

# **INFORMATION ON THE TOP FIVE EXECUTION VENUES AND QUALITY OF EXECUTION**

**Report for the Year 2018**

PUBLISHED PURSUANT TO ARTICLE 27(6) OF DIRECTIVE 2014/65/EU ('MIFID II') AND ARTICLE 3 OF COMMISSION DELEGATED REGULATION (EU) 2017/576 ('DELEGATED REGULATION')



## INFORMATION ON THE TOP FIVE EXECUTION VENUES



Throughout this report, references to “IFL”, “we”, “our” and “us” mean INTL FCStone Ltd.

### 1. Purpose of Report

Under Article 27(6) of MiFID II and Article 3 of the Delegated Regulation, IFL is required to make public on a yearly basis information on top five execution venues where it has executed client orders in the preceding year and on the quality of its execution.

In this report, we publish, for each class of financial instruments, the information on the top five execution venues (in terms of volumes) where we have executed client orders, received and transmitted client orders and on the quality of execution obtained; during the calendar year of 2018. The report is an annex to our order execution policy. It must therefore be read in conjunction with the ‘Information on Order Execution Policy’ available on our website.

### 2. Scope and Categorisations

The report covers the information on the top five execution venues and quality of execution relating to the classes of financial instruments disclosed in the Schedule below.

We do not offer our services to retail clients. Our clients are categorised as either professional clients or eligible counterparties. As such, the information on top five execution venues (in the Schedule below) has been compiled and published in accordance with the prescribed format, as set out in Annex II of the Delegated Regulation and accounts for executions with clients owed best execution, as per Question 12 of the European Securities and Markets Authority’s (ESMA) Questions and Answers on MiFID II and MIFIR investor protection and intermediaries topics.

The majority of our clients’ orders has been categorised as ‘Directed Orders’, because such orders relate to specific execution venues specified by the clients prior to the execution.



### 3. Analysis and Conclusions

#### 3.1 TOP FIVE EXECUTION VENUES

Along with being a member of various regulated markets and exchanges globally, IFL has access to a range of other execution venues (including multilateral trading facilities, systematic internalisers, market makers and other liquidity providers) for the execution of client orders. The information on the top five execution venues, for each class of financial instruments, is set out in the Schedule below.

#### 3.2 CLASSES OF FINANCIAL INSTRUMENTS

In 2018, our client orders related to transactions in the following classes of financial instruments: commodities derivatives and emissions allowances derivatives, interest rates derivatives, equity derivatives, and currency derivatives. For each of these classes of financial instruments, we set out below a summary of our analysis and conclusions drawn from our monitoring of the quality of execution obtained.

#### 3.3 RELATIVE SIGNIFICANCE OF EXECUTION FACTORS

In seeking to achieve the best result for clients in 2018, IFL has considered, for each class of financial instruments, the following execution factors when selecting a trading venue: available price in the market; transaction costs (including commission and execution, clearing and settlement costs); speed of execution; likelihood of execution and settlement; as well as the size and nature of the transaction. To determine the relative significance of these execution factors, IFL has considered the following criteria:

- characteristics of the client (i.e. whether the client is a professional client or an eligible counterparty);
- characteristics of the client orders (e.g. directed orders, limit orders, or stop-loss orders);
- characteristics of the financial instrument; and
- characteristics of the execution venues to which the orders have been directed.

#### 3.4 NO CLOSE LINKS, CONFLICTS OF INTEREST, OR COMMON OWNERSHIP WITH RESPECT TO EXTERNAL EXECUTION VENUES

IFL does not have any close links, conflicts of interest or common ownership with respect to any external execution venues. While IFL has also executed client orders with other entities within FCStone Group, such group entities are treated by IFL as counterparties and therefore we would not consider transactions

with the group entities as an internal execution. Orders placed for execution (as regards any classes of financial instruments) with these group entities were executed in accordance with our Order Execution Policy and Conflicts of Interest Policy.

### **3.5 NO SPECIFIC ARRANGEMENTS WITH EXECUTION VENUES**

IFL is prohibited, respectively under its Order Execution Policy and Conflicts of Interest Policy, from receiving any remuneration, discount or non-monetary benefit as an inducement for routing orders to a particular execution venue. Any such arrangements would give rise to conflicts of interest and would undermine IFL's ability to achieve the most favourable terms for the client. IFL is committed to taking sufficient steps to manage any conflicts of interest and to obtain the best results for clients. IFL is currently reviewing its arrangements with Execution venues to ensure compliance with these policies.

### **3.6 LIST OF EXECUTION VENUES**

Other than amendments to the regulatory status of certain execution venues (in light of MiFID II), there have been no factors that led to changes to the list of execution venues (in respect of any classes of financial instruments) in our Order Execution Policy. For more information, please refer to our Order Execution Policy.

### **3.7 ORDER EXECUTION: CLIENT CATEGORISATION**

We are under no obligation to comply with the requirements of best execution, where clients have agreed to be categorised as an eligible counterparty. However, whilst our Order Execution Policy only applies to professional clients, we have used our best endeavours to obtain the best result for both professional clients and eligible counterparties, taking into account the relative significance of the execution factors (discussed at 3.3 above). IFL does not deal with retail clients.

### **3.8 MONITORING TOOLS: QUALITY OF EXECUTION**

We have put in place arrangements to monitor the effectiveness of our Order Execution Policy and, where appropriate, to correct any deficiencies. These arrangements are currently manual in nature. However, we are looking to automate this in the future.

If you have any enquiries or would like further information on our Order Execution Policy, please contact us. Our contact details are:

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Moor House, 120 London Wall, London EC2Y 5ET, United Kingdom  
Tel: +44 (0) 20 35806300

**SCHEDULE**

Class of Instrument	Commodities derivatives and emissions allowances derivatives Futures (January - December 2018)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class*	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders**
ICE FUTURES EUROPE - AGRICULTURAL PRODUCTS DIVISION, IFLX	38	35	Not Available	Not Available	100
ICE FUTURES EUROPE, IFEU	34	54	Not Available	Not Available	100
EURONEXT PARIS MATIF, XMAT	27	9	Not Available	Not Available	100
LONDON METAL EXCHANGE, XLME	1	0	Not Available	Not Available	100
EUROPEAN ENERGY EXCHANGE - REGULATED MARKET, XEER	1	1	Not Available	Not Available	100

\* Volumes calculations are based on the number of lots traded.

\*\* The orders are classified as ‘directed orders’ because each of such orders relates to a specific execution venue specified by the client prior to the execution of the order.

**RECEIVER/TRANSMITTER**

Class of Instrument	Commodities derivatives and emissions allowances derivatives Futures (January – December 2018)	
Notification if <1 average trade per business day in the previous year	N	
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class*	Proportion of orders executed as percentage of total in that class
INTL FCStone Financial Inc. - 549300LNKU6K5TJCRG93	100	100

Execution on the following markets – ICE FUTURES US (IFUS), CHICAGO BOARD OF TRADE (XCBT), COMMODITIES EXCHANGE CENTRE (XCEC), SINGAPORE COMMODITY EXCHANGE (XSCE) and NEW YORK MERCANTILE EXCHANGE (XNYM)

Class of Instrument	Commodities derivatives and emissions allowances derivatives Options (January - December 2018)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class*	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders**
ICE FUTURES EUROPE - AGRICULTURAL PRODUCTS DIVISION, IFLX	46	57	Not Available	Not Available	100
EURONEXT PARIS MATIF, XMAT	44	23	Not Available	Not Available	100
ICE FUTURES EUROPE, IFEU	10	20	Not Available	Not Available	100

\* Volumes calculations are based on the number of lots traded.

\*\* The orders are classified as 'directed orders' because each of such orders relates to a specific execution venue specified by the client prior to the execution of the order.



**RECEIVER/TRANSMITTER**

Class of Instrument	Commodities derivatives and emissions allowances derivatives Options (January – December 2018)	
Notification if <1 average trade per business day in the previous year	N	
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class*	Proportion of orders executed as percentage of total in that class
INTL FCStone Financial Inc. - 549300LNKU6K5TJCRG93	100	100

Execution on the following markets - ICE FUTURES U.S (IFUS), CHICAGO BOARD OF TRADE (XCBT), NEW YORK MERCANTILE EXCHANGE (XNYM), COMMODITIES EXCHANGE CENTRE (XCEC) and CHICAGO MERCANTILE EXCHANGE (XCME)

Class of Instrument	Interest Rates derivatives Futures 2018 (January - December 2018)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class*	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders**
EUREX DEUTSCHLAND, XEUR	84	86	Not Available	Not Available	100
ICE FUTURES EUROPE - FINANCIAL PRODUCTS DIVISION, IFLL	16	14	Not Available	Not Available	100

\* Volumes calculations are based on the number of lots traded.

\*\* The orders are classified as 'directed orders' because each of such orders relates to a specific execution venue specified by the client prior to the execution of the order.

**RECEIVER/TRANSMITTER**

Class of Instrument	Interest Rates derivatives Futures 2018 (January - December 2018)	
Notification if <1 average trade per business day in the previous year	N	
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class*	Proportion of orders executed as percentage of total in that class
INTL FCStone Financial Inc. - 549300LNKU6K5TJCRG93	100	100

Execution on the following markets - CHICAGO BOARD OF TRADE (XCBT)

Class of Instrument	Equity derivatives Futures (January - December 2018)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class*	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders**
EUREX DEUTSCHLAND, XEUR	74	59	Not Available	Not Available	100
ICE FUTURES EUROPE - FINANCIAL PRODUCTS DIVISION, IFLL	26	35	Not Available	Not Available	100
EURONEXT PARIS MONEP, XMON	0	6	Not Available	Not Available	100

\* Volumes calculations are based on the number of lots traded.

\*\* The orders are classified as 'directed orders' because each of such orders relates to a specific execution venue specified by the client prior to the execution of the order.

**RECEIVER/TRANSMITTER**

Class of Instrument	Equity derivatives Futures (January - December 2018)	
Notification if <1 average trade per business day in the previous year	N	
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class*	Proportion of orders executed as percentage of total in that class
INTL FCStone Financial Inc. - 549300LNKU6K5TJCRG93	100	100

Execution on the following markets - CHICAGO MERCANTILE EXCHANGE (XCME), ICE FUTURES U.S (IFUS), SINGAPORE COMMODITY EXCHANGE (XSCE), CHICAGO BOARD OF TRADE (XCBT), TOKYO STOCK EXCHANGE (XTKS)

Class of Instrument	Equity derivatives Options (January - December 2018)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class*	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders**
ICE FUTURES EUROPE - EQUITY PRODUCTS DIVISION, IFLO	67	53	Not Available	Not Available	100
EUREX DEUTSCHLAND, XEUR	33	46	Not Available	Not Available	100
EURONEXT PARIS MONEP, XMON	0	1	Not Available	Not Available	100

\* Volumes calculations are based on the number of lots traded.

\*\* The orders are classified as 'directed orders' because each of such orders relates to a specific execution venue specified by the client prior to the execution of the order.

**RECEIVER/TRANSMITTER**

Class of Instrument	Equity derivatives Options (January - December 2018)	
Notification if <1 average trade per business day in the previous year	N	
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class*	Proportion of orders executed as percentage of total in that class
INTL FCStone Financial Inc. - 549300LNKU6K5TJCRG93	100	100

Execution on the following markets - CHICAGO MERCANTILE EXCHANGE (XCME)

Class of Instrument	Currency derivatives Futures Admitted to a Trading Venue (January - December 2018)	
Notification if <1 average trade per business day in the previous year	N	
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class*	Proportion of orders executed as percentage of total in that class
SINGAPORE COMMODITY EXCHANGE, XSCE	58	72
Chicago Mercantile Exchange, XCME	42	28

Class of Instrument	Currency derivatives Options Admitted to a Trading Venue (January - December 2018)	
Notification if <1 average trade per business day in the previous year	N	
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class
Chicago Mercantile Exchange, XCME	100	100

\* Some execution venues quote transactions (relating to currencies) in lots as trading units, whilst others use the nominal value. In the interest of consistency, to avoid any distortions of figures, the volumes calculated are based on the nominal value of the transactions (in USD).

\*\* The orders are classified as 'directed orders' because each of such orders relates to a specific execution venue specified by the client prior to the execution of the order.



Class of Instrument	Currency derivatives Futures/Forwards on Execution Venue (January - December 2018)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class*	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Integral, IMTF	63	90	Not Available	Not Available	0
Citigroup Global Markets Deutschland AG, CGMD	19	4	Not Available	Not Available	0
Deutsche Bank AG, DBES	15	5	Not Available	Not Available	0
UBS AG London Branch, UBSY	1	1	Not Available	Not Available	0
J.P. MORGAN SECURITIES PLC	1	0	Not Available	Not Available	0
Digital Vega, DVFX	0	0	Not Available	Not Available	0

\* Some execution venues quote transactions (relating to currencies) in lots as trading units, whilst others use the nominal value. In the interest of consistency, to avoid any distortions of figures, the volumes calculated are based on the nominal value of the transactions (in USD).

Class of Instrument**	Currency derivatives Options on Execution venue (January - December 2018)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class*	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Digital Vega, DVFX	50	47	Not Available	Not Available	0
Deutsche Bank AG, DBES	23	24	Not Available	Not Available	0
Citigroup Global Markets Deutschland AG , CGMD	22	25	Not Available	Not Available	0
UBS AG London Branch, UBSY	5	4	Not Available	Not Available	0
INTEGRAL MTF, IMTF	0	0	Not Available	Not Available	0

\* Some execution venues quote transactions (relating to currencies) in lots as trading units, whilst others use the nominal value. In the interest of consistency, to avoid any distortions of figures, the volumes calculated are based on the nominal value of the transactions (in USD).

\*\*For this asset class, an important part of the volume of orders consists of 'request for quotes.' Accordingly, IFL will only place an order for execution on a venue where best execution can be achieved, including where the best price is available.

Class of Instrument**	Commodity Derivatives – Other Commodities derivatives (January - December 2018)	
Notification if <1 average trade per business day in the previous year	N	
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class*	Proportion of orders executed as percentage of total in that class
NO MARKET (E.G. UNLISTED) - OPT	100	100
NO MARKET (E.G. UNLISTED) - FOR	100	100