Canada	E
Montreal Exchange	Canada	O
Cyprus Stock Exchange	Cyprus	E
Prague Stock Exchange	Czech Republic	E
NASDAQ OMX Nordic Exchange - Copenhagen	Denmark	E
Nasdaq OMX	Denmark	O
NASDAQ OMX Nordic Exchange - Helsinki	Finland	E
Euronext Paris	France	B E O
EUREX	France	O
Börse Berlin	Germany	B E
Börse Frankfurt	Germany	E
Börse Frankfurt Zertifikate AG	Germany	SP
Börse Stuttgart	Germany	E
Börse Stuttgart Euwax	Germany	SP
Börse Düsseldorf	Germany	B E
Börse Hamburg	Germany	B E
Börse Hannover	Germany	B E
Börse Frankfurt	Germany	B
Börse München	Germany	B E
Börse Stuttgart	Germany	B
Deutsche Börse Xetra	Germany	B
EUREX	Germany	O
Athens Exchange	Greece	E
Stock Exchange of Hong Kong	Hong Kong	E
Budapest Stock Exchange	Hungary	E

Venue	Country	Financial Instrument
Indonesia Stock Exchange	Indonesia	E
Irish Stock Exchange	Ireland	E
Tel Aviv Stock Exchange	Israel	E
Borsa Italiana	Italy	E O
Borsa Italiana (MOT/EuroMOT/ExtraMOT)	Italy	B
EuroTLX	Italy	B
EUREX	Italy	O
Nagoya Stock Exchange	Japan	E
Tokyo Stock Exchange	Japan	E
Osaka Securities Exchange	Japan	O
Bourse de Luxembourg	Luxembourg	E
Bursa Malaysia	Malaysia	E
Bolsa Mexicana de Valores	Mexico	E
Chi-X	MTF	E
Turquoise	MTF	E
Bloomberg MTF	MTF	B
Euronext Amsterdam	Netherlands	B E O
EUREX	Netherlands	O
New Zealand Stock Market	New Zealand	E
Oslo Bors	Norway	E O
The Philippine Stock Exchange	Philippines	E
Euronext Lisbon	Portugal	E O
EUREX	Russia	O
Singapore Exchange	Singapore	E
Bolsa de Madrid	Spain	E O
UREX	Spain	O
NASDAQ OMX Nordic Exchange - Stockholm	Sweden	E
Nasdaq OMX	Sweden	O
BX Berne eXchange	Switzerland	E
SIX Structured Products Switzerland	Switzerland	SP
SIX Swiss Exchange	Switzerland	B E
EUREX	Switzerland	O
The Stock Exchange of Thailand	Thailand	E
Borsa Istanbul	Turkey	E
London Stock Exchange	United Kingdom	E O
ICE Futures	United Kingdom	O
NASDAQ	United States	E
NYSE - New York Stock Exchange	United States	E
NYSE MKT	United States	E
NYSE Arca	United States	E
OTC Bulletin Board	United States	E
AMEX	USA	O
ARCA	USA	O
BATS	USA	O

Venue	Country	Financial Instrument
BOX	USA	O
BX	USA	O
CBOE	USA	O
CME	USA	O
CS	USA	O
EDGX	USA	O
ISE	USA	O
ISE Gemini	USA	O
ISE Mercury	USA	O
MIAX	USA	O
Nasdaq OMX	USA	O
NYSE	USA	O
PHLX	USA	O

## B. LIQUIDITY PROVIDER, MARKET MAKER AND BROKER

Counterparty	Country	Financial Instrument
ANZ Banking Group	Australia	B
Banco Itau Europe S.A.	Brazil	B SP
Banco Votorantim S.A. Sao Paulo	Brazil	B SP
GMP Securities USA	Canada	B
Royal Bank of Canada, Toronto	Canada	B F
RBC Europe Ltd. London	Canada	E B SP
Scotiabank Europe Plc, London	Canada	B B
Toronto Dominion Bank, Toronto	Canada	B SP
Exane BNP Paribas, Paris	France	E SP
BNP Paribas, Paris	France	B E O
Calyon, Paris (Credit Agricole SA)	France	B SP
Natixis Banques Populaires	France	B E
Societe Generale, Paris	France	B E
Tradition Securities & Futures, Paris	France	B SP
Commerzbank, Frankfurt	Germany	B E SP
Deutsche Bank, Frankfurt	Germany	B E F O SP
ING, Amsterdam	Holland	B SP
Rabobank, Utrecht	Holland	B O SP
Camalia Capital Markets Ltd., Tel Aviv	Israel	E B SP
Hapoalim Tel Aviv	Israel	E F
Magna Asset Management, Tel Aviv	Israel	B SP
Leader Capital Markets, Tel Aviv	Israel	B SP
Unicredit Bank AG (former HVB)	Italy	B
Mizuho Intl. Plc	Japan	B
Nomura, Tokyo	Japan	E B
Hapoalim, Luxembourg	Luxembourg	F FRN
Kredietbank Luxembourg, Luxembourg	Luxembourg	B F

Counterparty	Country	Financial Instrument				
Banif, Lisbon - Banco de Investimento	Portugal	B				
VTB Capital Plc., London	Russia	B				
Standard Bank Plc, London	South Africa	B				
BCP Securities, Europe, Madrid.	Spain	B				
Banco Santander, S.A., Madrid	Spain	B				
Erik Penser Fondkommission AB, Stockholm	Sweden	E	B			
Basler Kantonalbank, Basel	Switzerland	B	SP			
Credit Suisse, Zurich	Switzerland	B	E	F	O	SP
Julius Bär & Co, Zürich	Switzerland	B	E	O		
Rahn & Bodmer, Zurich	Switzerland	B	E			
UBS, Zurich	Switzerland	B	E	F	O	SP
Valcourt SA. Geneva	Switzerland	B				
Bank Vontobel, Zürich	Switzerland	B	E	SP		
ZKB, Zurich	Switzerland	B	E	O		
Bank Pozitif, Istanbul	Turkey	B	E			
Garanti Bank Int., N.V., Amsterdam	Turkey	B				
Barclays, London	UK	B	E	SP		
Bridport, Jersey	UK	B				
Daiwa Capital Markets Europe Ltd	UK	B				
HSBC, London	UK	E				
Incapital, London	UK	B	SP			
Instinet Europe Ltd., London	UK	E				
Knight Equity Markets Int. Ltd.	UK	E				
Pershing, London	UK	B	SP			
Royal Bank of Scotland, Edinburgh	UK	B	SP			
Tullet Prebon (Securities) Ltd., London	UK	B				
Bank of New York, New York	USA	E				
Citi Group New York, (Incl Salomon Smith Barney)	USA	B	E	SP		
Goldman Sachs, New York	USA	B	E	SP		
Hapoalim Securities USA, New York	USA	B	E	SP		
Hapoalim, New York	USA	B	F	SP		
IPG, La Jolla, CA.	USA	B	SP			
Jefferies & Co., Inc.	USA	B	SP			
J.P. Morgan Chase, New York	USA	B	F	SP		
Merrill Lynch, New York	USA	B	SP			
Morgan Stanley Dean Witter, New York	USA	B	SP			
Raymond James Investment Services	USA	B	SP			
Societe Generale CIB - SG Americas Sec	USA	B	B			
Wells Fargo Securities Intl.	USA	B	E	O		
Bank of Bermuda	Bermuda	F				
Bank of Bermuda	Ireland	F				
Bank of Bermuda	Luxembourg	F				
BISYS Dublin (Janus Europe)	Ireland	F				
CIBC	Toronto	F				
Citco Banking	Curaçao	F				



## Luxembourg Branch

Counterparty	Country	Financial Instrument
Custom House	Ireland	F
Int. Fund Administration	Bermuda	F
Janus	Denver	F
Kensington Global Fund	Bermuda	F
FUNDESETTLE	Brussels	F
SIS	Switzerland	F
CITCO	Dublin	F