



A Franklin Templeton Company

## Best Execution Policies and Procedures

Effective as of November 3, 2025

These policies and procedures are intended to document how ClearBridge, as a global business, meets its duty to obtain “best execution” for clients. ClearBridge has the responsibility for overseeing the monitoring, evaluation and achievement of best execution, and may make use of the mechanisms set forth below, as deemed appropriate.

It is ClearBridge’s policy is to seek best execution when executing transactions on behalf of our clients. Best execution consists of obtaining the most favorable result, considering the full range of services provided, within the current parameters of the market. In order to fulfill this fiduciary obligation, ClearBridge generally executes transactions so that the client’s total cost is the most favorable under the circumstances.

The attached country-specific Appendices apply in respect of order and execution activity undertaken on behalf of each ClearBridge Investment business.

## APPENDIX A

### ClearBridge Investments, LLC

#### Best Execution

This section outlines specific policies and procedures for achieving best execution on behalf of clients.

##### 1) Factors Considered

The factors below should be considered in obtaining the most favorable result, considering the full range of services provided, within the current parameters of the market. Best execution is not necessarily measured by the circumstances surrounding a single transaction but may be measured over time through several transactions.

The primary best execution factors to be considered include, but are not limited to, the following:

- The reliability of the counterparty
- The availability of capital commitment
- Proprietary research received from the counterparty
- Third party research and other research and brokerage services received through the counterparty
- The price level
- The commission, mark-up or spread level
- The quality of execution
- The promptness of execution
- The ability to execute the full-size of the trade
- The nature and difficulty of the trade
- Any direction to the trader (directed by the client)
- Confidentiality
- Specialized Expertise

Best execution is therefore not purely a function of price and commission level, but represents the best qualitative execution under the circumstances.

##### 2) Processes To Achieve Best Execution

The broker/dealers selected to receive compensation through ClearBridge's clients' commissions are initially determined through a "broker vote" of the portfolio managers and analysts. The vote, which occurs twice yearly, "budgets" the anticipated available brokerage and is based on the portfolio managers' and analysts' assessment of the value of the broker/dealers' research and other services provided to ClearBridge. The broker vote's methodology is overseen by ClearBridge's Brokerage Committee.

For fixed income trades, generally, a selected pool of broker/dealers are engaged in bid/offer negotiations.

The following factors are considered by the Trading Desk in determining which broker/dealer will be selected for a specific order.

- **Reliability of Counterparty**  
 Executions are limited to a universe of selected counterparties. The Head of Trading, assisted by Risk Management, performs daily monitoring reviews of such selected counterparties. Exceptions may be granted for reasons including, but not limited to, a broker whose services are typically required for syndicate and client directed transactions.
- **Alternative Execution Services**  
 ClearBridge assesses the value of anonymity, liquidity, price improvement and lower commission rates using alternative execution venues such as ECN's, Crossing Networks, Direct Market Access, Algorithmic Trading and Program Trading.
- **Capital Commitment Trades**  
 Capital commitment trades involve relationships with broker/dealers to commit capital on our clients' behalf.
- **Price Level**  
 ClearBridge seeks to achieve the most favorable price under the circumstances on each transaction.
- **Commission, Mark-Up or Spread Level**  
 ClearBridge seeks a commission, mark-up or spread level that is consistent with the rates achieved on average by other institutions of its size for similar transactions.
- **Quality of Execution**  
 ClearBridge seeks a high quality of execution, and will consider (as applicable) such factors as a broker/dealer's ability to provide prompt execution and to execute the full size of the trade, each in the context of the nature and difficulty of the trade.
- **Directed Trading and Commission Recapture**  
 ClearBridge limits directed trading and commission recapture arrangements to client-requested situations that have been reviewed by Compliance and that can be reasonably met.

### 3) Monitoring and Documentation of Best Execution

- **Trade Cost Analysis**

Equity trade cost analyses are provided by a third party vendor and reviewed daily by the Head of Trading and quarterly by the Brokerage Committee. The third party vendor is approved by the Brokerage Committee.

- **Third Party and Proprietary Research Received from Counterparty**

The broker vote's methodology is approved by the Brokerage Committee.

- **Commission Levels**

ClearBridge's commissions, mark-up and spread levels shall periodically be compared to other institutions' results as reported in published studies conducted by third parties.

- **Client Directed Trading**

A representative sample of client-directed trades are periodically reviewed to ensure proper authorization.

### 4) Recordkeeping

Best execution analysis, minutes of periodic meetings and other related records must be retained for a period of at least six years, the first two on-site.

## APPENDIX B

### ClearBridge Investment Management Limited

#### ("CIML")

This Appendix B applies in respect of all trades, in all financial instruments, undertaken by ClearBridge's global trading team on behalf of CIML clients. All CIML clients are categorized as Professional Clients, as defined in the UK Financial Conduct Authority (the "**FCA**") Handbook of Rules and Guidance (the "**FCA Handbook**").

CIML is an active equity specialist, crafting high-conviction portfolios for client-focused solutions. It is subject in the UK to the Markets in Financial Instruments Directive (MiFID), implemented in the Financial Conduct Authority's (FCA) Conduct of Business Sourcebook (COBS) chapter 11. There are substantial differences between the UK regulatory regime and the US and Australian regimes with regards to order execution; the two principal differences being the requirement to take 'all sufficient steps' to achieve best execution for clients, and the requirement to separate payments to brokers in respect of investment research and execution services.

The following ClearBridge Investments entities may execute orders on behalf of CIML clients:

CIML, an entity authorised and regulated by the FCA and registered as an investment adviser with the US Securities and Exchange Commission (the "**SEC**"), which performs investment management, trading and other regulated activity in the UK, Australia and the US;

The ClearBridge Australian equities investment team, a division of Franklin Templeton Australia Limited ("FTAL"), responsible for investment management in Australia; and

Clearbridge Investments Limited, an Australian unlisted public company registered in 2006, which employs trading staff who trade on certain CIML accounts.

#### **1) CIML's Best Execution Obligation**

Save as set out below in relation to governance, CIML has adopted the ClearBridge Investments LLC Execution Policy, set out in Appendix A hereto.

#### **MONITORING & GOVERNANCE**

CIML, together with its ClearBridge Investments affiliates, continuously monitors the effectiveness of its execution arrangements and review its execution factors and venues to ensure they remain adequate to deliver the best possible result for its clients.

The CIML Investment Governance Committee is responsible for the oversight of the execution quality obtained by the ClearBridge global trading team with respect to CIML business. The Committee meets regularly and reports to the Investment Governance Committee.

Franklin Templeton's Internal Audit function serves as the third line of defence and provides independent and objective advisory and assurance reviews of governance and risk management programs and associated internal controls in the first and second line.

**REVIEW**

This policy and supporting procedures and arrangements will be reviewed at least annually or more frequently if there is a material change. Clients will be notified promptly of any significant changes to order-execution arrangements or this policy. The CIML execution policy is available on the CIML website.

## APPENDIX C

### FTAL

The ClearBridge Australian equities investment team is a division of Franklin Templeton Australia Limited ("FTAL").

The traders of ClearBridge Investments Limited may also trade on behalf of the ClearBridge Australian equities investment team.

#### 1, **Factors considered**

We consider various execution factors in order to provide the best possible result for our clients on a consistent basis. These factors include, but are not limited to:

- price and costs
- speed, or likely speed, of execution
- information from the market on order flow
- liquidity (including any volume limits recommended by the product manager)
- likelihood of execution
- efficiency of settlement
- size of order
- the nature of the order
- volatility
- the financial status, responsibility and solvency of the counterparty
- any other consideration relevant to the execution of the order.

The relative importance of the execution factors listed above will vary depending upon the following criteria:

- the characteristics of the financial instruments to which the order relates
- the portfolio manager's objectives
- the characteristics of the client, including categorisation
- the characteristics of the execution venues to which the order can be directed.

#### 2. **Broker and Venue selection**

A strict take-on process is adhered to with a full risk analysis undertaken before any new broker is added. All new counterparties are approved by the local Broker Arrangements Committee.

The most appropriate broker and/or venue are considered on an order-by-order basis. No approved broker or venue is an affiliate.

We have established standard execution rates, by country and by trading strategy (high-touch, algorithmic, programme trading or research, with all our brokers. These are maximum rates we pay for agency trades. These are reviewed at least annually and overseen by the local Broker Arrangements Committee (in respect of trading from the Melbourne desk). We reserve the right to negotiate a lower execution rate on any trade where we feel it is reasonably justified and, in the client's, best interests.

In certain circumstances, we may deviate from this policy or its normal processes. Examples of this include:

- Where there are special market circumstances at play. Examples are extreme market volatility, disruptions in order systems, power outages and other emergencies outside of our control.
- Where there is a specific client instruction, we will execute that order following that specific instruction. This may prevent the Trading team from obtaining the best possible results for the execution of that order.

### **3. Monitoring and Documentation of Best Execution**

- **Trade Cost Analysis**

Equity trade cost analyses are provided by a third party vendor and reviewed regularly by the Senior Trader and bi-annually by the local Brokerage Committee.

- **Third Party and Proprietary Research Received from Counterparty**

There is a broker voting methodology in place and this is reviewed by the local Brokerage Committee.

- **Commission Levels**

Commissions shall periodically reviewed and recommended changes are approved by the local Brokerage Committee

