



Large Trade Disclosure Supplement

General

This Large Trade Disclosure Supplement (the “Supplement”) is complementary to the large transactions and pre-hedging disclosures contained in Westpac’s Global Order Execution Disclosure document (the “[Disclosure](#)”). The provisions within this Supplement are intended to provide additional guidance and clarification regarding Westpac’s large trade and pre-hedging practices and should be read in conjunction with the conflict of interest, order handling and pre-hedging sections within the Disclosure.

The Supplement is based on industry standards published by the Financial Markets Standards Board (FMSB) (in particular concerning [large trades](#)). In the unlikely event of an inconsistency between this Supplement, the Disclosure and the FMSB standards, the provisions of this Supplement shall take precedence.

We aim to offer you fair and competitive pricing and our pricing is provided on the basis that we are able to pre-hedge, unless expressly agreed otherwise.

In the event you choose to proceed with a transaction, unless expressly agreed with us otherwise, you will be deemed to have read and acknowledged this Supplement and therefore consented to our pre-hedging activity. If you do not agree to the Supplement’s disclosures, or if you would like to discuss or seek further clarification, then please advise us.

Large Trades

A large trade is a transaction or set of transactions, which is, or together are, substantially larger than the observed liquidity in the relevant product market around the time of execution, and which could be reasonably expected to have a material impact on prices in the market or related markets. This is a relative, rather than absolute, concept and will generally be based on an assessment of liquidity and volatility measures.

If you contemplate executing a large transaction with us, then you should:

- (a) discuss your preferred execution strategy with us, so as to minimise the potential market impact of the transaction, which may involve managing the transaction in smaller

parcels, considering the timing of the transaction or pre-hedging (see below);

- (b) consider the management of confidential information, including when providing the information to other market participants (as this may impact the market, and consequently your price) and to us (you should discuss the transactions with a sales representative rather than traders); and
- (c) consider management of unexpected market events or impacts, including any criteria that would prompt a discussion with us on modifying the execution strategy, changing the management of information or terminating the transaction.

Pre-hedging

Pre-hedging is the management of the risk associated with one or more anticipated client trades. We may undertake pre-hedging where we legitimately expect to take on market risk in circumstances where we do not have an irrevocable instruction from the client.

We are committed to conducting pre-hedging activities in a manner that aligns with our core principles to ensure transparency, fairness and the integrity of the market.

As a result, any pre-hedging activities are undertaken in line with the following principles:

- (a) **Market Risk:** The primary purpose of pre-hedging is to manage and mitigate market risk associated with anticipated client transactions, including minimising any potential market impact. By undertaking pre-hedging, we aim to address the client interests described below, while maintaining market stability;
- (b) **Size:** Pre-hedging activity is conducted in a manner that is reasonable and proportionate to the size and nature of the anticipated transaction, taking into account prevailing market conditions (such as liquidity). We assess transactions to ensure that pre-hedging actions do not exceed what is necessary to manage the associated market risk;
- (c) **Client Interests:** Pre-hedging activities are intended to benefit you by providing you with a tighter spread-to-mid with the aim of achieving a more favourable “all-in” execution price and mitigating potential adverse effects of

market volatility. However, it is important to understand that while our pre-hedging efforts are intended with these aims in mind, they may not always result in a favourable price, as can be the case in certain illiquid markets or during illiquid periods, and should not be taken as any type of guarantee of achieving a more favourable price;

- (d) **Transparency:** We are committed to transparency in our pre-hedging practices. This Supplement is part of our effort to keep you informed and to ensure that you understand the principles of pre-hedging; and
- (e) **Timing:** Any pre-hedging will be initiated prior to actual execution of the transaction. The timing of pre-hedging activities is influenced by a variety of factors such as assessment of market depth, liquidity and volatility associated with a specific transaction. As an example, pre-hedging can take place over:
 - i) any time period that is pre-agreed with you; or
 - ii) our assessment of a reasonable time period to execute the transaction.

Our pre-hedging assessment and execution approach may vary depending on market conditions and the specific risks in your underlying transactions as a whole, not just the portion that we will be executing.

If you do not want us to engage in pre-hedging on your anticipated transaction (which may impact pricing), only permit pre-hedging on certain conditions or would like to understand these practices in more detail, then please contact one of our sales representatives who can provide the required information or alternatively arrange a call with you at your request.

Internal Information Sharing

In circumstances where a transaction is considered to contain non-public price sensitive information, we have procedures around managing the information flow on such transactions, including establishing information barriers with trading and enhanced monitoring of trading activity.

If you would like further information or would like to discuss the management of information relating to your transaction, then please contact one of our sales representatives.