

Foreign Exchange Order Disclosure

PNC offers several order types that allow clients to establish instructions for the execution of foreign exchange ("FX") transactions under specified conditions. This disclosure is intended to help clients understand the available order types, how they operate, and the risks associated with their use.

Types of FX Orders

Resting Orders

A resting order is an instruction to execute an FX transaction when the market reaches a specified exchange rate that differs from the prevailing market rate at the time the order is entered. Resting orders are commonly used to target a desired exchange rate or to manage market risk.

Fixing Orders

A fixing order is an instruction to execute an FX transaction at an exchange rate published at a specified time by a designated benchmark or fixing source. Fixing orders are commonly used when clients seek an automated and standardized execution methodology tied to a market benchmark.

Algorithmic Orders

An algorithmic ("Algo") order uses a pre-defined strategy to execute an FX transaction over time or according to specified market conditions. Algorithmic strategies are designed to pursue execution objectives such as reducing market impact, managing execution risk, or targeting specific market conditions. Available strategies may include, but are not limited to, Passive/Adaptive orders (strategy name is Chameleon) Aggressive/Adaptive order (strategy name is Viper), Paced Passive/Dynamic Speed orders (strategy name is Iguana), and Time-Weighted Average Price orders ("TWAP").

Algorithmic strategies operate differently from traditional resting or fixing orders. Execution results may vary based on market conditions, liquidity, volatility, and the specific strategy selected.

Available Order Types

Limit Order

A limit order is entered at an exchange rate more favorable than the current market rate.

- Buy orders are placed below the current market rate.
- Sell orders are placed above the current market rate.

Limit orders are typically used to take advantage of favorable market movements.

Stop Order

A stop order is entered at an exchange rate less favorable than the current market rate.

- Buy orders are placed above the current market rate.
- Sell orders are placed below the current market rate.

Stop orders are typically used to limit potential losses and reduce exposure to unfavorable market movements.

One-Cancels-the-Other (OCO) Order

An OCO order combines a limit order and a stop order. If one component of the order is executed, the other component is automatically canceled.

Call Level

A call level is an instruction to notify the client when a specified exchange rate is reached. A call level does not result in automatic trade execution.

Fixing Order

A fixing order executes at the exchange rate published by the designated fixing source at the specified fixing time.

Algorithmic Strategy Order

An algorithmic strategy order executes according to the parameters of a selected algorithmic trading strategy. Depending on the strategy utilized, execution may occur in a series of transactions over a specified period rather than as a single execution at one exchange rate.

Order Duration Instructions

Good Until Date (GTD)

The order remains active until:

- The order is executed; or
- The specified expiration date and time are reached; or
- The client instructs PNC to cancel the order.

Good Until Cancelled (GTC)

The order remains active until:

- The order is executed; or
- The client instructs PNC to cancel the order.

Important Risks and Considerations

All FX orders, including resting orders, fixing orders, and algorithmic orders, are subject to market conditions and execution risks.

- Market conditions may prevent an order from being executed.
- Rapid market movements, limited liquidity, market disruptions, or periods of heightened volatility may affect whether and how an order is executed.
- An order may be executed at a rate different from the specified order level due to market conditions, available liquidity, or market gaps.
- Algorithmic orders may execute in multiple transactions and may not achieve a specific exchange rate, benchmark, or execution outcome.
- Past performance of an algorithmic strategy is not indicative of future results.

PNC will use commercially reasonable efforts and act in good faith in seeking to execute client orders. However, all orders are accepted and executed on a best-efforts basis, and PNC does not guarantee execution at any specified exchange rate, benchmark rate, execution size, or execution time. This is especially true of orders executed during periods of heightened volatility.

Client Acknowledgement

By placing an FX order with PNC, the client acknowledges and agrees that:

- Execution is subject to prevailing market conditions and available liquidity. If PNC is unable to fill an order at the requested exchange rate, then PNC will fill the order at the first available exchange rate.
- PNC does not guarantee that an order will be executed or that an execution outcome will be achieved.
- PNC makes no representations, warranties or guarantees with respect to any algorithmic strategy.
- If an order is executed, the client is obligated to settle the resulting transaction at the executed exchange rate and pursuant to the agreed transaction terms.

Questions: For questions regarding FX orders or available execution strategies, please contact your PNC FX sales representative.