

Auction Overview

Overview

The auction determines a single final clearing price by evaluating the buy and sell interest available at each eligible price level and selecting the price that produces the greatest total dollar value of matched orders. **Orders priced at the final clearing price, or at a price more aggressive than the final clearing price, are eligible to participate in the auction and will be given priority in the final matching.** For buyers, a more aggressive order is one submitted at a higher price; for sellers, it is one submitted at a lower price. Among eligible orders, more aggressively priced orders receive matching priority, followed by order size and then submission time. All participating orders execute at the same final clearing price, regardless of the price level at which they were originally entered.

For example, assume NAV is **\$10.00** and the auction is considering **\$9.00 (90% of NAV)** and **\$9.50 (95% of NAV)**. There are buy orders for 1,000 shares at \$9.50 and 2,000 shares at \$9.00, and sell orders for 1,500 shares at \$9.00 and 1,000 shares at \$9.50. At \$9.00, 1,500 shares can match for **\$13,500 of notional**, while at \$9.50 only 1,000 shares can match for **\$9,500 of notional**. The auction therefore clears at **\$9.00**. Both buy orders are eligible because they are priced at or more aggressively than the final price, but the **\$9.50 buy order is more aggressive and will receive matching priority before the \$9.00 buy order**. The \$9.00 sell order is also eligible because it is priced at the final price, while the \$9.50 sell order is not aggressive enough to participate at a \$9.00 clearing price. All matched orders execute at **\$9.00**, and orders that do not participate in the auction are **cancelled**.

Illustrative Auction Example

NAV = \$10.00

The auction evaluates each eligible price level and selects the price that produces the greatest total dollar value of **matched orders**.

BUY ORDERS				PRICE LEVEL (\$)	SELL ORDERS				SHARES MATCHED (at this price)
Price (% of NAV)	Price (\$)	Shares	Notional (\$)		Price (\$)	Price (% of NAV)	Shares	Notional (\$)	
9.50 (95%)	\$9.50	1,000	\$9,500	\$9.50	\$9.50	95%	1,000	\$9,500	1,000
Executable at \$9.50:		1,000 shares	\$9,500		Executable at \$9.50:		1,000 shares	\$9,500	1,000 shares (\$9,500)
FINAL CLEARING PRICE	9.00 (90%)	\$9.00	2,000	\$9.00 FINAL PRICE	\$9.00	90%	1,500	\$13,500	1,500
Executable at \$9.00:		3,000 shares	\$27,000		Executable at \$9.00:		1,500 shares	\$13,500	1,500 shares (\$13,500)

WHY \$9.00 WAS SELECTED

At \$9.00, 1,500 shares can match for \$13,500 of notional, while at \$9.50 only 1,000 shares can match for \$9,500 of notional.

The price that results in the greatest total dollar value of matched orders is \$9.00.



ELIGIBLE TO PARTICIPATE

Orders priced at the final price (at) or more aggressive than the final price are eligible.

- **Buyers:** higher price = more aggressive
- **Sellers:** lower price = more aggressive



NOT ELIGIBLE – WILL BE CANCELLED

Orders not priced at or more aggressive than the final price do not participate.

- **Example:** The sell order at \$9.50 (95% of NAV) is not willing to sell at \$9.00 and will be cancelled.



All participating orders execute at the final clearing price of \$9.00, regardless of the price they were entered.

MATCH PRIORITY: Price aggressiveness → Order size → Time of submission

Note: This example is for illustrative purposes only.