

INFORMATION ON THE TOP FIVE EXECUTION VENUES AND QUALITY OF EXECUTION

Report for the Year 2017

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')



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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 and on the quality of execution obtained, during the calendar year of 2017. 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 professional clients and 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 (for professional clients), as set out in Annex II of the Delegated Regulation.

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 2017, our client orders have 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 2017, 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 does not have any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits, nor has it received any such payments and inducements from any execution venues, in respect of any transactions (in any classes of financial instruments). 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.

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. As part of our monitoring programme, we use 'NASDAQ SMARTS', an automated surveillance system, to monitor the quality of execution.

4. DISCLAIMER

MiFID II entered into force on 3rd January 2018. Since the obligation to report information on the top five execution venues is a new reporting requirement, 'ESMA' recognises that for the first set of reports, investment firms may not be able to fully report on information which is not available or applicable in relation to the preceding year, particularly where such information is tied to new requirements under MiFID II and 'MiFIR'.

As such, whilst IFL has used its best endeavours to publish the relevant information on top five venues, some of the information that is required to produce a complete and accurate report has not been available for inclusion in the 2017 report. In this regard, IFL makes no representation as to the quality, accuracy and completeness of the information disclosed, given that any omission of information is the result of factors beyond our control.

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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SCHEDULE

Class of Instrument	Commodities derivatives and emissions allowances derivatives Futures (January - December 2017)				
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**
London Metal Exchange, XLME	62.03	61.27	Not Available	Not Available	100
ICE Futures Europe, IFEU	13.68	12.50	Not Available	Not Available	100
ICE Futures U.S., IFUS	9.34	10.32	Not Available	Not Available	100
Euronext Paris Matif, XMAT	7.49	3.50	Not Available	Not Available	100
Chicago Board of Trade, XCBT	3.19	7.46	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.

Class of Instrument	Commodities derivatives and emissions allowances derivatives Options (January - December 2017)				
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 U.S., IFUS	50.75	42.03	Not Available	Not Available	100
London Metal Exchange, XLME	16.82	28.62	Not Available	Not Available	100
Euronext Paris Matif, XMAT	14.28	4.81	Not Available	Not Available	100
Chicago Board of Trade, XCBT	12.06	17.25	Not Available	Not Available	100
ICE Futures Europe, IFEU	4.56	6.11	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.

Class of Instrument	Interest Rates derivatives Futures (January - December 2017)				
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**
Chicago Board of Trade, XCBT	59.92	68.47	Not Available	Not Available	100
EUREX DEUTSCHLAND, XEUR	23.75	13.14	Not Available	Not Available	100
ICE Futures Europe, IFEU	18.37	16.32	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.

Class of Instrument	Equity derivatives Futures (January - December 2017)				
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**
Euronext Paris Monep, XMON	52.40	65.85	Not Available	Not Available	100
ICE Futures U.S., IFUS	27.01	17.53	Not Available	Not Available	100
EUREX DEUTSCHLAND, XEUR	8.14	4.59	Not Available	Not Available	100
Chicago Board of Trade, XCBT	5.40	5.76	Not Available	Not Available	100
ICE Futures Europe, IFEU	2.99	1.72	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.

Class of Instrument	Equity derivatives Options (January - December 2017)				
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	63.80	33.63	Not Available	Not Available	100
Chicago Mercantile Exchange, XCME	30.44	59.09	Not Available	Not Available	100
ICE Futures Europe, IFEU	5.74	7.27	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.

Class of Instrument	Currency derivatives Futures Admitted to a Trading Venue (January - December 2017)				
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**
Chicago Mercantile Exchange, XCME	95.65	94.15	Not Available	Not Available	100
SINGAPORE COMMODITY EXCHANGE, XSCE	4.34	5.84	Not Available	Not Available	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 Options Admitted to a Trading Venue (January - December 2017)				
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**
Chicago Mercantile Exchange, XCME	100	100	Not Available	Not Available	100

** 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 2017)				
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	61.04	52.82	Not Available	Not Available	0
Citigroup Global Markets Deutschland AG, CGMD	34.15	27.03	Not Available	Not Available	0
Deutsche Bank AG, DBES	3.94	18.56	Not Available	Not Available	0
UBS AG London Branch, UBSY	0.69	0.54	Not Available	Not Available	0
Digital Vega, DVFX	0.18	0.05	Not Available	Not Available	0
J.P. Morgan, JPSI	0.00	0.01	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 2017)				
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	48.59	48.29	Not Available	Not Available	0
Deutsche Bank AG, DBES	23.69	26.08			
Citigroup Global Markets Deutschland AG , CGMD	23.57	22.16	Not Available	Not Available	0
UBS AG London Branch, UBSY	4.14	3.48	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.