

## Pre-Trade Costs and Charges Disclosure: Cash Equities

Mizuho Securities GmbH (MHEU) is providing this information concerning ex-ante costs and charges which we are required to disclose to our clients under Article 24(4)(c) of Directive 2014/65/EU of MiFID II. This particular disclosure relates to transactions in cash equities that MHEU may deal with you from time to time.

### Transaction Costs

When MHEU deals with clients in shares MHEU typically acts in an agency, riskless principal capacity. MHEU charges its clients a brokerage commission on each transaction, whether MHEU is buying or selling on behalf of the client. On rare occasions MHEU may choose to transact on a principal basis with clients and a dealing commission will still be applied. Such commissions may also be understood as transaction costs incurred by a client as a result of entering into such transactions.

Commission rates vary across markets: developed markets generally attract larger orders, liquidity is higher and orders can be more easily executed so commission is typically lower; whereas in less developed markets orders are generally smaller, markets are less liquid and spreads are wider requiring more order handling so costs of execution can be higher.

Please also note that commission rates are negotiated between MHEU and each individual client and therefore MHEU has the right to charge a different commission to different clients for the same instrument. The amount of commission may vary according to volume of a particular client and order size. In any event, MHEU will ensure that the level of commission is appropriate and fair. Furthermore, all pricing will be offered in accordance with the firm's best execution policy, as applicable.

There may be additional transaction costs incurred by clients when dealing in certain securities or markets. These include stamp duty, exchange fees, financial transaction taxes and levies. These are charged by MHEU to clients and passed on directly to the relevant authority or body which imposes those costs. Such costs may change at any time and without prior notice. MHEU has no discretion in setting these levels and clients are advised to refer to the relevant third party authority or body for information on those additional costs.

All commissions, taxes and fees described above will be identified on the post trade confirmation which MHEU sends to you.

The figure displayed below is the Volume Weighted Average Commission Rate offered by Mizuho International plc (MHI) to its clients over 10 months to 31 October 2018.

Whilst the figure displayed is based on actual historic data, clients may accept this figure as MHEU's current reasonable estimation of the commission rate incurred by you as a client over the near term when transacting with MHEU in securities in the relevant market, or until MHEU notifies you otherwise. It does not estimate the overall transaction costs due to the reasons described above.

<i>Volume weighted average commission rate: 5.82bps</i>
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**Important:** Investors should note that notwithstanding the foregoing paragraphs the figure displayed is not a guarantee of future transaction costs and may be subject to change at any time.

**FX risk:** Investors should be aware that where receipts of asset values are converted into another currency the overall transaction costs are likely to incur additional costs associated with FX conversion. Exchange rates fluctuate and can lead to additional costs for the investor.

MHEU will periodically review this estimation and make adjustments where necessary.

MHEU is providing to you the information herein for illustrative purposes only. This should not be construed as a recommendation, offer to buy or sell a security nor as a solicitation of investment business, and is only provided to you for the purpose of satisfying regulatory disclosure requirements.