

INTL FCSTONE LTD



INFORMATION ON ORDER EXECUTION POLICY

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INTL FCStone Ltd

1st Floor, Moor House, 120 London Wall, London, EC2Y 5ET

Telephone +44 (0)20 3580 6000 Fax +44 (0)20 3580 6001

Registered in England and Wales Company No. 5616586

Authorised and regulated by the Financial Conduct Authority FRN: 446717



Introduction

Under the EU Markets in Financial Instruments Directive (**MiFID II**) and the rules of the Financial Conduct Authority (**FCA**), we, INTL FCStone Ltd (“IFL”), are required to put in place an order execution policy and to take all reasonable steps to obtain the best possible result for our clients when executing client orders or receiving and transmitting orders for execution where such orders relate to ‘**financial instruments**’ for the purpose of MiFID II. We are also required to provide appropriate information to our clients on our order execution policy and to publish on a yearly basis, for each class of financial instruments, the top five execution venues (in terms of volumes) where we have transmitted or placed client orders for execution in the preceding year.

The purpose of this document is to provide clients with information on our order execution policy and to obtain consent to the policy. The ‘Information on Top Five Execution Venues’ is contained in a separate annex to this document, a copy of which is available on our website

Scope

Our order execution policy applies whenever we receive an order from a **Professional Client**:

- (i) for execution on the client’s behalf; or
- (ii) for whom we receive and transmit orders to other entities for execution, in financial instruments that are covered by MiFID II.

Whilst we shall use our best endeavours to obtain the best result for professional clients and eligible counterparties, we are under no obligation to comply with the requirements of best execution in relation to a particular order or instruction, where you have agreed to be categorised as an eligible counterparty.

In circumstances where we execute trades with you but do not execute an order “on your behalf”, we will not owe you a duty of best execution. This will include, but may not be limited to, circumstances where we are providing you with quotes at your request on the basis of which you decide to transact and circumstances where we deal as a principal on our own account and where you do not legitimately rely on us to protect your interests in relation to pricing and other elements of the transaction.

Definition of order

“Order” means an instruction to buy or sell a financial instrument which is accepted by us for execution or transmission to a third party and which gives rise to contractual obligations to you.

Achievement of best results for clients

When receiving and transmitting or executing orders in relation to financial instruments on your behalf we will take all reasonable steps to achieve best execution. This means that we will have in place a policy and procedures which are designed to obtain on a consistent basis the best possible result for execution of your orders, subject to and taking into account the nature of your orders, the priorities you place upon us in filling those orders and the nature of relevant markets.

In taking all reasonable steps, we will endeavour to achieve the best balance across a range of sometimes conflicting factors. This does not mean achieving the best price for every client order, but rather the best possible result that we can reasonably be expected to achieve with the resources available to us.

Our commitment to provide you with best execution does not mean that we owe you a fiduciary or other duties over and above the specific regulatory obligation placed upon us or as may be otherwise contracted between us.

Execution Factors

When determining the strategy for execution of your orders we will take into consideration certain factors as appropriate, in the context of the terms of your orders. These include factors such as:

- Price;
- Speed of execution;
- Likelihood of execution or settlement;



- Size of order;
- Transaction costs;
- Nature of the order; and
- Any other consideration relevant to the efficient execution of the order.

Usually price will be considered the most important factor in obtaining the best possible result for your orders. However, in certain circumstances, for some client orders, financial instruments or markets, we may decide in our absolute discretion that other factors noted above may be more important than price in determining the best possible result in accordance with this policy.

These include, among others, factors such as the need for timely execution, the liquidity or illiquidity of the market, the size of the order, the costs of the transaction, and/or any other considerations, such as the time zone of the execution venue and whether it is executed on a regulated market, multilateral trading facility (MTF), Organized Trading Facility (OTF) or over-the-counter

Furthermore, the diversity in markets for different financial instruments and the types of orders that you may place with us mean that different factors could be applicable in each case when we consider our execution strategy for each order received from you. For example there is no formulated market or settlement infrastructure for some over-the-counter transactions, in some markets price volatility may mean that the timeliness of execution is a priority, whereas in an illiquid market the fact of execution may itself constitute best execution.

In extreme volume and volatility situations, exchange system constraints require automated trading solutions to be switched off and/or electronic routing to be suspended in favour of manual execution. Such events lead to further execution delays and increased market volatility. Clients should be aware of certain risks associated with volatile markets, especially at or near the close of the standard trading session. These include the potential that an order may be executed at a substantially different price from the quoted bid or offer, or the last reported sale price at the time of order entry, or an order may be only partially executed or may be executed in several transactions at different prices. Opening prices may differ significantly from previous day's close.

Order execution

When executing your orders, we will take into account the following criteria for determining the relative significance of the above execution factors:

- Characteristics of our client;
- Characteristics of the client orders;
- Characteristics of the financial instrument that are subject to the orders;
- Characteristics of the possible execution venues to which the orders can be directed.

Where you have provided your express prior consent, orders may be executed on your behalf outside a regulated market or MTF.

Where we are the execution venue (where we take an order and trade with you as principal) we will review the quality of our own execution in the same way as we would for any other venue. However, you should note that, as a regulated market will charge exchange fees which will include the cost attributable to the provision of its execution facilities, we have to price the cost of our own business model and the utilisation of our capital to support our dealings with you (including carrying the risk of those dealings, for example, credit risk) as part of our assessment of the quality of execution offered to you.

Our charges may be incorporated as a mark-up (the difference between the price at which we take a principal position and the transaction execution price with you). We may alternatively agree to charge a commission or a combination of commission and mark-up. IFL charges are not taken into account in determining best execution prices.



Specific instructions

To the extent that you provide us with specific instructions in relation to your order or any part of it (including the selection of a particular execution venue or transmission of your orders to a particular entity for execution) we will act on your instructions. However, in doing so, we will not be able to comply with our obligations to provide the best possible result, to the extent that those instructions are followed. This may prevent us from obtaining the best possible result for the execution of that order. If you require your order to be executed in a particular manner you must clearly state your desired method of execution when you place your order. To the extent that your specific instructions are not comprehensive, we will determine any non-specified aspects in accordance with this policy.

Execution venues

Subject to any specific instructions from you, we may use one or more of the following venues to enable us to obtain the best possible result on a consistent basis when executing an order on your behalf;

- Regulated markets;
- Multilateral trading facilities;
- Organised trading facilities;
- IFL's trading desk (proprietary positions, or where acting as a liquidity provider or market maker);
- Undertakings within the same group with IFL (Group Entities);
- Third party investment firms and brokers (or non EU entities performing similar functions) which also may trade proprietary positions, act as market makers and as liquidity providers.

Nothing in this policy should be taken to imply that we will act as either a systematic internaliser or a multilateral trading facility. Our choice of venue may be constrained by the fact that there may be only one market or platform where an order can be executed because of the nature of your order or your requirements.

IFL or any of its Group Entities will be used as the execution venue where we believe that we can trade to your advantage or at no disadvantage to you in accordance with this policy. Where we are the execution venue we will consider all sources of reasonably available information to obtain the best possible result for the order.

While the Group Entities may have close links with IFL, they are treated by IFL as counterparties and therefore we would not consider transactions with such Group Entities as an internal execution. These orders are executed in accordance with IFL's Order Execution Policy, taking into account any measures to mitigate potential conflicts of interest in our Conflicts of Interest Policy. IFL does not have any close links or common ownership with respect to any external execution venues.

Receiving and transmitting orders

When we receive orders from you and transmit those orders to another entity for execution we will take all reasonable steps to achieve the best result, in accordance with the firm's policy, taking account of the factors noted above and any specific instructions received from you as part of the order, as applicable.

When determining the strategy for obtaining the best result for your orders, in the absence of specific instructions, we will consider if it is reasonable to simply transmit the order to another entity or whether it is necessary to exercise additional control when instructing the other entity in relation to your order.

The considerations set out above apply equally to orders which are received and transmitted by us for execution on your behalf.

Entities to which client orders may be transmitted

Please note that where you have provided your consent, the entity to which your order is transmitted may execute it outside a regulated market or MTF or similar non EU market venue.

For some markets we have selected one entity to which we transmit orders and that entity is considered able to obtain results for clients at least as good as we could expect from alternative firms.



Please note that the entities to which we may transmit your order for execution may also transmit client orders received by them to us for execution where we have access to relevant markets or execution venues.

Monitoring and review

We will monitor the effectiveness of our order execution policy and arrangements to identify and, where appropriate, correct any deficiencies. We use 'NASDAQ SMARTS', an automated surveillance system, to monitor the quality of execution. In addition we will review these arrangements annually to help us to continue to deliver best execution for our Professional Clients

Should you have any enquiries or need further information on our Order Execution Policy, please do not hesitate to contact us.

Our contact details are:

INTL FCStone Ltd (Compliance Department)

Moor House, 120 London Wall, London EC2Y 5ET, United Kingdom

Tel: +44 (0) 20 35806300

