Investing in Index ETFs – Compliance-Approved Process Flow

1. CONFIRM ETF INVESTING IS PERMITTED - READ THE PERSONAL TRADING POLICY OR CODE OF CONDUCT[1].

2. IDENTIFY APPROVED BROKERS - REQUEST AN UP-TO-DATE LIST OF COMPLIANT PLATFORMS.

3. OPEN BROKERAGE ACCOUNT - USE ONLY A PRE-APPROVED BROKER.

4. DISCLOSE THE ACCOUNT TO COMPLIANCE - REPORT VIA INTERNAL SYSTEM. INCLUDE JOINT/DISCRETIONARY ACCOUNTS IF RELEVANT[2].

5. AWAIT ACCOUNT APPROVAL - DO NOT TRADE UNTIL CONFIRMED.

6. REQUEST PRE-CLEARANCE FOR ETF TRADE - SUBMIT TICKER, QUANTITY, TRADE TYPE VIA INTERNAL PORTAL.

7. COMPLIANCE REVIEWS THE REQUEST - CHECKS FOR RESTRICTED LIST, BLACKOUT PERIODS, OR SENSITIVE EXPOSURE.

8. RECEIVE APPROVAL TO TRADE - USUALLY VALID FOR 1–3 BUSINESS DAYS.

9. EXECUTE TRADE VIA APPROVED BROKER

   - MUST HAPPEN WITHIN THE PRE-CLEARANCE WINDOW.

10. POST-TRADE MONITORING - AUTOMATIC FEED OR MANUAL SUBMISSION DEPENDING ON BROKER.

11. PERIODIC HOLDINGS DISCLOSURE - QUARTERLY/ANNUAL CERTIFICATIONS AND UPDATES.

12. LIFE EVENTS OR ROLE CHANGES - NOTIFY IF YOU GAIN ACCESS TO MNPI, CHANGE ROLE, OR MARRY.

13. EXIT OR DIVEST (IF APPLICABLE) - DISCLOSE HOLDINGS UPON LEAVING OR IF ACCOUNT VIOLATES POLICY.

1. Open-ended funds are also permitted because they price at end of day.
2. Some firms may require accounts of all persons living in a household OR persons who are financially dependant on you. Check requirements carefully.

See pg 2 for Exceptions and off-path scenarios

Exceptions and Conditional Paths - What to Do

WHAT HAPPENS IF YOUR BROKER IS NOT APPROVED?

✅ Yes → Continue to account disclosure
❌ No →

- → Submit Exception Request to Compliance
- → Explain why the broker is required (e.g., international residency)
- → Provide monthly reports manually

WHAT IF YOU ALREADY HAVE AN ACTIVE BROKERAGE ACCOUNT?

✅ Yes →

- → Request Compliance to review and approve it
- → Transfer assets if needed to approved broker

❌ No → Open new account with approved broker

DO YOU SHARE CONTROL OF A SPOUSE'S ACCOUNT?

✅ Yes → Must report it and follow all standard steps
❌ No →

- → Submit Non-Control Declaration to Compliance
- → May ring-fence the account if no influence

USING A DISCRETIONARY PORTFOLIO MANAGER?

✅ Yes →

- → Submit proof of discretionary mandate
- → May be exempt from pre-clearance

❌ No → Follow full pre-trade clearance route

WHAT IF YOUR TRADE IS DENIED BY COMPLIANCE?

❌ If denied:

- → Note you may not get a reason for rejection, if it's MPNI.
- → Focus on securities that fit your investment objectives.

5 TIPS:

1. These rules apply at most regulated banks, broker dealers, investment advisors, and large consultancies.
2. Trading restrictions are generally based on your role, access to confidential data, and potential conflicts of interest.
3. Policy becomes extra important around earnings season, M&A cycles, or reg events. Some firms prohibit trading in ETFs that are not broad-based (i.e. >20 securities).
4. Assume ETFs can still be restricted - even passive ones.
5. Manual exceptions are based on facts and circumstances.