

**CANTOR FITZGERALD IRELAND LTD**

**BEST EXECUTION  
&  
ORDER EXECUTION POLICY**

**December 2020**

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## 1. Introduction

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This document provides important information and sets out how Cantor Fitzgerald Ireland Ltd (“CFIL”) obtains best execution for its clients as defined in MiFID II.

The Markets in Financial Instruments Directive (“MiFID II”) came into effect on 03 January 2018.

MiFID II as transposed into Irish Law by means of Statutory Instrument No.375/2017, requires that CFIL have in place and operate an Order Execution Policy such that when:

- executing applicable Client Orders or
- receiving and transmitting Client Orders

on behalf of our clients in respect of financial instruments covered by MiFID II, that CFIL takes all sufficient steps to obtain the best possible result (“BPR”) on a consistent basis (“Best Execution”).

This policy should take into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order..

## 2. Client Orders & Specific Instructions

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CFIL considers itself to be in receipt of a Client Order when a Client gives us a trading instruction that requires CFIL to complete an investment transaction on the Client’s behalf. The price achieved or other aspects of the transaction may be affected by how CFIL executes the order, for example where:

- an agency obligation exists, or
- we ‘work’ a trading instruction on a Client’s behalf either on a principal or riskless principal basis, or
- we place orders with entities for execution that result from decisions by us to deal in financial instruments on a Client’s behalf when providing portfolio management services to said Client.

CFIL is not under an obligation to provide Best Execution if in relation to a particular order or business, we define the client as an Eligible Counterparty (‘ECP’) or if we negotiate the terms of a transaction acting as principal on our own account, and the client is not placing reliance on CFIL for best execution.

CFIL is also not obliged to provide Best Execution when Dealing on a Request for Quote (‘RFQ’) basis (professional clients only) and trades for non-standard settlement.

### Specific Client Instructions

**WARNING: If a Retail or Professional Client provides CFIL with a specific instruction to deal it may prevent us from following our Order Execution Policy which is designed to obtain the best possible result for the Client on a consistent basis, taking into account the factors outlined below. Where the Client’s instructions relate only to a part of the order, then we may follow the Order Execution Policy for those parts of the order not covered by such instructions.**

## 3. Execution Factors

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Where CFIL executes Client Orders and owes a duty of Best Execution, all sufficient steps will be taken to obtain the best possible execution result on a consistent basis taking into account the following Execution Factors:

- price,
- cost,
- speed of execution,
- likelihood of execution and settlement reliability,
- order size,
- nature of Client Order or any other consideration relevant to the execution of the Client Order.

While the weighting and relevance of these factors may vary, price will ordinarily merit a high relative importance in obtaining the BPR for a Client. Where CFIL executes an order on behalf of a retail client, the BPR will be determined in terms of the total consideration i.e. price of the financial instrument and the costs related to execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

However, markets, instruments and transaction types vary greatly in terms of liquidity, depth, transparency, certainty, ease and speed of execution etc. CFIL may therefore take into consideration other Execution Criteria that alter

the relative importance of execution elements (execution criteria other than price may assume equal or greater importance) and thereby permit CFIL the required flexibility to cater for Clients with differing priorities and execute orders based on other factors that will result in CFIL acting in the best interest of the client. Such Execution Criteria may include, but are not limited to:

- The client's status as a retail client or a professional client;
- Prevailing market conditions, including when a fast market is declared Business continuity event
- Characteristics of the Client,
- Characteristics, size and settlement terms of the Client Order,
- Characteristics of the financial instruments that are subject of the Client Order,
- Characteristics of the execution venues to which that Client Order can be directed; and
- Whether the client has provided any specific instruction.
- Trading Over the Counter ('OTC') execution as opposed to an execution on a trading venue.

Based on the above Execution Factors and Execution Criteria, and subject to any specific client instruction, CFIL will exercise discretion, based on market experience, knowledge, commercial judgement, the relevant Security and the type of Client Order to obtain the BPR with regards to the execution of a Client Order.

#### **4. Execution Venues & Instruments**

MiFID II requires, in the context of our order execution policy, that for each financial instrument in which we execute orders, that CFIL utilise those venues (sources of liquidity) that we consider, according to our ongoing assessment, enable us to obtain, on a consistent basis the BPR for client orders. Currently, when executing Client Orders, CFIL typically place significant reliance on the execution venues and brokers/Counterparties listed in Appendix I.

We will include those venues that we believe enable us to provide the client with the BPR on a consistent basis. We may transmit client orders to another broker or dealer for execution. In the event we receive a client order and transmit this order to a third party for execution

we will ensure that the price obtained, based on cost, speed, and likelihood of execution will be the most competitive. Clients should be aware that for certain types of financial instrument there may be only one execution venue available to us. When we execute against CFIL's own book we will review the quality of our own execution in the same way that we review other execution venues.

Appendix I contains those execution venues in regard of which CFIL places significant reliance. It is not an exhaustive list. When choosing an execution venue, CFIL will focus primarily on the quality of execution and reliability of the venue followed by the costs of that venue. While the venues selected may not always offer the most favourable prices, the client's order will always be executed in the overall requirement of BPR on a consistent basis.

#### **Equities & ETFs:**

CFIL executes Irish and UK equities & ETFs on Exchanges in Europe and UK either directly on order book or off order book. Additionally CFIL may transmit orders to a third party broker. For central European and rest of world equity & ETF orders, CFIL predominantly transmits orders to a third party broker. CFIL may also execute via MTF's. CFIL notes that orders can be transmitted to affiliate CFE.

#### **Fixed Income Securities**

CFIL executes Irish Government Bonds against CFIL's own book. CFIL acts as a primary dealer and Systematic Internaliser in Irish Government Bonds.

For EU/UK and rest of world Fixed Income orders, CFIL predominantly transmits orders to third party brokers with the inclusion of CFIL. CFIL may also execute on an adhoc basis other EU Government and EU/UK Bank Bonds with CFIL and MTFs/Market Makers.

#### **Contracts for Difference and Spreadbets**

Orders are executed through CFIL or regulated financial institutions acting as Contracts for Difference ("CFD") and Spreadbetting providers. Clients trading CFDs or Spreadbets will have an existing account with one of the providers

#### **Collective Investment Schemes**

Units for Collective Investment Schemes are transmitted Pershing's fund platform or to the secondary market direct with the Transfer

Agency for the fund. These are traded based on the available NAV entry price (either daily, weekly or monthly), and are subject to cut off times. For these orders CFIL gives consideration to:

- Speed and the efficiency of the transmission
- Speed of confirmation of execution as this can vary on the fund in question
- the efficiency of settlement. The settlement of an order of this type can vary depending on the fund in question
- Type of order: the characteristics of a 'Fund Switch' order can differ from an outright order.

### **Structured Products/Structured Deposits**

Trades are negotiated on a bi-lateral basis and executed off-exchange in line with the specific instructions received from the client who receives the full terms in advance of any instruction. Counterparties for these products are reviewed for efficiency of execution, breadth of selection and counterparty risk for clients.

### **OTC Equities**

OTC equities are no longer offered as an investment by CFIL: only exit trades are permitted and we follow normal best execution procedures to the extent limited by the reduced number of counterparties. For these trades, CFIL may change the priority of the execution factors.

### **Non Standard Settlement**

For non-standard settlement orders, CFIL will use best endeavors to achieve BPR. For these orders CFIL may change the priority of execution

### **Trading outside a Regulated Market, Multilateral Trading Facility or Organised Trading Facility**

CFIL will predominately execute financial instruments on a regulated market, Multilateral Trading Facility ("MTF"), Systematic Interdealer ("SI") or Organised Trading Facility ("OTF"). CFIL may also, on an adhoc and irregular basis, to obtain BPR for the Client, transact orders outside these venues. CFIL may execute a Client Order against a principal position, or facilitate an agency cross.

Clients provision of an order to CFIL is an express consent to this Order Execution Policy.

CFIL regularly assess execution venues and may use additional venues where we deem it appropriate in order to provide BPR on a consistent basis or in regard of a specific order.

Clients will be notified of changes to Execution Venues on which CFIL places significant reliance when executing Client Orders, by the posting of updates on our website, [www.cantorfitzgerland.ie](http://www.cantorfitzgerland.ie). Clients should, therefore, periodically refer to this website for updates.

## **5. Methodology**

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Having assessed the relevant Execution Factors and Execution Criteria, and in consideration of any specific instructions provided by the Client, we will select the most appropriate Execution Venue to achieve consistently the BPR on the Client's behalf.

## **6. Order Handling**

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In accordance with MiFID II client order handling rules, CFIL has order handling procedures and an execution arrangements policy in place. This is to provide for the prompt, fair and expeditious execution of client orders. CFIL ensures that client orders are executed in a prompt, fair and efficient manner.

## **7. Aggregation of Orders**

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CFIL may aggregate orders, subject to our Order Allocation Policy and our Conflicts of Interest policy for us or our Parent, Associate or Affiliate) to be executed in one or several tranches if, due to demand conditions, several orders may be settled at an average price that CFIL considers generally favorable. Aggregation may, in some cases, work to the disadvantage of a particular order. When executed, aggregated orders will, to the extent possible, be allocated to clients on the trade date at the calculated average price. If aggregated orders can be executed only in part,

CFIL will allocate the partial execution to the participants in proportion to the size and conditions of their orders.

Order Execution Policy by the posting of updates on [www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie). Clients should, therefore, periodically refer to this website for updates.

## **8. Reception and Transmission of Orders**

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Subject to any specific instructions given to CFIL by the Client, we may transmit an order that we receive from the Client to another entity affiliated to CFIL or to an external entity (such as a third party broker) for execution where it is decided that this method is more likely to achieve the BPR. When we transmit such orders we remain obligated to ensure BPR for the Client. CFIL will regularly review and monitor the standards of execution received from third party brokers and affiliates.

## **9. Publishing Limit Orders**

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If a Client gives a limit order, being an order at a specified price limit or better and for a specified minimum fill size, then it may not always be possible to execute that order under the prevailing market conditions.

MiFID II requires CFIL to make the Client's order public (i.e. show the order to the market) unless the Client agrees that we need not do so. We believe that it is in the Client's best interests if we exercise our discretion as to whether or not we make client orders public and by consenting to this Order Execution Policy the Client agrees to not making that Client's orders public.

## **10. Monitoring & Review of the Order Execution Policy**

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CFIL will monitor the effectiveness of its order execution arrangements and the Order Execution Policy on an annual basis or where a material change occurs to it and assess, on a regular basis, whether the execution venues included in the Order Execution Policy provide BPR for the client, or whether changes to the execution arrangements need to be made.

CFIL will notify Clients of material changes to our order execution arrangements and our

## **11. Consent & Communication**

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CFIL is required to obtain the client's prior consent to the Order Execution Policy. Prior consent to this Order Execution Policy will be deemed to have been received when a client places an order with CFIL on or after the date of website upload of this Policy. In addition, by completing a CFIL client Application Form, including terms and conditions thereto, the client is providing their consent to the Order Execution Policy and inter-alia agreeing their order can and will be executed pursuant to this policy.

## **12. Publication of Annual and Quarterly Reports on Best Execution**

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CFIL publishes (in accordance with Regulatory Technical Standards ("RTS 28")) a summary of the top five execution venues and brokers to which all client orders are routed during the preceding year. This information contains a summary on the quality of execution and will be made available on our website:

[www.cantorfitzgerald.ie/important-disclosures](http://www.cantorfitzgerald.ie/important-disclosures)

As a systematic internaliser in Irish Government Bonds CFIL publishes (in accordance with Regulatory Technical Standards ("RTS 27")) on our website, information on the quality of our execution on a quarterly basis.

## **13. Vulnerable customer policy**

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It is CFIL's policy to promote practices that prevent detriment to our customers and ensure their best interests are safeguarded in line with our vulnerable customer policy.

## Appendix I

Schedule of Execution Venues and Executing Brokers where CFIL places significant reliance for the execution of client orders.

Counterparty Name	Irish Equities	UK Equities	European Equities	Non-European Equities	Bonds & Fixed Income Securities	CFDs
<b>Top Execution Venues</b>						
Cantor Fitzgerald Ireland Limited					•	
TradeWeb Europe Limited					•	
MTS Cash domestic Market Ireland					•	
BGC – OTF					•	
BFC - MTF					•	
Bloomberg MTF					•	
Irish Stock Exchange	•	•			•	
London Stock Exchange	•	•			•	
<b>Top Executing Brokers / Counterparties</b>						
Arden Partners Plc		•	•			
Bankhaus Neelmeyer AG		•	•			
Banque Internationale A Lux SA		•	•			
Barclays Capital		•	•			
Blackbee Investments Ltd		•	•			
BMO Capital Markets Limited		•	•			
BNP Paribas		•	•			
Canaccord Genuity Limited		•	•			
Cantor Fitzgerald Europe	•	•	•	•		
Cantor Fitzgerald + Co				•		
Cenkos Securities Limited		•	•			
CMC Markets		•	•			•
Commerzbank AG		•	•			
Credit Suisse		•	•			
EFG Private Bank Limited		•	•			
Exane SA		•	•			
Finncap Ltd		•	•			
Goodbody Stockbrokers	•	•	•			
Haitong Bank SA		•	•			
HSBC Bank Plc		•	•			
IG Markets Limited	•	•	•			•
Investec Capital + Investments	•	•	•			
J+E Davy	•	•	•			

Counterparty Name	Irish Equities	UK Equities	European Equities	Non-European Equities	Bonds & Fixed Income Securities	CFDs
Jarvis		•	•			
Jefferies International Ltd		•	•			
Kempen + Co NV		•	•			
Killik + Co		•	•			
Liberum Capital Ltd		•	•			
Monecor (London) Ltd		•	•			
Morgan Stanley Int London		•	•			
Natixis		•	•			
Novum Securities Limited Agenc		•	•			
Nplus1 Singer Capital Markets		•	•			
Numis		•	•			
Panmure Gordon (Uk) Limited		•	•			
Peel Hunt LLP		•	•			
Pershing Securities Ltd	•	•	•	•		
RBC Dexia Investor Services		•	•			
RBC Europe Limited		•	•			
Shore Capital Stockbrokers Ltd		•	•			
Societe Generale		•	•			
Stifel Nicolaus Europe Limited		•	•			
Stockdale Securities Limited		•	•			
The Bank Of New York Mellon		•	•			
UBS AG		•	•			
Virtu Financial Ireland Ltd	•	•	•	•		
WH Ireland Limited	•	•	•			
Winterflood Securities Ltd	•	•	•	•	•	