



Market Securities (France) SA

Order Execution Policy



Document Control

Document Signoff

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1 Purpose of the Policy¹

This Order Execution Policy (this "**Policy**") sets forth information relating to how Market Securities (France) SA ["MSF"] (together "**we**" or "**us**") seek to provide best execution as required by the Markets in Financial Instruments Directive 2014/65/EC ("**MiFID II**"), as amended or supplemented from time to time, when executing orders or quotes on behalf of clients.

It is important that you review this Policy in conjunction with our Terms of Business, the Organised Trading Facility (OTF) Rulebook where applicable, the Client Classification Letter and any other agreements or documents which affect your relationship with us.

Please note that, by executing our Terms of Business, you will have consented to the provisions of this Policy.²

This Policy is supplemented by appendices which provide further details to our considerations as they relate to differing asset classes.³ The appendices should be read in conjunction with this Policy and cover the following products:

***Cash Equities
Exchange Traded Derivatives
Exchange Traded Funds
OTC Derivatives
Structured Products
Rates (including bonds)
Repurchase agreements (repos)
FX***

2 Scope of Policy

This Policy is provided to you as a professional client (the "**client**") of MSF regardless of whether you are an elective professional client or a *per se* professional and it is not applicable to business conducted with eligible counterparties. This Policy is not directed at, or intended for, retail clients and should not be considered for such persons.

In accordance with MiFID II where best execution applies, when executing orders or quotes MSF will take all sufficient steps to obtain the best possible result for its clients, taking into account the execution factors set out in Paragraph 7.⁴

The requirements relating to obtaining the best possible result ("**best execution**") for clients will be applied to any relevant transaction, in a "MiFID financial instrument", that would be so defined where any part of the origination or execution of the client order or transaction involves a sales person or trader who has a direct relationship with the client, regardless of where the client is established.

It is important for you to note that our best execution obligations do not apply to transactions that are not in respect of "MiFID financial instruments", including the following:

- (a) the provision of finance;
- (b) loans in respect of secondary market loan trading;

¹ Article 27(5) of MiFID II.

² Article 27(5) of MiFID II.

³ Recital (104) and Article 66(2) of MiFID Org. Regulation.

⁴ Article 27(1) of MiFID II.



- (c) certain spot foreign exchange transactions undertaken with the intention of converting money from one currency to another;
- (d) [certain foreign exchange forwards]; and
- (e) transactions arising from the exercise of an option (on the basis that MSF will treat an instruction to exercise an option as a Specific Instruction from the client to exercise its rights under the option contract and will not take into account of the state of the underlying market at the time).

The complete list of the relevant "MiFID financial instruments" to which this Policy applies are defined in Appendix 2.

3 **Guiding principles**

- (a) MSF operated policies and procedures that enable it to adhere to best execution rules, protecting its reputation and financial standing.
- (b) MSF adheres to the rules in relation to avoiding and/or managing potential conflicts of interest.
- (c) MSF endeavours to ensure that all clients, regardless of classification, are treated fairly during the execution of trades.

4 **What is Best Execution?**

Best execution is the requirement to take all sufficient steps to obtain the best possible result when either executing transactions on your behalf or using other affiliates or brokers to execute transactions on your behalf, taking into account the following execution factors:

- (a) price;
- (b) costs;
- (c) speed;
- (d) the likelihood of execution and settlement;
- (e) size;
- (f) the nature of the transaction; and
- (g) any other consideration relevant to the execution.⁵

Price or market fill will ordinarily merit a high relative importance in obtaining best execution. However, in some circumstances, for some clients, orders, financial instruments or markets, MSF may reasonably determine that other execution factors are more important than price. For example, there is no formalised market or settlement infrastructure for OTC transactions. In some markets, price volatility may mean that timeliness of execution is a priority whereas, in other markets that have low liquidity, the act of execution may itself constitute best execution.

MSF will check the fairness of the price proposed to the client in a variety of ways, ensuring that the best possible outcome is achieved for the client.

In other cases, MSF's choice of execution venue may be limited (even to the fact that there may be only one market/platform upon which we can execute your orders).

⁵ Article 27(1) of MiFID II.



In certain cases, the nature of the client order is such that the transaction is tailored to meet the client's specific needs and there are little or no comparable products available in the market from which a price and cost comparison could be made. These cases include structured products and bespoke OTC transactions. Where this occurs, MSF will assess the unique features of the transaction and the client's instructions to determine the relevant execution factors to take into account in executing your order.

MSF will determine the relative importance of the execution factors by using commercial judgement and experience in light of the market information readily available and taking into account the characteristics of execution (the Execution Criteria) which comprise:

- I. The characteristics of the client including the categorisation of the client as professional;
- II. The characteristics of the client order;
- III. The characteristics of financial instruments that are the subject of that order; and
- IV. The characteristics of the execution venues to which that order can be directed.

5 Application of Best Execution

(a) *Agency or agency style trading*

The obligation to provide best execution will always arise in circumstances where we are acting in an agency or matched principal capacity or have a contractual obligation to do so.⁶ Examples of the relevant types of orders that are applicable in these circumstances can be found in the asset class specific policies contained as appendices to this Policy.⁷

(b) *Matched Principal trading*

A matched principal transaction involves two orders, the execution of one being dependent upon the receipt or execution of the other; hence, there is no "risk" in the interdependent transactions when completed.

The best execution obligation is also applicable when we are acting in a matched principal capacity and you are placing a legitimate reliance on us to protect your interest in relation to the execution of a transaction.⁸

When executing on a matched principal basis, in order to determine whether clients are placing legitimate reliance on MSF, the Firm refers to four considerations set out in a letter from the European Commission which should be applied. Consequently, when negotiating transactions or receiving orders from you on a principal basis, to determine whether you are placing legitimate reliance on us, we will assess the following:

- (i) *Which party initiated the transaction.* In circumstances where MSF may communicate trade ideas, market communications or indicative prices as part of general business, we do not believe that this will be deemed to have initiated the transaction;

⁶ Recital (24) of MiFID II.

⁷ Recital (104) and Article 66(2) of MiFID Org. Regulation.

⁸ Recital (103) of MiFID Org. Regulation.



- (ii) *The market practice and the existence of a convention for clients to "shop around"*. Where market practice for a particular asset class or product suggests that you will have ready access to various providers who may provide quotes and you have the ability to shop around, it is less likely that you will be placing legitimate reliance on MSF. In general, this is how we consider the majority of transactions with sophisticated, professional clients would be executed;
- (iii) *The relative levels of transparency within a market*. In circumstances where pricing information is transparent and it is reasonable that you have access to such information, it is less likely that you will be placing legitimate reliance on MSF; and
- (iv) *The information provided by you and any agreement reached*. Where any agreements or arrangements with you (including the provisions within this Policy) do not indicate or suggest that an understanding has been reached that you will place any legitimate reliance on MSF or MSF has agreed to provide best execution.

(c) *Possible examples of legitimate reliance*

Circumstances where you may possibly be considered to be placing a legitimate reliance on MSF may include, but are not limited to:

- (i) where MSF attempts to find the opposite side of your trade on a matched principal or agency basis and, therefore, elects not to execute on a risk basis. Resting Orders would be an example of such activity. However, this may also apply to other matched principal scenarios where MSF may be working a client order;
- (ii) trades where MSF is given discretion on how and when to execute your order either on an agency or matched principal basis.
- (iii) where you are seeking to exit a complex structured trade where it would be reasonable to consider that you are unable to shop around;
- (iv) transactions where a hedge executed by MSF is the specific reference price used to determine the level of an underlying price for your derivative transaction; and
- (v) other circumstances where you may be considered a captive client (e.g. there is a lack of client choice over where to execute a trade due to the complexity or nature of the transaction and you would therefore be unable to seek alternative quotes).

The obligation to provide best execution will not generally apply where you as the client:

- (vi) are seeking a quote in competition and have the ability to shop around for alternative prices;
- (vii) specify the price/quote and the trade is executed on risk; or
- (viii) apply other conditions which may be considered as specific instructions (in respect of which please see Paragraph [5] below).



(c) *Request for Quote (RFQ)*

Best execution obligations are unlikely to apply where you have asked us for a quote (“**RFQ**”), as we generally take the view that in the context of the European Commission’s four considerations there is no legitimate reliance being placed on us to meet the relevant best execution requirements.

6 **Specific Instructions**

Where you provide MSF with a Specific Instruction in relation to an order, MSF is obliged⁹ to follow such Specific Instruction so far as is reasonably possible when executing the trade. By following your Specific Instruction, we will have satisfied the obligation to provide you with best execution in relation to that transaction.¹⁰ Examples of such instructions may include, but are not limited to, requests to execute on a particular venue or to execute an order over a particular timeframe.

In circumstances where you give us a Specific Instruction which applies only to one part or one aspect of an order, MSF will follow that instruction so far as is reasonably possible when executing the trade. By following your Specific Instruction, we will have satisfied the obligation to provide you with best execution in relation to the relevant part of the transaction to which the Specific Instruction applied. The remaining portion of that order not covered by such instructions may still be applicable for best execution in accordance with the criteria laid out in this Policy.¹¹

As a general observation, please note that we will not induce you to instruct us to execute an order in a particular way. However, this does not prevent us from inviting you to choose between two or more specified Trading Venues whose selection is consistent with this Policy.¹²

Please note that any Specific Instructions which you provide us in respect of an order may prevent us from taking the steps that we have designed and implemented, as specified in this Policy, to obtain the best possible result for the execution of such order.¹³

7 **Application of execution factors**

7.1 In order to achieve the best possible result for you, MSF will give consideration to a range of execution factors when determining the best outcome for you. Some of the below factors are considered to be more important than others. However, there are situations where the relative importance of these factors may change in accordance with instructions that you provide or broader market conditions.

7.2 The execution factors that MSF will consider are as follow:¹⁴

(a) *Price*

This is the price at which a “MiFID financial instrument” is executed at.

(b) *Costs*

⁹ Article 27(1) of MiFID II.

¹⁰ Article 64(2) of MiFID Org. Regulation.

¹¹ Recital (102) of MiFID Org. Regulation.

¹² Recital (102) of MiFID Org. Regulation.

¹³ Article 66(3)(f) of MiFID Org. Regulation.

¹⁴ (i) Article 27(1) of MiFID II and (ii) Article 66(3)(a) of MiFID Org. Regulation.



This includes implicit costs such as the possible market impact, explicit external costs (e.g. exchange, clearing fees) and explicit internal costs which represents MSF's own remuneration through commission or spread.

(c) *Speed*

This is the time it takes to execute a client transaction.

(d) *Likelihood of execution and settlement*

This is the likelihood that we will be able to complete a client transaction.

(e) *Size*

This is the size of the transaction executed for a client accounting for how this affects the price of execution; and

(f) *Nature of the transaction or any other consideration relevant to the execution of the transaction*

This is how the particular characteristics of a client transaction can affect how best execution is received.

7.3 The asset class specific policies contained as appendices to this Policy contain further information on how execution factors are considered for achieving best execution on a per-asset class.¹⁵ Whilst they set out the order of relative priority, a variety of criteria are taken into account in assessing this and appropriate consideration will be made based on a transaction by transaction basis. The above execution factors list indicates the importance of being able to exercise the appropriate judgment in the best interests of the client given the differing needs and requirements of each client transaction and the broader market.¹⁶

Whilst determining the relative importance of each executing factor, MSF will take into account the following in the context of the market:¹⁷

- (a) the characteristics of the client (including the categorisation of the client as retail or professional);
- (b) the characteristics of the client order (including where the order involves a securities financing transaction (SFT));
- (c) the characteristics of the "MiFID financial instruments" that are the subject of the transaction; and
- (d) the characteristics of the Execution Venues to which the transaction can be directed.

Generally, we consider that the most important execution factor for our professional clients is the price the relevant "MiFID financial instrument" is executed at. However, there may be circumstances where the primary execution factors may vary and price is no longer the dominant execution factor. For example, for transactions in illiquid securities, the likelihood of execution and market impact become more important.¹⁸ During the trading process when applying consideration to each execution factor, MSF will use our experience and expertise to achieve the best balance across the full range of factors. This includes where they may conflict with each other. Overall, this may mean that MSF does not always achieve the best price for

¹⁵ Recitals (99) and (104) and Article 66(2) of MiFID Org. Regulation.

¹⁶ Recital (104) and (ii) Article 66(2) and 66(3)(d) of MiFID Org. Regulation.

¹⁷ Article 64(1) of MiFID Org. Regulation.

¹⁸ Recital (99) of MiFID Org. Regulation.



every client transaction, but the best result that can be reasonably expected given the information available during the execution process. However, it should be noted that when undertaking a transaction, any specific execution factors specified by you will always be paramount in ensuring best execution is provided.

8 Method of execution

(a) Execution Venues

When executing your transactions or when placing your orders with (or transmitting your orders to) other entities (including affiliates) to execute, MSF will take all sufficient steps in order to obtain on a consistent basis the best possible result. Unless clients have given MSF a specific instruction, MSF will select an execution venue that is most appropriate having regard to the Execution Criteria and the relative importance of the execution factors specific to that order.

Typically, MSF may use one or more of the Execution Venue types when executing your order:

- (i) Directly to Trading Venues such as Regulated Markets (**RM**), Multilateral Trading Facilities (**MTF**) and Organised Trading Facility (**OTF**), or where MSF is not a direct member of the relevant RM or MTF with a third party/affiliated broker;
- (ii) Where MSF have express consent, MSF may execute orders on client's behalf outside RMs, MTFs or the OTF, systematic internalisers and third-party investment firms, brokers, and/or affiliates another client or counterparty of MSF or other liquidity providers and any other Execution Venues.

Before using a new execution venue, MSF undertakes appropriate due diligence to ensure that it is confident that it will contribute to MSF's ability to deliver best execution in accordance with each of the best execution factors. That said, in some cases, MSF accesses the market through a broker, in which case MSF undertakes its due diligence on the broker, including a consideration of the venues to which it has access. MSF monitors this on an ongoing basis, including through review and analysis of the information published pursuant to Commission Delegated Regulation (EU) 2017/575 and can verify this on an ad hoc basis.

MSF will inform you at which Execution Venue your particular order has been executed.¹⁹

MSF will not unfairly discriminate between Execution Venues or types but will make a decision on an Execution Venue based on a consideration of the execution factors. In particular, MSF does not receive any remuneration, discount or non-monetary benefit from routing client orders to a particular Execution Venue which would infringe our regulatory requirements.²⁰ The asset class specific appendix (Appendix 1) as well as Appendix 3 provide more information on the main Execution Venues on which MSF executes.²¹

A non-exhaustive list of Execution Venues which are accessed directly and where MSF may place significant reliance for the execution of your transactions can be found in [Appendix 3] to this Policy. In relation to some Financial Instruments, there may be only one possible execution venue.

¹⁹ Article 27(3) of MiFID II.

²⁰ Article 27(2) of MiFID II.

²¹ Article 27(5) of MiFID II.



(b) *Direct Market Access*

Direct Market Access (“**DMA**”) orders received by MSF where an Execution Venue is specified are routed directly to that venue on a non-discretionary basis. In circumstances when we do not take an active role in determining your execution parameters, we will seek to transact that order in accordance with your instructions. In these instances, the client takes responsibility for achieving best execution as the client will select the parameters of the trade (such as the price, the counterparty, the venue, the timing, the size and nature of interaction) with the selected execution venue. In such a case, MSF, while acting on client behalf in providing the DMA service, will be treated as having satisfied its duty of best execution and the client will be treated as having given specific instructions for the entirety of the order by means of the DMA service.

MSF reserves the right however to intervene in the routing and execution of DMA orders where the original parameters could result in adverse market impact.

(c) *Affiliates and Brokers*

When executing your order, MSF may choose to utilise either affiliated or non-affiliated brokers to assist in the execution of client trades. (For the avoidance of doubt, Kyte Broking Limited, Market Securities (Dubai) Limited and Market Securities LLC should be considered affiliates of one another.)

MSF undertakes periodic reviews to determine that any affiliate or non-affiliate brokers used are able to provide the appropriate level of experience and expertise when executing in that market. Furthermore, on a periodic basis MSF also ensures that, whilst taking into account all relevant execution factors, affiliate and non-affiliate broker executions are monitored, so that MSF may satisfy our self that best execution is being met on a consistent basis and any conflict of interests are managed appropriately.

The use of affiliates provides specific benefits to client executions. These factors include, but are not limited to, governance, oversight and transparency of an order, consistency of order handling and front-to-back trade processing. Whilst aware of potential conflicts of interest in using affiliates to execute your transactions, MSF will seek to mitigate such conflicts through our monitoring and review programme.

9 **Consent to execute away from a Trading Venue**

MSF may execute all or part of your order outside of a Trading Venue such as RMs and MTFs. In accordance with regulatory requirements, MSF has requested your consent to execute such orders in this manner. The request to provide such consent is included in our Terms of Business which has previously been provided to you.²² In the absence of an explicit response from you to the contrary in relation to this information, if you place an order with us, we will treat you as having provided us with consent to trade outside a Trading Venue, as we believe it is in your best interests for us to do so (i.e. it allows us the flexibility to choose from a wider range of Execution Venues).

Please note that there are various consequences resulting from an order being executed outside of a Trading Venue, including risks that it may be more difficult to find a willing counterparty to your bid or offer, it may not be anonymous, there may not be as much transparency as to supply, demand or price, and the process may not involve so many automated systems, meaning that there may be greater operational risk. In addition, you may face counterparty credit risk potentially resulting from facing a counterparty rather than, say, a clearing house of the Trading Venue. If you would like additional information about such consequences, please let us know in writing.²³

²² Article 27(5) of MiFID II.

²³ Article 66(3)(e) of MiFID Org. Regulation.



Furthermore, in addition to the above MSF is also required under the rules to obtain your express consent when exercising our discretion to decide whether or not to publish unexecuted limit orders. The request to provide such consent is included in our Terms of Business which has been provided to you. In the absence of an explicit response from you in relation to this information, if you place an order with us we will treat you as having provided us with consent not to publish any unexecuted limit orders, as we believe it is in your best interest for us to do so.

Your consent acknowledges that you have been made aware of and accept the nature, policy and processes which we have in place for providing best execution as defined above and that, in the absence of any specific instructions from you, MSF shall have full discretion to choose a relevant venue from the current list of execution venues (as amended and restated from time to time) for executing any order or orders (which may include dealing on a matched principal basis with MSF and may include trading through MSF's OTF) or alternatively to trade outside an execution venue, but in doing so shall assess and balance the range of all relevant factors, including those set out in this disclosure statement which, in MSF's reasonable discretion, is considered relevant to achieving the best results for you.

We may provide the Policy and any changes to it on our website and you have regular access to the internet.

You may confirm consent by email, or alternatively by signing and returning the document entitled M2 – Express Consent. For the non-specific matters, your tacit consent will be deemed to have been given if you ask MSF to act on your behalf.

10 **Operation of the OTF**

Execution on the OTF

This section relates to any executions undertaken on MSF's OTF and applies to all clients/potential clients regardless of classification (i.e. including eligible counterparties).

Scope of the OTF

The financial instruments that are in scope of the OTF include but not limited to:

- Fixed Income Security (Bonds);
- Swaps; and
- OTC derivatives

The only instruments that are accepted on the OTF are the OTF instruments which are classified in the OTF Rulebook.

Order Discretion

When you give us an order to buy or sell an OTF Investment, we will exercise our discretion as to whether to execute some or all of it through the OTF or by other means. We may submit some or all of your order to more than one execution venue including the OTF. However, depending on the type of financial instrument, we may not have access to another execution venue on the basis that we do not believe that they would be able to provide better execution, and therefore it is likely that we will execute through the OTF. If you have specified that you want to execute some or all of the order through the OTF, we will treat that as a specific instruction to do so. We will also exercise our discretion by deciding whether to retract some or all of your order from the OTF. We may do this if, for example, your order has been executed on another execution venue to which we submitted it, or we believe a more favourable



outcome would be achieved by executing some or all of your order on another execution venue.

Execution Discretion

Where we execute your order through the OTF, we will exercise discretion by deciding whether, when and how much of your order to match with another order and on what terms at a given time. We exercise this discretion on a case-by-case basis taking into account a number of factors that are set out above, including the trading interests and the different execution mechanisms that are available. The execution mechanisms could include voice trading and/or use of an electronic system to help us to match orders. If you give us a specific instruction about how to execute the order, we will follow it to the extent of the instruction if we can, but we will exercise our discretion as to any parameters of the order that you have not specified.

To give an example of how we might achieve best execution, if you submit a bid, we will contact other clients of the OTF to determine whether they would be willing to offer at the price or within the range requested. In the event that there are multiple offers, our starting point is generally to match on a price/time priority basis, but we will take into account any request you may make, for example to execute against a single counterparty or whether you are willing for your bid to be filled through a series of transactions. If the offers do not quite match your request or we think there is a reasonable likelihood of a better offer within a reasonable timeframe, we may continue to seek new offers and negotiate existing ones for that reason. on for that. We will ask you to confirm that you are happy with the price before we execute the transaction unless you instruct us not to do so. This process may take less or more time depending on the financial instrument and the market conditions.

In case of matched principal transactions we will not disclose your identity to the other client or liquidity provider, nor their identity to you, and there would be no need to do so as we would be acting as counterparty to both of you. You agree that we may enter into transactions in this way. Alternatively, once we have matched your order, we may effect a transaction between you and the other client or liquidity provider so that each of you is party to the transaction and has obligations to the other. In this case, we may act as agent for one or both of you in binding you to one another but will not ourselves be party to the transaction. In this case, we will have to disclose your details to one another.

Please refer the OTF Rulebook in conjunction with this Policy.

11 **Fees, Commissions and Mark-Ups**

Regulators require that MSF demonstrates that it is taking all sufficient steps to obtain the best possible results for a client when the obligation arises, taking into account the execution factors. MSF will ensure that unless agreed with the client, mark-ups, spreads and commissions charged on transactions where best execution is owed are reasonable, not excessive and will be within a range that we consider reasonable for the product type, tenor and size of the trade.

Furthermore, MSF will not seek to benefit from clients through asymmetric price movements (e.g. where we may pass on any adverse price movements to the client while retaining for our self any movement in the client's favour).

We take into account our own commissions and the costs of executing an order in each of the relevant Execution Venues when assessing and comparing the results that would be achieved for a client by executing an order on the relevant Execution Venues listed in [Appendix 3] and/or the applicable appendices.²⁴ As a general observation, MSF does not structure or

²⁴ Article 27(1) of MiFID II and (iii) Article 66(3)(b) of MiFID Org. Regulation.



charge their commissions in such a way as to discriminate unfairly between Execution Venues.²⁵

12 **Monitoring and Review**

MSF has implemented a governance framework and control process through which we monitor the effectiveness of our order execution arrangements (including this Policy), to identify and, where appropriate, correct any deficiencies. Any best execution failures will be escalated to senior management in line with MSF's escalation procedures.

Through this governance framework and controls process, MSF will assess whether the Execution Venues included in this Policy provide the best possible result for you or whether we need to make changes to these Execution Venues²⁶, the relative importance we attach to the execution factors and any other aspects of our execution arrangements. The internal procedures we have implemented include the following:

- (a) having dedicated personnel for compiling and reviewing the executed orders and providing regular updates to senior management;
- (b) regularly monitoring the quality of execution data published by Execution Venues in accordance with their regulatory requirements and assessing if alternate Execution Venues should be used;²⁷ and
- (c) approval of the Policy and any subsequent updates by the Firm's Audit and Risk Committee

We review our order execution arrangements and Policy at least annually or whenever a material change occurs that affects our ability to obtain the best result for the execution of your Orders on a consistent basis.²⁸ We will notify to you of any material changes to our order execution arrangements or Policy if we have an ongoing relationship with. We may do this by publishing our Policy on our website, which can be accessed here: <https://market-securities.com/regulatory/regulatory-msf/>²⁹.

13 **Requests for further information**

Unless specified otherwise herein (such as there being no legitimate reliance or you providing us with Specific Instructions), this Policy will be applied in respect of each applicable client order.³⁰ At your request, we will demonstrate to you how we have executed your order in accordance with this Policy.³¹

If you have any reasonable and proportionate requests for information about our order execution arrangements and Policy, please notify us in writing and we will endeavour to provide you with information as soon as reasonably practicable.³²

14 **Definitions**

For the purposes of this Policy, the following terms have the following definitions:

²⁵ Article 64(3) of MiFID Org. Regulation.

²⁶ Article 66(3)(g) of MiFID Org. Regulation.

²⁷ Recital (107) of MiFID Org. Regulation.

²⁸ Article 66(1) of MiFID Org. Regulation.

²⁹ Article 27(7) of MiFID II.

³⁰ Recital (99) of MiFID Org. Regulation.

³¹ Article 27(8) of MiFID II.

³² Article 66(8) of MiFID Org. Regulation.



Client Order:	A verbal or electronic (e.g. Bloomberg, FIX) agreement to execute a transaction on behalf of a client regardless of whether the MSF is acting in a matched principal or agency capacity in any of the "MiFID financial instruments" listed in [Appendix 2].
Client Transaction:	An execution with a client where MSF is acting in a matched principal or agency capacity on any of the instruments listed in [Appendix 2].
EEA:	European Economic Area which includes all member states of the European Union plus Norway, Lichtenstein and Iceland
execution factors:	The execution factors laid out in Paragraph 7 of this Policy.
Execution Venue:	<p>A Regulated Market, an MTF, an OTF, a Systematic Internaliser or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.³³</p> <p>The Financial Conduct Authority (including any successor or replacement regulatory authority).</p>
Multilateral Trading Facility (or MTF):	A multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in "MiFID financial instruments" – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with Title II of MiFID II.
Organised Trading Facility (or OTF):	A multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of MiFID II.
Regulated Market:	A multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in "MiFID financial instruments" – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the "MiFID financial instruments" admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with Title III of MiFID II.
Resting Order:	An instruction to buy or sell a "MiFID financial instrument" in a specified size where the client is committed to the execution.
Matched Principal:	A transaction where MSF interposes itself between the buyer and the seller to the transaction in such a way that it is never itself exposed to market risk throughout the execution of the transaction, with both sides executed simultaneously, and where the transaction is concluded at a price where the facilitator makes no profit or loss, other than a previously disclosed commission, fee or charge for the transaction.

³³ Article 64(1) of MiFID Org. Regulation.



Specific Instructions:	Instructions provided to MSF by a client when placing an order for execution. Examples of such instructions may contain, but are not limited to, the selection of a limit price, a period of time the order may remain valid or request to execute the order on a specific Execution Venue.
Systematic Internaliser:	An investment firm which, on an organised, frequent systematic and substantial basis, deals on own account when executing client orders outside a Regulated Market, an MTF or an OTF without operating a multilateral system.
Trading Venue:	A Regulated Market, an MTF or an OTF.



Appendix 1

Different asset classes

Exchange traded derivatives (ETD)

MSF does not take derivatives onto our own book. Instead, we cross listed derivatives onto the exchange and/or give them up to another broker and/or clients arrange for the cross themselves. Clients usually specify many of the aspects of these orders including importantly the trading venue and whether prefer to cross for themselves or have MSF do so for them. A non-exhaustive list of trading venues we use on this basis are set out in this Appendix.

Application of Best Execution for In-Scope Products

MSF owes a duty of best execution when executing Client Orders on your behalf. We consider ourselves to be in receipt of an order where an execution instruction is given to us that gives rise to contractual or agency obligations to you. Specifically, this will be the case where you commit to a trade that is not immediately executable, leaving discretion with us as to the manner of execution and exact terms of the resulting transaction; and the execution can be booked to your account, without the need to re-confirm the price, size or any other factor(s) with you; or where we execute an order as agent or matched principal on your behalf. Examples of these include resting orders, limit orders, market on close/open and fill or kill orders.

Exchange Traded Derivatives are conducted on an agency/matched principal basis which means the price we receive from the Execution Venue is the price you receive, plus commissions and fees. In circumstances where orders are worked for you as a client either through electronic or voice execution services, then best execution will apply to such executions. Furthermore, where you provide us with a Specific Instruction, such as the time an order should be placed or specifying the use of an algo, to the extent that we follow such instructions, we have satisfied any best execution requirements with respect to that aspect of the order.

Prioritisation of Execution Factors

When executing those Client Orders to which best execution applies, MSF will take the following execution factors into account:

- (a) price;
- (b) costs;
- (c) speed;
- (d) likelihood of execution and settlement;
- (e) size; and
- (f) nature or any other consideration relevant to the execution of an order.

Whilst we have provided these in order of relative priority in the sections below, a variety of criteria will be taken into account in assessing the prioritisation of execution factors, including appropriate consideration on a transaction-by-transaction basis. Criteria for consideration include the characteristics of each individual order such as client preferences, market conditions, when the order is received and the size of order. Generally, the most important execution factor for our clients will be the price the relevant "MiFID financial instrument" is executed at. However, as set out below, in more illiquid markets, the primary execution factors may vary, such as likelihood of execution becoming more significant.



Due to the potential levels of volatility in the Exchange Traded Derivatives market that may affect both price and volume, we will seek to provide you with the fastest execution reasonably possible, although delays may occur.

As a general indication, the execution factors are likely to be considered as follows, although these will be assessed on a case-by-case basis and subject to any Specific Instructions:

(g) For Listed Derivatives (Future and Options including physically settled commodities via DMA) in liquid markets, for both quote driven and order driven activity, we prioritise execution factors as follows.

- (i) Price
- (ii) Size
- (iii) Speed
- (iv) Costs
- (v) Likelihood of Execution
- (vi) Other Considerations

(h) For Listed Derivatives (Future and Options including physically settled commodities via DMA) in illiquid markets, for both quote driven and order driven activity, we prioritise execution factors as follows:

- (i) Likelihood of Execution
- (ii) Price
- (iii) Costs
- (iv) Size
- (v) Speed
- (vi) Other Considerations

Note that, for block trades executed outside of the central order book of the relevant Exchange, while price will remain a key execution factor, the likelihood of execution and other considerations (such as confidentiality of the position) will also be important factors.

(i) For other scenarios we prioritise execution factors as follows:

- (i) Other Considerations
- (ii) Size
- (iii) Speed
- (iv) Price
- (v) Likelihood of Execution
- (vi) Costs

Order Handling



Client Orders may be placed with MSF through a variety of means. Orders placed through manual (phone orders or instant messaging) or electronic means (e.g. FIX protocol) will be dealt with via the trading desk who will determine the strategy on handling your order, based on the prioritisation of execution factors above and taking into account any particular criteria or instructions provided.

Where an order is received that meets particular size criteria or specific parameters such as minimum block or crossing thresholds, it may be possible for MSF to execute such orders outside of the central order book of the relevant Exchange utilising the exchanges block or crossing functionality. In such circumstances we will look to secure the best possible result for you, given any parameters set, by utilising relationships with market makers or liquidity providers.

OTC derivatives

We introduce OTC derivatives, if in scope and arranged multilaterally, to our OTF trading venue. OTC derivatives products executed through the OTF trading venue are conducted on a matched principal and name give-up basis. We have arrangements in place with a number of counterparties that we know are likely to be interested in particular trades. If there is more than one competing offer, we normally take the best bid or best offer. FX transactions are executed through a prime broker.

Cash bonds

We execute bonds on a matched principal basis and in most cases, we are likely to do so through our OTF. When we receive a bid or an offer, we will contact our other clients to find a fill. We will be looking for the best match in terms of price and time but we may not have many options and we could split an order between more than one counterparty if necessary. Where we find a suitable match, we will either seek your confirmation to proceed before executing or, if you have permitted us to do so, continue without further reference to you.

Cash equities

This asset class specific policy provides further details with regards to the application of best execution in relation to cash equity instruments, which include: common stock, rights, warrants, preference shares, American depository receipts (ADRs) and global depository receipts (GDRs) (collectively referred to as Cash Equities). This policy is an appendix to the overarching MSF Client Order Execution Policy and should be read in conjunction with that document.

The origins of orders placed with the Equities Desks can be either manual or electronic. Manual or voice execution orders are client instructions to trade that typically originate from phone calls or instant messaging. Electronic orders are transmissions of client instructions to trade via the messaging protocol FIX.

MSF usually executes transactions in cash equities as agent for the client. As an investment firm, we are obliged to undertake trades in shares admitted to trading on a regulated market or traded on a trading venue on a regulated market, MTF or systematic internaliser save in certain exceptional cases. We have a Direct Market Access arrangement which gives us access to a large number of markets mentioned in Appendix 1 and we may use algorithm to assist us in determining which will provide best execution. Price is usually the driving factor for cash equities although there may be circumstances where priority of execution change. For example, due to a lack of liquidity on a particular venue or across venues where likelihood



of execution and speed will become more important; or where volume discovery is the primary purpose of the order as opposed to price discovery where size will more significant.

Structured products

These products are usually quite bespoke because they are based on clients' needs and we approach banks that we think will be willing to create and enter into them. This process sometimes takes a few days. Therefore, the likelihood of execution is one of the most important factors here.

Repurchase agreements (repos)

We arrange repos on a named give-up basis, meaning that we negotiate the terms of the transaction on your behalf but, once agreed, we step away and you settle directly with your counterparty.

FX Spot

This asset class specific policy provides further details with regards to the application of best execution in relation to FX instruments, which include; FX spots that are "MiFID financial instruments" ("FX spots"), FX forwards that are "MiFID financial instruments" ("FX forwards"), FX swaps and FX options (collectively referred to as "FX transactions"). This policy is an appendix to the overarching [PGM] Client Order Execution Policy and should be read in conjunction with that document.

MSF execute FX Spot orders as agent for the client. We have access to different third-party execution platforms which usually act as systematic internalisers. Price is usually the driving factor for FX Spot orders with the majority of FX pairs being highly liquid.



Appendix 2 "MiFID financial instruments"

The Policy applies to the following "MiFID financial instruments":

1. transferable securities;
2. money-market instruments;
3. units in collective investment undertakings;
4. options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
5. options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event;
6. options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a Regulated Market, an MTF or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;
7. options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of this Appendix 2 and not being for commercial purposes, which have the characteristics of other derivative "MiFID financial instruments";
8. derivative instruments for the transfer of credit risk;
9. financial contracts for differences;
10. options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a Regulated Market, OTF or an MTF; and
11. emission allowances consisting of any units recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme).



Appendix 3 Execution Venues on which MSF places reliance

The list below includes the Execution Venues on which MSF places significant reliance to comply with our Policy. It is made up of the Regulated Markets, MTFs, OTFs and market-makers to which MSF has direct access.

For to avoidance of doubt, the list below as well as the appendices specify the Execution Venues on which the MSF places significant reliance. The list below and the appendices do not specify all the Execution Venues which are available to the MSF.

We use a variety of factors to select the Execution Venues, including the following:³⁴

- (a) the likelihood of any order being executed by such Execution Venue (including the liquidity levels at such Execution Venue);
- (b) the manner by which the Execution Venue manages counterparty credit risk (or where the Execution Venue is itself the counterparty, its creditworthiness); and
- (c) circuit-breakers and other protections offered by such Execution Venue.

We regularly review the Execution Venues and we have implemented internal procedures for monitoring and verifying on an ongoing basis that these Execution Venues are providing the best possible results for our clients.³⁵

The asset class specific Execution venues will provide more information on the main Execution Venues on which MSF executes.³⁶ Furthermore, please note the following:-

- (a) MSF does not unfairly discriminate between Execution Venues or types but will make a decision on an Execution Venue based on a consideration of the execution factors (including as specified in the relevant appendices);
- (b) unless you provide us with Specific Instructions, we do not use any of the Execution Venues in respect of your particular orders regarding "MiFID financial instruments" also for securities financing transactions and other transactions;³⁷
- (c) our own commissions or fees which we charge our clients have no bearing on the manner by which we select the Execution Venues;³⁸
- (d) MSF does not receive any remuneration, discount or non-monetary benefit from routing client orders to a particular Execution Venue which would infringe our regulatory requirements. Furthermore, we will inform you of any inducements we receive from Execution Venues as well as any other monetary and non-monetary benefits;³⁹
- (e) where the MSF applies different fees depending on the Execution Venue, we will explain these differences in sufficient detail to allow you to understand the advantages and disadvantages of the choice of a single Execution Venue;⁴⁰ and

³⁴ Article 66(3)(c) of MiFID Org. Regulation.

³⁵ Article 66(3)(g) of MiFID Org. Regulation.

³⁶ Article 27(5) of MiFID II.

³⁷ Recital (99) of MiFID Org. Regulation.

³⁸ Article 27(2) of MiFID II.

³⁹ (i) Article 27(2) of MiFID II and (ii) Articles 66(6) and 66(7) of MiFID Org. Regulation.

⁴⁰ Article 66(4) of MiFID Org. Regulation.



- (f) where we invite you to choose an Execution Venue, we shall provide you with fair, clear and not misleading information in order to help you choose one Execution Venue over another one factors other than solely the price policy applied by us⁴¹

Execution Venues: Cash Equities

Below we summarise the Execution Venues that are used by MSF, either as a member, via an affiliate or through other third party brokers for transacting **Cash Equities**.

MIC	Venue Name	Type
ALXP	Euronext Paris	Lit
AQXE	Aquis	Lit
ARCX	NYSE Arca	Lit
ASXC	Asx - Center Point	Lit
BAML	BoA/ML ATS	Dark
BARX	Barclays ATS	Dark
BATD	BATS Dark	Dark
BATE	BATS Europe	Lit
BATS	BATS Exchange	Lit
BATY	BATS Y-Exchange, Inc.	Dark
BIDS	BIDS Trading	Dark
BURG	Burgundy Nordic MTF	Lit
CAES	CS Crossfinder	Dark
CDED	Citadel Dark	Dark
CDEL	Citadel Securities ATS	Dark
CHIA	Chi-X Australia	Lit
CHIC	Chi-X Canada ATS	Dark
CHID	Chi-Delta	Dark
CHIJ	Chi-X Asia	Lit
CHIX	Chi-X Europe	Lit
CICX	Citi Cross (Lava)	Dark
DBSX	Deutsche Bank ATS	Dark
EDGA	EDGA Exchange	Lit
EDGX	EDGX Exchange	Lit
ETFP	Electronic Open-End Funds And Etc. Market	Lit
FNSE	First North Stockholm	Lit
GESE	Getco	Dark
GTCO	Getco	Dark
ICBX	Instinet CBX	Dark

⁴¹ (i) COBS 11.2A.25 EU and (ii) Article 66(5) of MiFID Org. Regulation.



IEXG	IEX	Lit
ITGI	ITG – Posit	Dark
JPMX	JPMX	Dark
KMEU	KnightMatch Europe	Dark
KNCM	Knight Capital Markets	Dark
KNEM	Knight Equity Markets LP	Dark
LEVL	Level ATS	Dark
LIQU	Liquidnet Systems	Dark
MAQX	Macquarie Internal Markets	Dark
MATN	Match Now	Dark
MTAA	Milan Stock Exchange	Lit
NEOE	Aequitas Neo Exchange	Dark
NYFX	NYFIX Millennium ATS	Dark
OMGA	Omega ATS	Lit
PDQX	PDQ ATS	Dark
PURE	Pure Trading	Lit
SBIJ	Sbi Japannext-J-Market	Lit
SGMA	Sigma X	Dark
SGMX	Sigma X	Dark
TMXS	TMX Select	Lit
TRQM	Turquoise Dark	Dark
TRQX	Turquoise	Lit
UBSA	UBS ATS	Dark
VTEX	VortEx	Dark
WBAH	Wiener Boerse Ag Amtlicher Handel (Official Market)	Lit
XAIM	Aim Italia – Mercato Alternativo Del Capitale	Lit
XAMS	Euronext Amsterdam	Lit
XASE	NYSE Mkt Llc	Lit
XASX	Australian Stock Exchange.	Lit
XATH	Athens Exchange S.A. Cash Market	Lit
XATS	Alpha Exchange	Lit
XBOS	NASDAQ OMX BX	Lit
XBRU	Euronext Brussels	Lit
XBUD	Budapest Stock Exchange	Lit
XCIS	National Stock Exchange	Lit
XCSE	Omx Nordic Exchange Copenhagen A/S	Lit
XCX2	ChiX CX2	Dark
XDUB	Irish Stock Exchange	Lit



XETD	Xetra International Market - Open Market	Lit
XETR	Xetra	Lit
XHEL	Nasdaq OMX Helsinki	Lit
XHKG	Hong Kong Exchange	Lit
XICX	Instinet Canada Cross	Dark
XJSE	Johannesburg Stock Exchange	Lit
XLIS	Euronext Lisbon	Lit
XLON	London Stock Exchange	Lit
XLUX	Luxembourg Stock Exchange	Lit
XMAD	Bolsa De Madrid	Lit
XMCE	Madrid Stock Exchange	Lit
XMLI	Euronext Paris	Lit
XNAS	Nasdaq	Lit
XNMS	NASDAQ NMS	Lit
XNYS	New York Stock Exchange	Lit
XNZE	New Zealand Exchange Ltd	Lit
XOSL	Oslo Bors Asa	Lit
XOTC	OTC Bulletin Board	OTC
XPAR	Euronext Paris	Lit
XPHL	Nasdaq Omx Phlx	Lit
XPRA	Prague Stock Exchange	Lit
XQMH	Scoach Switzerland	Lit
XSES	Singapore Exchange	Lit
XSGA	SG Alpha-Y	Dark
XSMP	Smartpool	Dark
XSTO	Nasdaq OMX Stockholm	Lit
XSWX	Swiss Exchange	Lit
XTAE	Tel Aviv Stock Exchange	Lit
XTKS	Tokyo Stock Exchange	Lit
XTSE	Toronto Stock Exchange	Lit
XTSX	Tsx Venture Exchange	Lit
XUBS	UBS MTF	Dark
XVTX	Six Swiss Exchange Ag	Lit
XWAR	Warsaw Stock Exchange/Equities/Main Market	Lit



Execution Venues: Exchange Traded Derivatives

Below we summarise the Execution Venues that are used by MSF, either as a member, via an affiliate or through other third-party brokers for transacting **Exchange Traded Derivatives**.

CBOT - CME Group
CME – CME Group
COMEX - CME Group
NYMEX - CME Group
CBOE
CFE – CBOE Futures Exchange
Eurex
ICE Futures Canada
ICE Futures Europe
ICE Futures US
IDEM – Borsa Italiana
London Metal Exchange
MEFF
NASDAQ OMX Stockholm AB
NYSE Euronext Amsterdam
NYSE Euronext Brussels
NYSE Euronext Lisbon
NYSE Euronext Paris
OSE
SGX - Singapore Stock Exchange Securities Trading Limited
SFE – Sydney Futures Exchange
TMX – Toronto
TSE

Execution Venues: Cash Bonds

Below we summarise the Execution Venues that are used by MSF, either as a member, via an affiliate or through other third-party brokers for transacting **Cash Bonds**.

E-Speed
MTF NLX
OTF MSF

Execution Venues: OTC Derivatives

Below we summarise the Execution Venues that are used by MSF for transacting **OTC Derivatives**. OTC Derivatives include **Interest Rate Derivatives, Equity Derivatives, Swap and other OTC Derivatives**.

OTF MSF
